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CITY AND COUNTY OF SAN FRANCISCO

ENDORSED
FILED
Superior Court of California
County of San Francisco
MAY 06 2016
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BY: ARLENE RAMOS
Deputy Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN FRANCISCO

UNLIMITED JURISDICTION

PEOPLE OF THE STATE OF CALIFORNIA, ex rel. DENNIS J. HERRERA, City Attorney for the City and County of San Francisco, and CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation,

Plaintiffs,

vs.

STEPHENS INSTITUTE, d/b/a ACADEMY OF ART UNIVERSITY, a California corporation; 2300 STOCKTON STREET, LLC, a Delaware limited liability company; 1916 OCTAVIA STREET, LLC, a Delaware limited liability company; 1153 BUSH STREET, LLC, a Delaware limited liability company; 2209 VAN NESS AVENUE, LLC, a Delaware limited liability company; 1835 VAN NESS AVENUE, LLC, a Delaware limited liability company; 1080 BUSH STREET, LLC, a Delaware limited liability company; 1069 PINE STREET, LLC, a Delaware limited liability company; 1055 PINE STREET, LLC, a Delaware limited liability company; 60 FEDERAL STREET, LLC, a Delaware limited liability company;

Case No. CGC-16-551832

COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

[REAL PROPERTY]

Type of Case: Other Complaint (42)

491 POST STREET, LLC, a Delaware limited liability company; 701 CHESTNUT STREET LLC , a Delaware limited liability company; 860 SUTTER STREET, LLC, a Delaware limited liability company; S/F 466 TOWNSD, LLC, a Delaware limited liability company; 620 RSSE, LLC, a Delaware limited liability company; 2151 VAN NESS AVENUE, LLC, a Delaware limited liability company; 2211 VAN NESS AVENUE, LLC, a Delaware limited liability company; 825 SUTTER STREET, LLC, a Delaware limited liability company; 601 BRANNAN STREET, LLC, a Delaware limited liability company; 1727 LOMBARD II, LLC, a Delaware limited liability company; 2225 JERROLD AVENUE, LLC, a Delaware limited liability company; 460 TOWNSEND STREET, LLC, a Delaware limited liability company; 950 VAN NESS AVENUE, LLC, a Delaware limited liability; 2801 LEAVENWORTH-CANNERY, LLC, a Delaware limited liability company; and DOE ONE through DOE FIFTY, inclusive,

Defendants.

The PEOPLE OF THE STATE OF CALIFORNIA, ex rel. DENNIS J. HERRERA, City Attorney for the City and County of San Francisco ("PEOPLE"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, ("CITY"), (collectively, "PLAINTIFFS") file this complaint against STEPHENS INSTITUTE, d/b/a ACADEMY OF ART UNIVERSITY, a California corporation ("AAU"); 2300 STOCKTON STREET, LLC, a Delaware limited liability company; 1916 OCTAVIA STREET, LLC, a Delaware limited liability company; 1153 BUSH STREET, LLC, a Delaware limited liability company; 2209 VAN NESS AVENUE, LLC, a Delaware limited liability company; 1835 VAN NESS AVENUE, LLC, a Delaware limited liability company; 1080 BUSH STREET, LLC, a Delaware limited liability company; 1069 PINE STREET, LLC, a Delaware limited liability company; 1055 PINE STREET, LLC, a Delaware limited liability company; 60 FEDERAL STREET, LLC, a Delaware limited liability company; 491 POST STREET, LLC, a Delaware limited liability company; 701 CHESTNUT STREET LLC , a Delaware limited liability company; 860 SUTTER STREET, LLC, a Delaware limited liability company; S/F 466 TOWNSD, LLC, a Delaware limited liability company; 620 RSSE, LLC, a Delaware limited liability company; 2151 VAN NESS AVENUE, LLC, a Delaware limited liability company; 2211 VAN NESS AVENUE, LLC, a Delaware limited liability company; 825 SUTTER STREET, LLC, a Delaware limited liability company; 601 BRANNAN STREET, LLC, a Delaware limited liability company; 1727 LOMBARD II, LLC, a Delaware limited liability company; 2225 JERROLD AVENUE, LLC, a Delaware limited liability company; 460 TOWNSEND STREET, LLC, a Delaware limited liability company; 950 VAN NESS AVENUE, LLC, a Delaware limited liability; 2801 LEAVENWORTH-CANNERY, LLC, a Delaware limited liability company (collectively "LLCs"); and DOE ONE through DOE FIFTY (collectively, "DEFENDANTS").

PLAINTIFFS hereby allege as set forth below:

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INTRODUCTION

1. This case is about Defendant AAU's widespread, longstanding, and blatant disregard for the San Francisco Planning Code ("Planning Code"). Defendant AAU, through its real estate scheme described below, has cavalierly changed the use of over 22 buildings in San Francisco in violation of the Planning Code. Defendant AAU acquired buildings that are zoned and permitted for use as apartments and other residential purposes, only to convert them unlawfully to student dorms, depriving San Francisco of critical housing stock, especially affordable housing. Defendant AAU's unlawful real estate scheme has resulted in the loss to San Francisco of more than 300 residential units. Defendant AAU also acquired buildings with office space, only to unlawfully covert them to classrooms and shrink the amount of already scarce office space available for San Francisco businesses. Worse, Defendant AAU did all of this without seeking or receiving the required authorization for its changes in use from the City. Indeed, over one-third of the buildings Defendant AAU unlawfully converted would require changes to the Planning Code to bring the new uses into lawful code compliance.

2. Defendant AAU has expanded for the financial benefit of its founder's family. But in so doing, AAU has ignored the needs of San Francisco as a whole, the rules that apply to every other person and institution, and the legal requirements San Francisco has placed in particular on educational institutions such as Defendant AAU. Defendant AAU appears to believe that, because it is one of the City's largest property owners operating a rapidly growing for-profit educational business, it is above the law. It is not. This case simply seeks to hold Defendant AAU, and those acting in concert with Defendant AAU, to the same rules that apply to everyone else, and to remedy the serious damage Defendant AAU has caused San Francisco and its residents.

3. Defendant AAU is an institution that claims to be the country's largest private accredited art university. What started out as a small family-owned endeavor to train students for jobs in ad agencies, has grown into the largest for-profit private arts university in the United States, and one of the single largest land owners in San Francisco. Along the way, Defendant AAU has experienced enormous growth in its enrollment and resulting profits, due in large part to the rapid physical expansion to over 40 locations within San Francisco.

4. The President of Defendant AAU, Elisa Stephens, is the granddaughter of the school's founder. Since she took over as President in 1992, enrollment has swelled from 5,000 to a peak of 18,000 students. To accommodate this dramatic growth in student enrollment, Elisa Stephens and her family embarked on an aggressive scheme to acquire buildings throughout San Francisco, and convert them to a variety of uses for their benefit and the benefit of Defendant AAU. All of these acquisitions were made through trusts or limited liability companies that are ultimately managed and controlled by Elisa Stephens and her family.

5. Defendant AAU is a Post-Secondary Educational Institution as defined under the Planning Code. The Planning Code imposes specific restrictions and requirements on such Educational Institutions. Undeterred by these and other laws governing the use and occupancy of buildings in San Francisco, Defendant AAU has converted and maintained over 22 commercial and residential buildings in violation of express provisions of the Planning Code. Even after the San Francisco Planning Department ("Department") notified Defendant AAU of the violations, Defendant AAU continued to acquire, convert, use, and maintain their properties in violation of the law.

6. In implementing their real estate scheme for profit, Defendant AAU, and other defendants have flagrantly ignored and flouted the zoning restrictions applicable to their properties that govern all San Francisco property owners. Defendant AAU and other defendants have deprived the public of notice and an opportunity to be heard on significant changes in use of property in their neighborhoods, a process that applies to all other owners of property within the City and County of San Francisco. And, at a time when San Francisco is confronting a severe housing shortage, especially affordable housing, Defendant AAU and other defendants have illegally converted hundreds of units of affordable housing, including former apartments and group housing units, to student housing and other non-residential uses, exacerbating the already scarce supply of affordable housing.

7. Enough is enough. After years of deliberate noncompliance in the face of notice that their uses violated the law, repeated missed deadlines, and recurrent unfulfilled promises, it is time for Defendant AAU and all other defendants to bring their properties into compliance with the law. In particular, Defendants must return the many housing units they unlawfully displaced to San Francisco's affordable housing stock.

PARTIES

8. Plaintiff PEOPLE, by and through Dennis J. Herrera, City Attorney for the City and County of San Francisco, bring this action pursuant to Business and Professions Code sections 17200-17210, Code of Civil Procedure sections 526, 527(a), and 731, and Civil Code sections 3479, 3480, 3491, and 3494.

9. Plaintiff CITY is a municipal corporation organized and existing under and by virtue of the laws of the State of California. Plaintiff CITY brings this action under San Francisco Charter section 6.102, and Planning Code sections 176(a), 176(c)(2), and 176.1(b).

10. Defendant AAU is a privately owned, for-profit art and design school based in San Francisco, and is worth an estimated $300 million dollars. Defendant AAU's executive and administrative offices are located at 79 New Montgomery Street, San Francisco, California 94105. PLAINTIFFS are informed and believe, and based on such information and belief allege, that Elisa Stephens, Richard A. Stephens, Susanne Stephens, and Scott A. Stephens own, control, and/or manage the Stephens Institute.

11. Defendant 2300 STOCKTON STREET, LLC, a Delaware limited liability company, acquired 2340 Stockton Street (also known as 2300 Stockton Street), San Francisco, California, Assessor's Block 0018, Lot 004, on or about March 17, 2011, from Richard A. Stephens and Susanne Stephens, as Trustees under the Stephens Family Revocable Trust under the Amended and Restated Declaration of Trust dated March 15, 2007, who in turn had acquired title as Richard A. Stephens and Susanne Stephens, Trustees of the Declaration of Trust of the Stephens Family Trust dated July 23, 1990. No transfer tax was paid on the transfer to Defendant 2300 STOCKTON STREET, LLC, as Richard A. Stephens and Susanne Stephens, Trustees, declared that no such tax was due pursuant to California Revenue and Taxation Code section 11925(d) ("Section 11925(d)"). That section provides a waiver where the property transfer is between an individual or individuals and a legal entity that results solely in a change in the method of holding title to the property and in which proportional ownership interests in the property remain the same immediately after the transfer. Previously, the Stephens Family Revocable Trust acquired 2340 Stockton Street from Richard A Stephens, a married man, as his separate property, on or about October 29, 1990, and no transfer tax was paid on the

transfer to the Stephens Family Revocable Trust because Richard A. Stephens declared the conveyance transferred the grantor's interest into a revocable living trust under California Revenue and Taxation Code section 11911 ("Section 11911"). Richard. A. Stephens acquired 2340 Stockton Street on or about June 20, 1986, from Otis Elevator Company, a corporation. PLAINTIFFS are informed and believe, and based on such information and belief allege, that the Stephens Family Revocable Trust under the Amended and Restated Declaration of Trust dated March 15, 2007, is the only member of Defendant 2300 STOCKTON STREET, LLC.

12. Defendant 1916 OCTAVIA STREET, LLC, a Delaware limited liability company, acquired 1916 Octavia Street, San Francisco, California, Assessor's Block 0640, Lot 011, on or about March 18, 2011, from Elisa Stephens, as Trustee of the Elisa Stephens Revocable Trust under the Amended and Restated Declaration of Trust dated July 16, 2002, who acquired title as Elisa Stephens, Trustee of the Elisa Stephens Revocable Trust dated December 29, 1995, and Scott Alan Stephens, as Trustee of the Scott Alan Stephens Revocable Trust under the Amended and Restated Declaration of Trust dated October 16, 2003. No transfer tax was paid on the transfer to Defendant 1916 OCTAVIA STREET, LLC, as Elisa Stephens and Scott Alan Stephens, Trustees, declared that no such tax was due pursuant to Section 11925(d). Previously, Elisa Stephens and Scott Alan Stephens, Trustees, acquired 1916 Octavia Street from Elisa Stephens, an unmarried woman, and Scott A. Stephens, an unmarried man, on or about August 26, 1996. No transfer tax was paid on the transfer to Elisa Stephens and Scott Alan Stephens, Trustees, as Elisa Stephens and Scott Alan Stephens declared that no such tax was due pursuant to Section 11911. Elisa Stephens and Scott Alan Stephens previously acquired 1916 Octavia Street on or about August 28, 1995, from Oak Cliff Financial, Inc., a Delaware Corporation. PLAINTIFFS are informed and believe, and based on such information and belief allege, that the Elisa Stephens Revocable Trust under the Amended and Restated Declaration of Trust dated July 16, 2002, and the Scott Alan Stephens Revocable Trust under the Amended and Restated Declaration of Trust dated October 16, 2003, are the only members of Defendant 1916 OCTAVIA STREET, LLC.

13. Defendant 1153 BUSH STREET, LLC, a Delaware limited liability company, acquired 1153 Bush Street, San Francisco, California, Assessor's Block 0280, Lot 026, on or about July 28,

2014, from Elisa Stephens, a married woman who acquired title as an unmarried woman. No transfer tax was paid on the transfer to Defendant 1153 BUSH STREET, LLC, as Elisa Stephens declared that no such tax was due pursuant to Section 11925(d). Elisa Stephens previously acquired 1153 Bush Street on or about August 3, 1998, from New Education Development Systems, Inc., a California Corporation. PLAINTIFFS are informed and believe, and based on such information and belief allege, that Elisa Stephens is the only member of Defendant 1153 BUSH STREET, LLC.

14. Defendant 2209 VAN NESS AVENUE, LLC, a Delaware limited liability company, acquired 2209 Van Ness Avenue, San Francisco, California, Assessor's Block 0570, Lot 029 on or about March 18, 2011, from Elisa Stephens, a married woman as her sole and separate property and Scott Alan Stephens, a married man as his sole and separate property. No transfer tax was paid on the transfer to Defendant 2209 VAN NESS AVENUE, LLC, as Elisa Stephens and Scott Alan Stephens declared that no such tax was due pursuant to Section 11925(d). Elisa Stephens and Scott Alan Stephens previously acquired 2209 Van Ness Avenue as a single woman and single man, respectively, on or about January 14, 1998 from Albion Pacific Properties, LLC. Plaintiffs are informed and believe, and based on such information and belief allege, that Elisa Stephens and Scott Alan Stephens are the only members of Defendant 2209 VAN NESS AVENUE, LLC.

15. Defendant 1835 VAN NESS AVENUE, LLC, a Delaware limited liability company, acquired 1849 Van Ness Avenue (also known as 1835 Van Ness Avenue), San Francisco, California, Assessor's Block 0618, Lot 001 & 001B, on or about November 22, 2011, from Elisa Stephens, a married woman as her sole and separate property and Scott A. Stephens, a married man as his sole and separate property. No transfer tax was paid on the transfer to Defendant 1835 VAN NESS AVENUE, LLC, as Elisa Stephens and Scott A. Stephens declared that no such tax was due pursuant to Section 11925(d). Elisa Stephens and Scott A. Stephens previously acquired 1849 Van Ness Avenue as a single woman and single man, respectively, on or about May 18, 1998 from Tage M. Kristensen. PLAINTIFFS are informed and believe, and based on such information and belief allege, that Elisa Stephens and Scott A. Stephens are the only members of Defendant 1835 VAN NESS AVENUE, LLC, and that Elisa Stephens serves as the managing member of Defendant 1835 VAN NESS AVENUE, LLC.

16. Defendant 1080 BUSH STREET, LLC, a Delaware limited liability company, acquired 1080 Bush Street, San Francisco, California, Assessor's Block 0276, Lot 015, on or about March 18, 2011, from Elisa Stephens, as Trustee of the Elisa Stephens Revocable Trust under the Amended and Restated Declaration of Trust dated July 16, 2002, who acquired title as Elisa Stephens, Trustee of the Elisa Stephens Revocable Trust dated December 29, 1995, and Scott Alan Stephens, as Trustee of the Scott Alan Stephens Revocable Trust under the Amended and Restated Declaration of Trust dated October 16, 2003, respectively. No transfer tax was paid on the transfer to Defendant 1080 BUSH STREET, LLC, as Elisa Stephens and Scott Alan Stephens, Trustees, declared that no such tax was due pursuant to Section 11925(d). Elisa Stephens and Scott A. Stephens, Trustees, previously acquired 1080 Bush Street on or about September 27, 1999 from Shearwater Partners, LLC a California Limited Liability Company. PLAINTIFFS are informed and believe, and based on such information and belief allege, that the Elisa Stephens Revocable Trust under the Amended and Restated Declaration of Trust dated July 16, 2002 and the Scott Alan Stephens Revocable Trust under the Amended and Restated Declaration of Trust dated October 16, 2003, are the only members of Defendant 1080 BUSH STREET, LLC.

17. Defendant 1069 PINE STREET, LLC, a Delaware limited liability company, acquired 1069-1077 Pine Street, San Francisco, California, Assessor's Block 0275, Lot 008, on or about March 18, 2011, from Elisa Stephens, as Trustee of the Elisa Stephens Revocable Trust under the Amended and Restated Declaration of Trust dated July 16, 2002, who acquired title as Elisa Stephens, Trustee of the Elisa Stephens Revocable Trust dated December 29, 1995, and Scott Allan Stephens, as Trustee of the Scott Alan Stephens Revocable Trust under the Amended and Restated Declaration of Trust dated October 16, 2003. No transfer tax was paid on the transfer to Defendant 1069 PINE STREET, LLC, as Elisa Stephens and Scott Stephens, Trustees, declared that no such tax was due pursuant to Section 11925(d). Elisa Stephens previously acquired 1069 Pine Street on or about August 28, 2000, as Trustee of the Elisa Stephens Trust Under Declaration of Trust dated December 29, 1995, and as trustee of the Scott A. Stephens Trust, Under Declaration of Trust Dated April 18, 1996, from Arthur Giovara and Colleen Giovara, husband and wife. PLAINTIFFS are informed and believe, and based on such information and belief allege, that the Elisa Stephens Revocable Trust under the Amended and

Restated Declaration of Trust dated July 16, 2002, and the Scott Alan Stephens Revocable Trust under the Amended and Restated Declaration of Trust dated October 16, 2003, are the only members of Defendant 1069 PINE STREET, LLC.

18. Defendant 1055 PINE STREET, LLC, a Delaware limited liability company, acquired 1055 Pine Street, San Francisco, California, Assessor's Block 0275, Lot 009, on or about March 28, 2011, from Elisa Stephens, as Trustee of the Elisa Stephens Revocable Trust under the Amended and Restated Declaration of Trust dated July 16, 2002, who acquired title as Elisa Stephens, Trustee of the Elisa Stephens Revocable Trust dated December 29, 1995, and Scott Alan Stephens, as Trustee of the Scott Alan Stephens Revocable Trust under the Amended and Restated Declaration of Trust dated October 16, 2003. No transfer tax was paid on the transfer to Defendant 1055 PINE STREET, LLC, as Elisa Stephens and Scott A. Stephens, Trustees, declared that no such tax was due pursuant to Section 11925(d). Elisa Stephens, previously acquired 1055 Pine Street on or about August 28, 2000, as Trustee of the Elisa Stephens Trust Under Declaration of Trust dated December 29, 1995, and as trustee of the Scott A. Stephens Trust, Under Declaration of Trust Dated April 18, 1996, from Arthur Giovara and Colleen Giovara, husband and wife. PLAINTIFFS are informed and believe, and based on such information and belief allege, that the Elisa Stephens Revocable Trust under the Amended and Restated Declaration of Trust dated July 16, 2002, and the Scott Alan Stephens Revocable Trust under the Amended and Restated Declaration of Trust dated October 16, 2003, are the only members of Defendant 1055 PINE STREET, LLC.

19. Defendant 60 FEDERAL STREET, LLC, a Delaware limited liability company, acquired 58-60 Federal Street, San Francisco, California, Assessor's Block 3774, Lot 074, on or about February 25, 2005, from Preferred Bank, a California corporation.

20. Defendant 491 POST STREET, LLC, a Delaware limited liability company, acquired 491 Post Street, San Francisco, California, Assessor's Block 0307, Lot 009, on or about March 18, 2011, from Elisa Stephens and Scott Stephens. Elisa Stephens and Scott Stephens acquired 491 Post Street on or about January 22, 2001, as a married woman as her sole and separate property, and as a married man as his sole and separate property, respectively. No transfer tax was paid on the transfer to Defendant 491 POST STREET, LLC, as Elisa Stephens and Scott Stephens declared that no such tax

was due pursuant to Section 11925(d). Elisa Stephens and Scott Stephens previously acquired 491 Post Street on or about January 18, 2001, from Excipio Real Estate Group, a California Limited Liability Company. No transfer tax was paid on the transfer to Elisa Stephens and Scott Stephens, as Elisa Stephens claimed she and Scott Stephens were members of Excipio Real Estate Group and no such tax was due pursuant to Section 11925(d). Excipio Real Estate Group acquired 491 Post Street on or about January 18, 2001, from First Congregational Church of San Francisco, formerly the First Congregational Society of San Francisco, a religious corporation. PLAINTIFFS are informed and believe, and based on such information and belief allege, that Elisa Stephens and Scott Stephens are the only members of Defendant 491 POST STREET, LLC.

21. Defendant 701 CHESTNUT STREET, LLC, a Delaware limited liability company, acquired 2295 Taylor Street (also known as 701 Chestnut Street), San Francisco, California, Assessor's Block 0066, Lot 001, on or about August 20, 2003, from the San Francisco Art Institute, a California non-profit corporation.

22. Defendant 860 SUTTER STREET, LLC, a Delaware limited liability company, acquired 860 Sutter Street, San Francisco, California, Assessor's Block 0281, Lot 006, on or about August 15, 2003, from Jod-Ral Enterprises, Inc., a California corporation.

23. Defendant S/F 466 TOWNSD, LLC, a Delaware limited liability company, acquired 466 Townsend Street, San Francisco, California, Assessor's Block 3785, Lot 005, on or about August 2, 2005, from Markley San Francisco, LLC, a Delaware limited liability company.

24. Defendant 620 RSSE, LLC, a Delaware limited liability company, acquired 620 Sutter Street, San Francisco, California, Assessor's Block 0283, Lot 004A, on or about December 16, 2008, from Sutter Taylor, LLC, a Nevada limited liability company.

25. Defendant 2151 VAN NESS AVENUE, LLC, a Delaware limited liability company, acquired 2151 Van Ness Avenue, San Francisco, California, Assessor's Block 0575, Lot 015, on or about October 18, 2005, from the Roman Catholic Archbishop of San Francisco, a corporation sole.

26. Defendant 2211 VAN NESS AVENUE, LLC, a Delaware limited liability company, acquired 2211 Van Ness Avenue, San Francisco, California, Assessor's Block 0570, Lot 005, on or about May 10, 2005, from Kham Dinh Tran and Kim Quy N. Tran, husband and wife, as joint tenants.

27. Defendant 825 SUTTER STREET, LLC, a Delaware limited liability company, acquired 817-831 Sutter Street, San Francisco, California, Assessor's Block 0299, Lot 021, on or about November 17, 2006, from Commodore, LLC, a California limited liability company.

28. Defendant 601 BRANNAN STREET, LLC, a Delaware limited liability company, acquired 601-625 Brannan Street, San Francisco, California, Assessor's Block 3785, Lot 132, on or about May 30, 2007, from Thomas A. Price and Gwendolyn L. Price, Trustees of the Price Trust U/T/D October 5, 1984.

29. Defendant 1727 LOMBARD II, LLC, a Delaware limited liability company, acquired 1727 Lombard Street, San Francisco, California, Assessor's Block 0506, Lot 036, on or about August 22, 2007, from Robert Padilla, Dorothy B. McLennan and Robert McLennan, Trustees of the Robert R. Padilla Trust; Robert Padilla, Dorothy B. McLennan and Robert McLennan, Trustees of the Dorothy B. McLennan Trust; Arlene M. Balestreri, Thomas A. Belforte, Joanne L. Belforte, all as individuals, and Arlene M. Balestreri, as Trustee of the Peter and Arlene Balestreri Revocable Living Trust dated April 25, 1994, and Jo Ann Belforte aka Joanne L. Belforte, as Trustee of the Holland-Belforte Family Revocable Intervivos Trust dated September 9, 2005.

30. Defendant 2225 JERROLD AVENUE, LLC, a Delaware limited liability company, acquired 2225 Jerrold Avenue, San Francisco, California, Assessor's Block 5286A, Lot 020, on or about May 29, 2009, from Century Truck & Leasing LLC, a California limited liability company. PLAINTIFFS are informed and believe, and based on such information and belief allege, that Elisa Stephens is a member or a managing member of Defendant 2225 JERROLD AVENUE, LLC.

31. Defendant 460 TOWNSEND STREET, LLC, a Delaware limited liability company, acquired 460 Townsend Street, San Francisco, California, Assessor's Block 3785, Lot 023, on or about September 11, 2009, from 1238 Sutter Street, LLC, a California limited liability company.

32. Defendant 950 VAN NESS AVENUE, LLC, a Delaware limited liability company, acquired 930-950 Van Ness Avenue and 963 O'Farrell Street, in San Francisco, California, Assessor's Block 0718, Lot 017 & 021, on or about October 5, 2009, from Euromotors, Inc., a California Corporation, and Geraldine A. Barsotti, Trustee of the Barsotti Family Living Trust.

33. Defendant 2801 LEAVENWORTH-CANNERY, LLC, a Delaware limited liability

company, acquired 2801 Leavenworth Street, San Francisco, California, Assessor's Block 0010, Lot 001, on or about May 16, 2011, from 2801 Leavenworth Street Holdings, LLC, a Maryland limited liability company.

34. The address registered with the California Secretary of State for all Defendant LLCs is 79 New Montgomery Street, San Francisco, California 94105.

35. PLAINTIFFS are informed and believe, and based on such information and belief allege, that all Defendant LLCs are part of a network of single-asset limited liability companies created to hold property owned by Elisa Stephens, Richard A. Stephens, Susanne Stephens, and Scott A. Stephens, among others.

36. PLAINTIFFS are informed and believe, and based on such information and belief allege, that Defendant AAU has long-term leases with each LLC requiring Defendant AAU to pay rent to the Defendant LLCs, and cover expenses related to the property, including debt service and real property taxes.

37. PLAINTIFFS are not aware of the true names and capacities of DEFENDANTS sued herein as DOES ONE through FIFTY, inclusive, and therefore sues these defendants by such fictitious names. Each fictitiously named defendant is responsible in some manner for the unlawful and unfair conduct alleged. PLAINTIFFS will seek leave of court to amend this complaint to allege their true names and capacities when that information is ascertained.

38. At all times herein mentioned, each Defendant was an agent, servant, employee, partner, franchisee, and/or joint venturer of each other Defendant, and at all times was acting within the course and scope of said agency, service, employment, partnership, franchise, and/or joint venture.

39. Actions taken, or omissions made, by DEFENDANTS' employees or agents in the course of their employment or agency are considered to be actions or omissions of DEFENDANTS for the purposes of this complaint.

40. Whenever reference is made in this complaint to any act or omission of "DEFENDANTS" such allegation shall mean that each Defendant did or authorized or permitted the act or omission, or recklessly and carelessly failed to supervise, control, or direct other persons who engaged in the act or omission.

JURISDICTION AND VENUE

41. The Superior Court has jurisdiction over this action. DEFENDANTS have conducted and continue to conduct unlawful and unfair business practices in California, and the City Attorney for the City and County of San Francisco has the right and authority to prosecute these cases on behalf of the PEOPLE and the CITY.

42. The properties that are the subject of this litigation are located within the physical boundary of the City and County of San Francisco.

43. Venue is proper in this Court because DEFENDANTS transact business by owning, managing, operating, occupying, using, and/or maintaining real property within the City and County of San Francisco.

APPLICABLE LAW

Purposes of Zoning

44. The Planning Code divides San Francisco into zoning districts, which are subject to specific regulations and requirements to maintain consistency with the characteristics of the districts. S.F. Planning Code § 102.5.

45. The Planning Code's zoning provisions are designed to further the following:

> ...to promote and protect the public health, safety, peace, morals, comfort, convenience and general welfare, and for the following more particularly specified purposes:
>
> (a) To guide, control and regulate future growth and development in accordance with the General Plan of the City and County of San Francisco;
>
> (b) To protect the character and stability of residential, commercial and industrial areas within the City, and to promote the orderly and beneficial development of such areas;
>
> (c) To provide adequate light, air, privacy and convenience of access to property, and to secure safety from fire and other dangers;
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> (d) To prevent overcrowding the land and undue congestion of population;
>
> (e) To regulate the location of buildings and the use of buildings and land adjacent to streets and thoroughfares, in such manner as to obviate the danger to public safety caused by undue interference with existing or prospective traffic movements on such streets and thoroughfares.

S.F. Planning Code § 101.

46. San Francisco adopted priority policies to use when interpreting the Planning Code,

which include: (1) preserving and enhancing existing neighborhood-serving retail uses; (2) conserving and protecting existing housing and neighborhood character; (3) ensuring that commuter traffic does not impede Muni transit service or overburden San Francisco's streets or neighborhood parking; and (4) protecting industrial and service sectors from displacement due to commercial office development and enhancing future opportunities for resident employment and ownership in these sectors. S.F. Planning Code § 101.1.

Institutional Master Plan

47. As a for-profit, post-secondary college and educational institution, Defendant AAU is a Post-Secondary Educational Institution and Educational Service (collectively, "Educational Institution" or "Institution") as defined by Planning Code sections 102 and 890.50(c).

48. Each Educational Institution in San Francisco, including Defendant AAU, must submit to the Department a current Institutional Master Plan ("IMP") that describes the existing and future development of the Institution. S.F. Planning Code § 304.5(b), (c). Each IMP includes:

> (1) The nature of the institution, its history of growth, physical changes in the neighborhood which can be identified as having occurred as a result of such growth, the services provided and service population, employment characteristics, the institution's affirmative action program, property owned or leased by the institution throughout the City and County of San Francisco, and any other relevant general information pertaining to the institution and its services;
>
> (2) The present physical plant of the institution, including the location and bulk of buildings, land uses on adjacent properties, traffic circulation patterns, and parking in and around the institution;
>
> (3) The development plans of the institution for a future period of not less than 10 years, and the physical changes in the institution projected to be needed to achieve those plans. Any plans for physical development during the first five years shall include the site area, ground coverage, building bulk, approximate floor area by function, off-street parking, circulation patterns, areas for land acquisition, and timing for the proposed construction. In addition, with respect to plans of any duration, submission shall contain a description and analysis of each of the following:
>
> (A) The conformity of the proposed development plans to the General Plan of the City and County of San Francisco, and to any neighborhood plans on file with the Planning Department,
>
> (B) The anticipated impact of any proposed development by the institution on the surrounding neighborhood, including but not limited to the effect on existing housing units, relocation of housing occupants and commercial and industrial tenants, changes in traffic levels and circulation patterns, transit demand and parking availability, and the character and scale of development in the surrounding neighborhood,

> (C) Any alternatives which might avoid, or lessen adverse impacts upon the surrounding neighborhood, including location and configuration alternatives, the alternative of no new development, and the approximate costs and benefits of each alternative,
>
> (D) The mitigating actions proposed by the institution to lessen adverse impacts upon the surrounding neighborhood; and a projection of related services and physical development by others, including but not limited to office space and medical outpatient facilities, which may occur as a result of the implementation of the institution's master plan.
>
> (4) A projection of related services and physical development by others, including but not limited to office space and medical outpatient facilities, which may occur as a result of the implementation of the institution's master plan;

S.F. Planning Code § 304.5(c).

49. The IMP must be heard and accepted by the San Francisco Planning Commission ("Commission") at a noticed public hearing. S.F. Planning Code § 304.5(e). Institutions must re-submit an updated IMP every two years. S.F. Planning Code § 304.5(b), (f).

50. No property may be converted to Educational Institutional use without either obtaining a conditional use authorization or a building permit, and such authorizations and permits can only issue if the Institution has on file an accepted IMP or update that describes the specific development in question. S.F. Planning Code § 304.5(h), (i).

51. In 2006, the Department issued a Notice of Violation to Defendant AAU for failure to submit an IMP as required by Planning Code Section 304.5. Defendant AAU responded by submitting a draft IMP. The Commission determined that the IMP was incomplete because (1) Defendant AAU had not addressed outstanding enforcement issues, and (2) the Commission requested additional information, including a transportation study. A revised IMP submitted in 2008 was again found to be incomplete for the same reasons. The Commission finally accepted Defendant AAU's IMP on November 17, 2011. Defendant AAU has since submitted a biannual update in November 2013, that was accepted by the Commission, and a second biannual update in November 2015, that was eventually accepted by the Commission on March 17, 2016, after Defendant AAU provided additional information regarding its facilities and programs.

Conditional Use Authorization

52. A conditional use authorization to convert a property's legal use to Educational Institutional use requires approval from the Commission at a noticed public hearing. S.F. Planning

Code §§ 303, 306, 316. When deciding whether to grant or deny authorization of a conditional use, the Commission must make determinations, including, but not limited to whether:

> (1) The proposed use or feature, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable for, and compatible with, the neighborhood or the community.
>
> (2) Such use or feature as proposed will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity, or injurious to property, improvements or potential development in the vicinity, with respect to aspects including but not limited to the following:
>
> (A) The nature of the proposed site, including its size and shape, and the proposed size, shape and arrangement of structures;
>
> (B) The accessibility and traffic patterns for persons and vehicles, the type and volume of such traffic, and the adequacy of proposed off-street parking and loading and of proposed alternatives to off-street parking, including provisions of car-share parking spaces, as defined in Section 166 of this Code.
>
> (C) The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust and odor;
>
> (D) Treatment given, as appropriate, to such aspects as landscaping, screening, open spaces, parking and loading areas, service areas, lighting and signs; and
>
> (3) Such use or feature as proposed will comply with the applicable provisions of this Code and will not adversely affect the General Plan; and
>
> (4) Such use or feature as proposed will provide development that is in conformity with the stated purpose of the applicable Use District; and
>
> (5) The use or feature satisfies any criteria specific to the use or feature in Subsections (g), et seq. of Planning Code section 303.

S.F. Planning Code § 303; see also S.F. Planning Code §§ 101, 101.1.

53. Neither Defendant AAU nor Defendant LLCs have obtained a conditional use authorization for any of the properties that are the subject of this complaint; but they continue to use them in violation of the Planning Code.

Student Housing

54. Planning Code section 317 prohibits the conversion of residential units to Student Housing. As a result, any such conversion would require a change in the Planning Code to be approved in order to permit student housing.

Historic Resource Review Under Planning Code Articles 10 and 11

55. Articles 10 and 11 of the Planning Code place restrictions on alterations to historical buildings and buildings within historic districts. Specifically, no person shall carry out or cause to be

carried out on a designated landmark site or in a designated historic district any construction, alteration, removal or demolition of a structure or any work involving a sign, awning, marquee, canopy, mural or other appendage, for which a City permit is required, except in conformity with the provisions of Planning Code Article 10. In addition, no such work shall take place unless all other applicable laws and regulations have been complied with, and any required permit has been issued for said work. S.F. Planning Code § 1005. Similarly, permits to alter or demolish or for new and replacement construction in any Conservation District shall be filed by the owner or authorized agent for the owner of the property for which the permit is sought with the Planning Department. S.F. Planning Code § 1111. Defendant AAU has installed unauthorized signs, awnings, and made other alterations to its buildings that do not conform to Articles 10 and 11 of the Planning Code. As a result, at least ten of Defendant AAU's properties require Certificates of Appropriateness or permits to alter pursuant to the Planning Code.

Environmental Review

56. In 2008, the Department informed Defendant AAU that the City would require an Environmental Impact Report ("EIR"), including a Transportation Study, for all proposed projects and to process any permits to legalize previous unauthorized changes of use. EIRs are performed by the Department pursuant to the California Environmental Quality Act ("CEQA"), Public Resources Code sections 21000-21189, and Chapter 31 of the San Francisco Administrative Code ("Administrative Code"). On May 19, 2008, Defendant AAU submitted an EIR application, and on August 13, 2008, Defendant AAU submitted a Transportation Study Application. The proposed project for the EIR consists of four general components: program-level growth, project-level growth, legalization of prior unauthorized changes, and expansion of Defendant AAU's shuttle service.

57. The Department informed Defendant AAU that it was not permitted to acquire and convert or otherwise use any new properties in San Francisco until after the EIR and Transportation Study were completed, the Commission accepted the IMP, and the City processed necessary entitlements to legalize existing facilities based on the final certified EIR.

58. The Program-level growth studied in the EIR consists of approximately 110,000 net square feet of additional residential uses and 669,670 square feet of additional institutional spaces in

12 proposed geographic areas within San Francisco. However, no specific buildings have been identified for this program-level analysis.

59. The Project-level growth studied in the EIR is comprised of six buildings that have been occupied, identified, or otherwise altered by Defendant AAU since September 2010, when the Notice of Preparation ("NOP") was published for this EIR but for which Defendant AAU has not obtained one or more required approvals.

60. The legalization approvals consist of the alterations and changes in use that Defendant AAU made to 34 existing properties at the time of the 2010 NOP. Because CEQA requires analysis of a proposed project's changes to the environment as it existed at the tine environmental review began, the environmental impacts of the pre-NOP changes in use at Defendant AAU's 34 existing sites are studied in a separate document, referred to as the Existing Sites Technical Memorandum ("ESTM").

61. The Shuttle Expansion studied in the EIR consists of an extension of Defendant AAU's existing shuttle service, under its Shuttle Bus Service Policy.

62. On February 25, 2015, the Department published a Draft EIR addressing program-level growth, project-level growth, and expansion of Defendant AAU's shuttle service for Defendant AAU's properties. On April 16, 2015, the Commission held a public hearing on the Draft EIR. To date, the Commission has not accepted a final EIR relating to Defendant AAU's properties. The public has had an opportunity to comment on the Draft EIR, and the Department is preparing responses to those comments. Because of Defendant AAU's significant delays in the production of necessary information and the repeated changes in legal counsel responsible for working on the EIR for Defendant AAU, final certification of the EIR has been delayed several times. The ESTM will be presented to the Commission in May, 2016.

63. PLAINTIFFS are informed and believe, and based on such information and belief allege, that Defendant AAU had defied the Department's admonition and has acquired additional properties and illegally converted them to Educational Institutional use since 2008.

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FACTUAL ALLEGATIONS

Defendant AAU and the Stephens Family

Academy of Art University

64. Defendant AAU, formerly known as the Academy of Art College, was founded in 1929 by Richard S. Stephens and his wife, Clara, as the Académie of Advertising Art. The Académie of Advertising Art trained students for jobs in advertising agencies.

65. By 1946, the school grew to 250 students, and offered courses in advertising and commercial art, fashion illustration, cartooning, and lettering and layout.

66. In 1951, Richard A. Stephens, son of founder Richard S. Stephens, assumed leadership of the school. During Richard A. Stephens's tenure he grew the school from 250 students to over 5,000 students. In addition, Richard A. Stephens used the school to satisfy his love of cars by adding a transportation design department and amassing a car collection, which is one of the largest private collections of classic cars in the United States.

67. The school was incorporated under the laws of the State of California in 1966, and started offering a Bachelor's Degree in Fine Art.

68. In 1977, the school started a graduate program, a Master of Fine Arts.

69. In the 1980s, the school sought accreditation from the Western Association of Schools and Colleges Senior College and University Commission ("WSCUC"). Although the school was granted candidacy for accreditation in 1982, the WSCUC ultimately denied the school initial accreditation in 1989.

70. In 1985, the school gained accreditation from National Association of Schools of Art and Design ("NASAD") and had over 5,000 students.

71. In 1992, Elisa Stephens, daughter of Richard A. Stephens and granddaughter of the founder, was appointed president of Defendant AAU. Under her tenure, Defendant AAU has grown to a peak of over 18,000 students.

72. In 2004, the school changed its name from Academy of Art College to Academy of Art University, its current designation.

73. Defendant AAU has no admissions standards, except potential students must possess a

GED or high school diploma. Defendant AAU accepts 100% of its applicants.

74. PLAINTIFFS are informed and believe, and based on such information and belief allege, that Defendant AAU's annual revenue is approximately 94% from tuition and registration fees and 6% dormitory revenue.

75. In 2007, the WSCUC granted Defendant AAU initial accreditation in 2007 for seven years.

76. In 2014, after an on-site team evaluation, the WSCUC reaffirmed Defendant AAU's accreditation and issued a Formal Notice of Concern requiring a special visit in the Fall of 2016. In issuing the Formal Notice of Concern, the WSCUC required Defendant AAU to respond to six areas of significant concern: (1) the school's flat organizational structure and centralized decision-making by Elisa Stephens; (2) the faculty's marginalized role in institutional decision-making; (3) the school's low retention and graduation rates; (4) addressing the challenges resulting from the school's open admissions standards; (5) the school's lack of student affairs professionals; and (6) the school's lack of financial planning and long-term budgeting and capital structuring, and inadequate and incomplete strategic planning process.

77. The 2014 evaluation team commented on the school's growth between 2007 and 2014, and the impact on the school's finances and governance:

> In addition to the above, the team calls attention to a major change that has occurred since the 2007 WSCUC visit that may affect the Commission's evaluation of institutional capacity and effectiveness. This change is *dramatic growth*. In 2005, as AAU was ramping up for initial accreditation, the enrollment headcount was 8,698. By Fall 2013, six years after initial accreditation, enrollment had more than doubled, reaching 16,718 (the high point was even higher—18,093 in 2011). During this same period, onsite degree programs nearly doubled, from 34 to 64, as did online degree programs, from 33 to 61. Total faculty (full-time and part-time) grew from 896 to 1,448, and total staff from 698 to 1,096. While the number of facilities owned by AAU during this period remained constant, at four, the number of facilities rented grew significantly, from 28 to 41. The revenue/expense model has grown accordingly. These steep growth curves in so many critical categories have understandably challenged AAU's leadership systems and organizational structures .... (Emphasis in original.)

See "WSCUC Accreditation" on Academy of Art University website, available at http://www.academyart.edu/content/dam/assets/pdf/AAU_Team_Report_for_AV_Spring_2014.pdf (last visited May 5, 2016).

78. Defendant AAU currently offers degrees in 23 areas of study, ranging from Fine Art

and Illustration to Industrial Design, Architecture, Game Design, Jewelry & Metal Arts, and Motion Pictures and Television. Defendant AAU offers degrees at three levels: Associate (AA), Bachelor's (BFA, BA, and B.Arch [in candidacy status]), and Master's (MFA, MA, and M.Arch). Of the 23 areas of study, 17 are offered at the AA, BFA, and MFA levels; 4 are offered at the Master's and Bachelor's only (Architecture, Art History, Multimedia Communications and Art Education); 1 is offered at the AA and BFA only (Fashion Styling); and 1 is offered at the AA, BA and MA level (Fashion Journalism).

79. According to the California Student Aid Commission, Defendant AAU's 2014 graduation rate fell to just 31%. PLAINTIFFS are informed and believe, and based on such information and belief allege, that selective art schools, such as the Rhode Island School of Design and Parsons, graduate over 90% of their students.

Elisa Stephens

80. Elisa Stephens is a graduate of Vassar College and the University of San Francisco School of Law. Elisa Stephens was admitted to the State Bar of California in 1987, and was eligible to practice law until August 12, 1996.

81. PLAINTIFFS are informed and believe, and based on such information and belief allege, that Elisa Stephens is a member of one or more of Defendant LLCs.

82. Defendant AAU has experienced a dramatic growth in student enrollment since Elisa Stephens became president. PLAINTIFFS are informed and believe, and based on such information and belief allege, that early in Elisa Stephens's tenure as president of Defendant AAU, she and her family embarked on a real estate shopping spree to acquire buildings to support her planned expansion of Defendant AAU.

83. It is reported that under Elisa Stephens's tenure as president of Defendant AAU, the school generated an estimated $300 million in annual revenue. Katia Savchuk, *Black Arts: The $800 Million Family Selling Art Degrees and False Hopes, Forbes* (Aug. 19, 2015), http://www.forbes.com/sites/katiasavchuk/2015/08/19/black-arts-the-800-million-family-selling-art-degrees-and-false-hopes/#1133aa371dd9 (last visited May 5, 2016).

84. It is reported that Elisa Stephens has disdain for San Francisco's land use regulations.

A former consultant for DEFENDANTS noted that Elisa Stephens's attitude about complying with the Planning Code was "It's a waste of money, a waste of time, why should I have to do it." Katia Savchuk, *How A For-Profit University Flouts San Francisco's Land-Use Laws*, Forbes (Aug. 19, 2015), http://www.forbes.com/sites/katiasavchuk/2015/08/19/how-a-for-profit-university-flouts-san-franciscos-land-use-laws/#56afe49f1a17 (last visited May 5, 2016). Furthermore, according to a recent article, three law firms (out of a string of seven) stopped representing DEFENDANTS because "[Elisa] Stephens declined to follow their advice on bringing the properties into compliance, because she misled them or because she stopped returning their calls." *Id.*

Ed Conlon

85. Ed Conlon is married to Elisa Stephens.

86. Ed Conlon is a Vice President of Hathaway Dinwiddie, where he provides construction project management, including participation in preconstruction services, project estimating, scheduling, subcontract negotiation, and the design build process. Ed Conlon has been with Hathaway Dinwiddie since 1990.

Richard A. Stephens

87. Until March 17, 2011, Richard A. Stephens, either as an individual or as Trustee of the Stephens Family Revocable Trust, owned or co-owned 2340 Stockton Street.

88. PLAINTIFFS are informed and believe, and based on such information and belief allege, that Richard A. Stephens is a member, managing member, and/or controlling member of one or more of Defendant LLCs.

Susanne Stephens

89. Until March 17, 2011, Susanne Stephens, as Trustee of the Stephens Family Revocable Trust, co-owned 2340 Stockton Street.

90. PLAINTIFFS are informed and believe, and based on such information and belief allege, that Susanne Stephens is a member, managing member, and/or controlling member of one or more of the Defendant LLCs.

Scott A. Stephens

91. Scott A. Stephens is the son of Richard A. and Susanne Stephens, and the brother of

Elisa Stephens.

92. PLAINTIFFS are informed and believe, and based on such information and belief allege, that Scott A. Stephens is a member, managing member, and/or controlling member of one or more of the Defendant LLCs.

DEFENDANTS' USE OF PROPERTIES IN VIOLATION OF THE PLANNING CODE

93. PLAINTIFFS are informed and believe, and based on such information and belief allege, that Elisa Stephens, Richard A. Stephens, Susanne Stephens, and Scott A. Stephens own more than 40 properties in the City and County of San Francisco, with a combined net value of over $400 million dollars.

94. Many of the properties owned by members of the Stephens family and leased to Defendant AAU are used and maintained in violation one or more sections of the San Francisco Municipal Code and California law, as set forth in this complaint.

95. The properties described in Paragraphs 96 through 247, below, may be collectively referred to as "PROPERTIES." Each property is currently being used in violation of the Planning Code, and is thereby unlawful and a public nuisance. S.F. Planning Code § 176(a).

DEFENDANTS' VIOLATION OF EXPRESS PROVISIONS OF THE PLANNING CODE

1916 Octavia Street

96. 1916 Octavia Street is in a RH-2 (Residential House Two-Family) Zoning District. S.F. Planning Code § 209.1. The RH-2 Zoning District allows some group housing and institutional uses, although a building permit and conditional use authorization are required to permit such uses.

97. Prior to 1995, 1916 Octavia Street was used as an elder care hotel, guest house, apartments, hotel, and rooming house.

98. In 1995, Defendant AAU began to use 1916 Octavia Street as an Educational Institution. Defendant AAU currently uses the space as the "Coco Chanel 'Women's Empowerment' Hall," with 22 units which house up to 47 students.

99. The Department has repeatedly notified Defendants AAU and 1916 OCTAVIA STREET, LLC that their use of 1916 Octavia Street violates the Planning Code. Most recently, on March 31, 2016, the Department through the Zoning Administrator issued a Notice of Violation and

Penalty Decision finding that the Defendants AAU and 1916 OCTAVIA STREET, LLC violated the Planning Code through their unlawful conversion and use of 1916 Octavia Street. In its recent decision, the Zoning Administrator acknowledged that the "voluntary tolling of the assessment of penalties as noted above shall in no way affect the ability of the City or any other governmental authority to enforce any other applicable local, state or federal laws against AAU properties."

100. Defendants AAU and 1916 OCTAVIA STREET, LLC's conversion, maintenance and continued use of 1916 Octavia Street as Student Housing for an Educational Institutional use violates the Planning Code. Currently, the only way to legalize the use at 1916 Octavia Street is to change the text of the Planning Code, and then secure a building permit and conditional use authorization. S.F. Planning Code §§ 171, 209.1, 303, 317.

101. In addition, since at least April 28, 2011, Defendants AAU and 1916 OCTAVIA STREET, LLC added a canopy and business sign on the property. The addition of the canopy and business sign required a building permit. S.F. Building Code § 106A.1.9; S.F. Planning Code § 604. Defendants AAU and 1916 OCTAVIA STREET, LLC never obtained the required building permits for the installation of a canopy and business sign at 1916 Octavia Street. Defendants AAU and 1916 OCTAVIA STREET, LLC have continuously maintained the canopy and business sign at 1916 Octavia Street since its installation in violation of the San Francisco Building Code ("Building Code") and Planning Code. S.F. Building Code § 106A.1.9; S.F. Planning Code § 604.

1153 Bush Street

102. 1153 Bush Street is in a RC-4 (Residential/Commercial High Density) Zoning District. S.F. Planning Code § 209.3. The RC-4 Zoning District is intended to protect predominant residential uses, while permitting neighborhood-serving commercial uses that will not generate excessive vehicular traffic.

103. Prior to 2014, 1153 Bush Street was used as a residential structure.

104. In 2014, Defendant AAU began to use 1153 Bush Street, as Student Housing for an Educational Institution. Defendant AAU currently uses the space as the "Frank Lloyd Wright Gender Neutral Hall," with 15 living units, housing up to 38 students.

105. The Department has repeatedly notified Defendants AAU and 1153 BUSH STREET,

LLC that their use of 1153 Bush Street violates the Planning Code. Most recently, on March 31, 2016, the Department through the Zoning Administrator issued a Notice of Violation and Penalty Decision finding that the Defendants AAU and 1153 BUSH STREET, LLC violated the Planning Code through their unlawful conversion and use of 1153 Bush Street. In its recent decision, the Zoning Administrator acknowledged that the "voluntary tolling of the assessment of penalties as noted above shall in no way affect the ability of the City or any other governmental authority to enforce any other applicable local, state or federal laws against AAU properties."

106. Defendants AAU and 1153 BUSH STREET, LLC's conversion, maintenance and continued use of 1153 Bush Street as Student Housing for an Educational Institutional use violates the Planning Code. Currently, the only way to legalize the use at 1153 Bush Street is to change the text of the Planning Code, and then secure a building permit and conditional use authorization. S.F. Planning Code §§ 171, 209.3, 303, 317.

2209 Van Ness Avenue

107. 2209 Van Ness Avenue is in a RC-3 (Residential/Commercial Medium Density) Zoning District. S.F. Planning Code § 209.3. The RC-3 Zoning District is devoted to apartment buildings of six, eight, 10 or more units.

108. Prior to 1998, 2209 Van Ness Avenue was used as the International Institute of San Francisco serving immigrants and various other retail uses. The last legal use was as a single-family residence.

109. Defendant AAU began to use 2209 Van Ness Avenue as Student Housing for an Educational Institution in 1998. Defendant AAU currently uses the space as the "Mary Cassatt Residence Hall," a co-ed dormitory with 24 residential rooms, housing up to 53 students.

110. The Department has repeatedly notified Defendants AAU and 2209 VAN NESS AVENUE, LLC that their use of 2209 Van Ness Avenue violates the Planning Code. Most recently, on April 7, 2016, the Department through the Zoning Administrator issued a Notice of Violation and Penalty Decision finding that the Defendants AAU and 2209 VAN NESS AVENUE, LLC violated the Planning Code through their unlawful conversion and use of 2209 Van Ness Avenue. In its recent decision, the Zoning Administrator acknowledged that the "voluntary tolling of the assessment of

penalties as noted above shall in no way affect the ability of the City or any other governmental authority to enforce any other applicable local, state or federal laws against AAU properties."

111. Defendants AAU and 2209 VAN NESS AVENUE, LLC's conversion, maintenance and continued use of 2209 Van Ness Avenue as Student Housing for an Educational Institutional use violates the Planning Code. Currently, the only way to legalize the use at 2209 Van Ness Avenue is to change the text of the Planning Code, and then secure a building permit and conditional use authorization. S.F. Planning Code §§ 171, 209.3, 303, 317.

1080 Bush Street

112. 1080 Bush Street is in a RC-4 (Residential/Commercial High Density) Zoning District. S.F. Planning Code § 209.3. The RC-4 Zoning District is intended to protect predominant residential uses, while permitting neighborhood-serving commercial uses that will not generate excessive vehicular traffic.

113. Prior to 1999, 1080 Bush Street was used as a 42-unit apartment house.

114. Defendant AAU began to use 1080 Bush Street as Student Housing for an Educational Institution in 1999. Defendant AAU currently uses the space as the "Leonardo daVinci Apartments," 42 apartment-style units and 15 single-room units with communal spaces, housing up to 222 students.

115. The Department has repeatedly notified Defendants AAU and 1080 BUSH STREET, LLC that their use of 1080 Bush Street violates the Planning Code. Most recently, on March 31, 2016, the Department through the Zoning Administrator issued a Notice of Violation and Penalty Decision finding that the Defendants AAU and 1080 BUSH STREET, LLC violated the Planning Code through their unlawful conversion and use of 1080 Bush Street. In its recent decision, the Zoning Administrator acknowledged that the "voluntary tolling of the assessment of penalties as noted above shall in no way affect the ability of the City or any other governmental authority to enforce any other applicable local, state or federal laws against AAU properties."

116. Defendants AAU and 1080 BUSH STREET, LLC's conversion, maintenance and use of 1080 Bush Street as Student Housing for an Educational Institutional use violates the Planning Code. Currently, the only way to legalize this illegal use at 1080 Bush Street is to change the text of the Planning Code, and then secure a building permit and conditional use authorization. S.F. Planning

Code §§ 171, 209.3, 303, 317

1055 Pine Street

117. 1055 Pine Street is in a RM-4 (Residential Mixed - High Density) Zoning District. S.F. Planning Code § 209.2. The RM-4 Zoning District is devoted almost exclusively to apartment buildings of high density while permitting neighborhood-serving commercial uses that will not generate excessive vehicular traffic.

118. Prior to 2000, 1055 Pine Street was used as St. Anthony's Elder Care facility.

119. In 2000, Defendant AAU began to use 1055 Pine Street as Student Housing for an Educational Institution. Defendant AAU currently uses the space as the "Auguste Rodin Men's Residence Hall," with 81 group housing rooms, housing up to 155 students.

120. The Department has repeatedly notified Defendants AAU and 1055 PINE STREET, LLC that their use of 1055 Pine Street violates the Planning Code. Most recently, on March 31, 2016, the Department through the Zoning Administrator issued a Notice of Violation and Penalty Decision finding that the Defendant AAU and 1055 PINE STREET, LLC violated the Planning Code through their unlawful conversion and use of 1055 Pine Street. In its recent decision, the Zoning Administrator acknowledged that the "voluntary tolling of the assessment of penalties as noted above shall in no way affect the ability of the City or any other governmental authority to enforce any other applicable local, state or federal laws against AAU properties."

121. Defendants AAU and 1055 PINE STREET, LLC's conversion, maintenance and use of 1055 Pine Street as Student Housing for an Educational Institutional use violates the Planning Code. Currently, the only way to legalize the use at 1055 Pine Street is to change the text of the Planning Code, and then secure a building permit and conditional use authorization. S.F. Planning Code §§ 171, 209.2, 303, 317.

860 Sutter Street

122. 860 Sutter Street is in a RC-4 (Residential/Commercial High Density) Zoning District. S.F. Planning Code § 209.3. The RC-4 Zoning District is intended to protect predominant residential uses, while permitting neighborhood-serving commercial uses that will not generate excessive vehicular traffic.

123. Prior to 2000, 860 Sutter Street was used as a mixed tourist and residential hotel called the Beresford Manor.

124. In 2003, Defendant AAU began to use 860 Sutter Street as Student Housing for an Educational Institution. Defendant AAU currently uses the space as the "International House Residence Hall," with approximately 89 residential units, housing up to 182 students.

125. The Department has repeatedly notified Defendants AAU and 860 SUTTER STREET, LLC that their use of 860 Sutter Street violates the Planning Code. Most recently, on April 7, 2016, the Department through the Zoning Administrator issued a Notice of Violation and Penalty Decision finding that the Defendants AAU and 860 SUTTER STREET, LLC violated the Planning Code through their unlawful conversion and use of 860 Sutter Street. In its recent decision, the Zoning Administrator acknowledged that the "voluntary tolling of the assessment of penalties as noted above shall in no way affect the ability of the City or any other governmental authority to enforce any other applicable local, state or federal laws against AAU properties."

126. Defendants AAU and 860 SUTTER STREET, LLC's conversion, maintenance and use of 860 Sutter Street as Student Housing for an Educational Institutional use violates the Planning Code. Currently, the only way to legalize the use at 860 Sutter Street is to change the text of the Planning Code, and then secure a building permit and conditional use authorization. S.F. Planning Code §§ 171, 209.3, 303, 317.

2211 Van Ness Avenue

127. 2211 Van Ness Avenue is in a RC-3 (Residential/Commercial Medium Density) Zoning District. S.F. Planning Code § 209.3. The RC-3 Zoning District is devoted to apartment buildings of six, eight, 10 or more units.

128. Prior to 2005, 2211 Van Ness Avenue was used as a two-family dwelling and restaurant.

129. In 2005, Defendant AAU began to use 2211 Van Ness Avenue as Student Housing for an Educational Institution. Defendant AAU currently uses the space as the "Ansel Adams Building," with 6 units housing approximately 23 graduate students in both apartment-style units with private kitchens and dormitory-style units with a communal kitchen.

130. The Department has repeatedly notified Defendants AAU and 2211 VAN NESS AVENUE, LLC that their use of 2211 Van Ness Avenue violates the Planning Code. Most recently, on April 7, 2016, the Department through the Zoning Administrator issued a Notice of Violation and Penalty Decision finding that the Defendants AAU and 2211 VAN NESS AVENUE, LLC violated the Planning Code through their unlawful conversion and use of 2211 Van Ness Avenue. In its recent decision, the Zoning Administrator acknowledged that the "voluntary tolling of the assessment of penalties as noted above shall in no way affect the ability of the City or any other governmental authority to enforce any other applicable local, state or federal laws against AAU properties."

131. Defendants AAU and 2211 VAN NESS AVENUE, LLC's conversion, maintenance, and use of 2211 Van Ness Avenue as Student Housing for an Educational Institutional use violates the Planning Code. Currently, the only way to legalize the use at 2211 Van Ness Avenue is to change the text of the Planning Code, and then secure a building permit and conditional use authorization. S.F. Planning Code §§ 171, 209.3, 303, 317.

132. In addition, since at least April 28, 2011, Defendants AAU and 2211 VAN NESS AVENUE, LLC added a business sign to the property. The addition of the business sign required a building permit. S.F. Building Code § 106A.1.9; S.F. Planning Code § 604. Defendants AAU and 2211 VAN NESS AVENUE, LLC never obtained the required building permits for the installation of a business sign at 2211 Van Ness Avenue. Defendants AAU and 2211 VAN NESS AVENUE, LLC have continuously maintained the canopy and business sign at 2211 Van Ness Avenue since its installation in violation of the Building and Planning Codes. S.F. Building Code § 106A.1.9; S.F. Planning Code § 604.

601 Brannan Street

133. 601 Brannan Street is in a SALI (Service/Arts/Light Industrial) Zoning District and in the Western SOMA Special Use District. S.F. Planning Code § 846. The SALI Zoning District is largely comprised of low-scale buildings with production, distribution, and repair uses. "The district is designed to protect and facilitate the expansion of existing general commercial, manufacturing, home and business service, and light industrial activities, with an emphasis on preserving and expanding arts activities." S.F. Planning Code § 846. No residential uses are permitted in SALI zoning districts. S.F.

Planning Code § 846.20-846.23.

134. Prior to 2007, 601 Brannan Street was used as offices for a private dotcom company.

135. In 2007, Defendant AAU began to use 601 Brannan Street as an Educational Institution. Defendant AAU currently uses the space as classrooms, studios and labs, a computer studio, a presentation area, and a machine shop.

136. The Department has repeatedly notified Defendants AAU and 601 BRANNAN STREET, LLC that their use of 601 Brannan Street violates the Planning Code. Most recently, on March 31, 2016, the Department through the Zoning Administrator issued a Notice of Violation and Penalty Decision finding that the Defendants AAU and 601 BRANNAN STREET, LLC violated the Planning Code through their unlawful conversion and use of 601 Brannan Street. In its recent decision, the Zoning Administrator acknowledged that the "voluntary tolling of the assessment of penalties as noted above shall in no way affect the ability of the City or any other governmental authority to enforce any other applicable local, state or federal laws against AAU properties."

137. Defendants AAU and 601 BRANNAN STREET, LLC's conversion, maintenance, and use of 601 Brannan Street as an Educational Institutional use violates the Planning Code. Currently, the only way to legalize the use at 601 Brannan Street is to change the text of the Planning Code, and then secure a building permit and conditional use authorization. S.F. Planning Code §§ 171, 303, 823(c), 846.32.

138. In addition, in 2011 Defendants AAU and 601 BRANNAN STREET, LLC added a painted business sign on the ground-floor of the property. The addition of the business sign required a building permit. S.F. Building Code § 106A.1.9; S.F. Planning Code § 604. Defendants AAU and 601 BRANNAN STREET, LLC never obtained the required building permits for the installation of a business sign at 601 Brannan Street. Defendants AAU and 601 BRANNAN STREET, LLC have continuously maintained the business sign at 2340 Stockton Street since its installation in violation of the Building and Planning Codes. S.F. Building Code § 106A.1.9; S.F. Planning Code § 604.

DEFENDANTS' USE OF PROPERTIES WITHOUT REQUIRED APPROVALS

2340 Stockton Street

139. 2340 Stockton Street is in a C-2 (Community Business) Zoning District and is located

in the WR-2 (Waterfront Special Use District No. 2) Special Use District. S.F. Planning Code §§ 210.1, 240.2. The C-2 Zoning District allows retail, office, restaurant, residential, institutional, and automotive uses. S.F. Planning Code § 210.1.

140. Prior to 1991, the Otis Elevator Company occupied and used 2340 Stockton Street as offices.

141. Since at least 1991, Defendant AAU has been using 2340 Stockton Street as an Educational Institution. Defendant AAU currently uses the space for lecture classrooms, labs/studios, offices, and student lounges.

142. The Department has repeatedly notified Defendants AAU and 2300 STOCKTON STREET, LLC that their use of 2340 Stockton Street violates the Planning Code. Most recently, on April 7, 2016, the Department through the Zoning Administrator issued a Notice of Violation and Penalty Decision finding that the Defendants AAU and 2300 STOCKTON STREET, LLC violated the Planning Code through their unlawful conversion and use of 2340 Stockton Street. In its recent decision, the Zoning Administrator acknowledged that the "voluntary tolling of the assessment of penalties as noted above shall in no way affect the ability of the City or any other governmental authority to enforce any other applicable local, state or federal laws against AAU properties."

143. Defendants AAU and 2300 STOCKTON STREET, LLC's conversion, maintenance and continued use of 2340 Stockton Street as an Educational Institutional use required a building permit. S.F. Building Code § 106A.1.12; S.F. Planning Code §§ 171, 210.1; see also S.F. Planning Code § 217(h) (2010).

144. Defendants AAU and 2300 STOCKTON STREET, LLC have never obtained required building permits and approvals. Nonetheless, Defendants AAU and 2300 STOCKTON STREET, LLC used and continue to use 2340 Stockton Street as an Educational Institution in violation of the Building and Planning Codes. S.F. Building Code § 106A.1.12; S.F. Planning Code §§ 171, 210.1; see also S.F. Planning Code § 217(h) (2010).

145. In addition, since at least July 23, 2010, Defendant AAU has added additional business signs on the building. The addition of the additional business signs required a building permit. S.F. Building Code § 106A.1.9; S.F. Planning Code § 604. Defendant AAU never obtained the required

building permits for the installation of additional business signs at 2340 Stockton Street. Defendants AAU and 2300 STOCKTON STREET, LLC have continuously maintained the business signs at 2340 Stockton Street in violation of the Building and Planning Codes. S.F. Building Code § 106A.1.9; S.F. Planning Code § 604.

1849 Van Ness Avenue

146. 1849 Van Ness Avenue is in a RC-4 (Residential/Commercial High Density) Zoning District. S.F. Planning Code § 209.3. The RC-4 Zoning District is intended to protect predominant residential uses, while permitting neighborhood-serving commercial uses that will not generate excessive vehicular traffic.

147. Prior to 1998, 1849 Van Ness Avenue was used as an automobile showroom and a furniture store.

148. Since 1998, Defendant AAU has been using 1849 Van Ness Avenue as an Educational Institution, as classrooms, labs/studios, offices, lounge, a café, and as an automobile showroom. Defendant AAU currently uses the space for classroom and art studio space.

149. The Department has repeatedly notified Defendants AAU and 1835 VAN NESS AVENUE, LLC that their use of 1849 Van Ness Avenue violates the Planning Code. Most recently, on April 7, 2016, the Department through the Zoning Administrator issued a Notice of Violation and Penalty Decision finding that the Defendants AAU and 1835 VAN NESS AVENUE, LLC violated the Planning Code through their unlawful conversion and use of 1849 Van Ness Avenue. In its recent decision, the Zoning Administrator acknowledged that the "voluntary tolling of the assessment of penalties as noted above shall in no way affect the ability of the City or any other governmental authority to enforce any other applicable local, state or federal laws against AAU properties."

150. Defendants AAU and 1835 VAN NESS AVENUE, LLC's conversion, maintenance and continued use of 1849 Van Ness Avenue as an Educational Institutional use required a building permit and conditional use authorization. S.F. Planning Code §§ 171, 209.3, 303.

151. Defendants AAU and 1835 VAN NESS AVENUE, LLC have never obtained required building permits and approvals, nor conditional use authorizations. Nonetheless, Defendants AAU and 1849 VAN NESS AVENUE, LLC used and continue to use 1849 Van Ness Avenue as an

Educational Institution in violation of the Building and Planning Codes.

152. In addition, since at least April 28, 2011, Defendant AAU has added business signage to a wall and canopy at the property. The addition of the business signage required a building permit. Defendant AAU never obtained the required building permits for the business signage. Defendants AAU and 1835 VAN NESS AVENUE, LLC have continuously maintained the canopy and business sign at 1849 Van Ness Avenue since its installation in violation of the Building and Planning Codes. S.F. Building Code § 106A.1.9; S.F. Planning Code § 604.

1069-1077 Pine Street

153. 1069-1077 Pine Street is in the RM-4 (Residential, Mixed Districts, High Density) and Nob Hill Special Use District. S.F. Planning Code §§ 209.2, 238.

154. RM-4 Districts are devoted almost exclusively to apartment buildings of high density, usually with smaller units, close to downtown. Buildings over 40 feet in height are very common, and other tall buildings may be accommodated in some instances. Despite the intensity of development, distinct building styles and moderation of façades are still to be sought in new development, as are open areas for the residents. Group housing is especially common in these districts, as well as supporting nonresidential uses. S.F. Planning Code § 209.2.

155. The Nob Hill Special Use District provides an established area with a unique combination of uses and a special identity that represents the Nob Hill neighborhood. S.F. Planning Code s 238.

156. Prior to 2000, 1069-1077 Pine Street was used as a mixed use, possibly as a retail use.

157. In 2000, Elisa Stephens as Trustee of the Elisa Stephens Revocable Trust under the Amended and Restated Declaration of Trust dated July 16, 2002, who acquired title as Elisa Stephens, Trustee of the Elisa Stephens Revocable Trust dated December 29, 1995, and Scott Alan Stephens, as Trustee of the Scott Alan Stephens Revocable Trust under the Amended and Restated Declaration of Trust dated October 16, 2003, and Defendant AAU began to use 1069-1077 Pine Street as an Educational Institution. Defendant AAU currently uses the space for a gymnasium, and student lounge and clubhouse office.

158. The Department has repeatedly notified Defendants AAU and 1069 PINE STREET,

LLC that their use of 1069-1077 Pine Street violates the Planning Code. Most recently, on April 7, 2016, the Department through the Zoning Administrator issued a Notice of Violation and Penalty Decision finding that the Defendants AAU and 1069 PINE STREET, LLC violated the Planning Code through their unlawful conversion and use of 1069-1077 Pine Street. In its recent decision, the Zoning Administrator acknowledged that the "voluntary tolling of the assessment of penalties as noted above shall in no way affect the ability of the City or any other governmental authority to enforce any other applicable local, state or federal laws against AAU properties."

159. Defendant AAU and 1069 PINE STREET, LLC's conversion, maintenance and continued use of 1069-1077 Pine Street as an Educational Institutional use required a building permit and a conditional use authorization. S.F. Building Code § 106A.1.12; S.F. Planning Code §§ 171, 209.2. Nonetheless, Defendants AAU and 1069 PINE STREET, LLC used, and continues to use, 1069-1077 Pine Street as an Educational Institution in violation of the Building and Planning Codes. S.F. Building Code § 106A.1.12; S.F. Planning Code §§ 171, 209.2.

58-60 Federal Street

160. 58-60 Federal Street is in a MUO (Mixed Use - Office) Zoning District. S.F. Planning Code § 842. The MUO Zoning District encourages office uses and housing, as well as small-scale light industrial and arts activities.

161. Prior to 2002, 58-60 Federal Street was used as office space.

162. In 2002, Defendant AAU began to use 58-60 Federal Street as an Educational Institution. Defendant AAU currently uses the space for classrooms (25), labs, art studios, offices, an art store, student and faculty lounges.

163. The Department has repeatedly notified Defendants AAU and 60 FEDERAL STREET, LLC that their use of 58-60 Federal Street violates the Planning Code. Most recently, on March 31, 2016, the Department through the Zoning Administrator issued a Notice of Violation and Penalty Decision finding that the Defendants AAU and 60 FEDERAL STREET, LLC violated the Planning Code through their unlawful conversion and use of 58-60 Federal Street. In its recent decision, the Zoning Administrator acknowledged that the "voluntary tolling of the assessment of penalties as noted above shall in no way affect the ability of the City or any other governmental authority to enforce any

other applicable local, state or federal laws against AAU properties."

164. Defendants AAU and 60 FEDERAL STREET, LLC's conversion, maintenance, and continued use of 58-60 Federal Street as an Educational Institutional use required a building permit. S.F. Building Code § 106A.1.12; S.F. Planning Code §§ 171, 842.32.

165. Since 2002, Defendants AAU and 60 FEDERAL STREET, LLC have never obtained required building permits and approvals. Nonetheless, Defendants AAU and 60 FEDERAL STREET, LLC used and continue to use 58-60 Federal Street as an Educational Institution in violation of the Planning and Building Codes. S.F. Building Code § 106A.1.12; S.F. Planning Code §§ 171, 842.32.

491 Post Street

166. 491 Post Street is in the C-3-G Zoning District (Downtown General Commercial). S.F. Planning Code § 210.2. The C-3-G Zoning District permits retail, office, hotel, entertainment, club and institution, and high-density residential uses.

167. Prior to 2001, the First Congregational Church of San Francisco occupied 491 Post Street as a church. 491 Post Street is Designated Historic Landmark number 177, recognized for its classical revival architecture. S.F. Ordinance No. 52-85 (approved 1/30/1985).

168. In 2001, Defendant AAU began to use 491 Post Street as an Educational Institution. Defendant AAU currently uses the space for an auditorium, classrooms, and offices.

169. The Department has repeatedly notified Defendants AAU and 491 POST STREET, LLC that their use of 491 Post Street violates the Planning Code. Most recently, on April 7, 2016, the Department through the Zoning Administrator issued a Notice of Violation and Penalty Decision finding that the Defendants AAU and 491 POST STREET, LLC violated the Planning Code through their unlawful conversion and use of 491 Post Street. In its recent decision, the Zoning Administrator acknowledged that the "voluntary tolling of the assessment of penalties as noted above shall in no way affect the ability of the City or any other governmental authority to enforce any other applicable local, state or federal laws against AAU properties."

170. Defendant AAU and 491 POST STREET, LLC's conversion, maintenance, and continued use of 491 Post Street to an Educational Institutional use required a building permit. S.F. Building Code § 106A.1.12; S.F. Planning Code §§ 171, 210.2; see also S.F. Planning Code § 217(h)

(2010). Because the building is a designated landmark, the Historic Preservation Commission ("HPC") must review any exterior or interior modifications to determine whether to issue a Certificate of Appropriateness ("COA"). S.F. Planning Code §§ 1002, 1006.

171. Since 2002, Defendants AAU and 491 POST STREET, LLC have never obtained required building permits and approvals to use 491 Post Street an auditorium, classrooms, and offices. Nonetheless, Defendants AAU and 491 POST STREET, LLC used, and continue to use, 491 Post Street as an Educational Institution in violation of the Building and Planning Codes. S.F. Building Code § 106A.1.12; S.F. Planning Code §§ 171, 210.2, 217(h) (2010).

172. Two business signs were installed on the building. The addition of the business signs also required a building permit. S.F. Building Code § 106A.1.9; S.F. Planning Code § 604. Defendants AAU and 491 POST STREET, LLC never obtained the required building permits for the installation of business signs at 491 Post Street. Defendants AAU and 491 POST STREET, LLC have continuously maintained the business signs at 491 Post Street since their installation in violation of the Building and Planning Codes. S.F. Building Code § 106A.1.9; S.F. Planning Code § 604.

2295 Taylor Street

173. 2295 Taylor Street is located in the North Beach Neighborhood Commercial District (North Beach NCD). S.F. Planning Code § 722. The North Beach NCD controls are designed to ensure the livability and attractiveness of North Beach, and encourage small-and moderate-scale, mixed-use commercial-residential uses with limits on offices, automobile services, bars, restaurants, and places of entertainment. 2295 Taylor Street is also located in the North Beach Special Use District. S.F. Planning Code § 780.3.

174. From 1993 to 2003, 2295 Taylor Street was used and occupied by the San Francisco Art Institute ("SFAI"). The SFAI was granted a conditional use authorization by the Commission in 1993 for Large Institutional/Educational Service use, but failed to submit a building permit application to authorize the change of use. As a result, the SFAI's conditional use authorization expired at some point before 2010.

175. The last known legal use of 2295 Taylor Street is for retail use. Prior to 1993, 2295 Taylor Street was used and occupied by The GAP, a retail clothing store with a garage on the second

floor.

176. In 2003, Defendant AAU began to use both stories of 2295 Taylor Street as a Large Institutional/Educational Service use. Since 2003, Defendant AAU has used 2295 Taylor Street for classrooms, labs/studios, offices, and gallery space, with studio spaces on the ground floor and classroom space on the upper floor. Defendant AAU has purportedly vacated the second floor (as of October 2014), and currently uses the first floor for graduate studios and an office.

177. The Department has repeatedly notified Defendants AAU and 701 CHESTNUT STREET, LLC that their use of 2295 Taylor Street violates the Planning Code. Most recently, on April 14, 2016, the Department through the Zoning Administrator issued a Notice of Violation and Penalty Decision finding that the Defendants AAU and 701 CHESTNUT STREET, LLC violated the Planning Code through their unlawful conversion and use of 2295 Taylor Street. In its recent decision, the Zoning Administrator acknowledged that the "voluntary tolling of the assessment of penalties as noted above shall in no way affect the ability of the City or any other governmental authority to enforce any other applicable local, state or federal laws against AAU properties."

178. Defendants AAU and 701 CHESTNUT STREET, LLC's conversion, maintenance and continued use of the ground floor of 2295 Taylor Street as a Large Institutional/Educational Service Use required a building permit with neighborhood notification. S.F. Building Code § 106A.1.12; S.F. Planning Code §§ 171, 722.81. Defendants AAU and 701 CHESTNUT STREET, LLC's changing a use that already exceeds the 4,000 sq. ft. use size provisions of Planning Code section 121.2 also required a conditional use authorization. S.F. Planning Code § 178(e)(5).

179. Defendants AAU and 701 CHESTNUT STREET, LLC's use of 2295 Taylor Street as an Educational Institution requires one off-street parking space for every two classrooms. S.F. Planning Code §§ 151, 722.22.

180. Defendants AAU and 701 CHESTNUT STREET, LLC have never obtained required building permits, conditional use authorization, and approvals, nor have they provided the required off-street parking spaces. Nonetheless, Defendants AAU and 701 CHESTNUT STREET, LLC used and continue to use 2295 Taylor Street as a Large Institutional/Educational Service Use in violation of the Building and Planning Codes. S.F. Building Code § 106A.1.12; S.F. Planning Code §§ 151, 171,

1789(e)(5), 209.3, 237, 722.22.

466 Townsend Street

181. 466 Townsend Street is located in the WMUO (WSoMa Mixed-Use Office) Zoning District. S.F. Planning Code § 845. The WMUO is designed to encourage office uses along with small-scale light industrial and arts activities. Permitted uses are office, general commercial, most retail, production, distribution, and repair uses.

182. 466 Townsend Street is also located within the Western SoMa Special Use District. S.F. Planning Code § 823. The Western SoMa Special Use District is governed by the priorities laid out in San Francisco Board of Supervisors Resolution No. 731-04 (File No. 041359, adopted 11/23/2004).

183. Prior to 2005, 466 Townsend Street was used and occupied as a data center/telecommunications facility use and industrial use.

184. In 2005, Defendant AAU began to use 466 Townsend Street as an Educational Institution. Defendant AAU currently uses the space for classrooms, labs/art studios, an art store, and offices.

185. The Department has repeatedly notified Defendants AAU and S/F 466 TOWNSD, LLC that their use of 466 Townsend Street violates the Planning Code. Most recently, on April 7, 2016, the Department through the Zoning Administrator issued a Notice of Violation and Penalty Decision finding that the Defendants AAU and S/F 466 TOWNSD, LLC violated the Planning Code through their unlawful conversion and use of 466 Townsend Street. In its recent decision, the Zoning Administrator acknowledged that the "voluntary tolling of the assessment of penalties as noted above shall in no way affect the ability of the City or any other governmental authority to enforce any other applicable local, state or federal laws against AAU properties."

186. Defendants AAU and S/F 466 TOWNSD, LLC's conversion, maintenance and continued use of 466 Townsend Street as an Educational Institutional use required a building permit and a conditional use authorization. S.F. Building Code § 106A.1.12; S.F. Planning Code §§ 171, 845.32.

187. Defendants AAU and S/F 466 TOWNSD, LLC have never obtained required building

permits, conditional use authorization, and approvals. Nonetheless, Defendants AAU and S/F 466 TOWNSD, LLC used and continue to use 466 Townsend Street as an Educational Institution in violation of the Building and Planning Codes. S.F. Building Code § 106A.1.12; S.F. Planning Code §§ 171, 845.32.

620 Sutter Street

188. 620 Sutter Street is in the C-3-G Zoning District (Downtown General Commercial). S.F. Planning Code § 210.2. The C-3-G Zoning District permits retail, office, hotel, entertainment, club and institution, and high-density residential uses.

189. Originally built by famed architect Julia Morgan for the Y.W.C.A., 620 Sutter Street has been identified as a "Category I" Significant Building of Individual Importance within the Kearny-Market-Mason-Sutter Conservation District. S.F. Planning Code §§ 1102(a), 1103.1(a), & Appx. E; S.F. Ordinance No. 414-85, App. 9/17/85; amended by Ord. 142-87, App. 5/1/87; Ord. 47-96, App. 2/2/96; Ord. 182-12, File No. 120665, App. 8/8/2012, Eff. 9/7/2012.

190. Prior to 2005, 620 Sutter Street was owned by the YWCA of San Francisco and Marin, and was used as a tourist hotel.

191. On or about August 16, 2005, and again on December 14, 2005, Sutter Taylor, LLC recorded an option purchase interest against title to 620 Sutter Street, naming 620 RSSE, LLC as the beneficiary.

192. In 2005, Defendant AAU began to use 620 Sutter Street to an Educational Institution. Defendant AAU currently uses the space as both Student Housing and institutional uses, with 65 group-housing rooms with a capacity for 129 beds, a theater, offices, indoor pool, cafeteria, and gymnasium.

193. The Department has repeatedly notified Defendants AAU and 620 RSSE, LLC that their use of 620 Sutter Street violates the Planning Code. Most recently, on April 7, 2016, the Department through the Zoning Administrator issued a Notice of Violation and Penalty Decision finding that the Defendants AAU and 620 RSSE, LLC violated the Planning Code through its unlawful conversion and use of 620 Sutter Street. In its recent decision, the Zoning Administrator acknowledged that the "voluntary tolling of the assessment of penalties as noted above shall in no way

affect the ability of the City or any other governmental authority to enforce any other applicable local, state or federal laws against AAU properties."

194. Defendants AAU and 620 RSSE, LLC's conversion, maintenance and continued use of 620 Sutter Street as an Educational Institutional use required a building permit. S.F. Building Code § 106A.1.12; S.F. Planning Code §§ 171, 210.2. Because the building is a "Category I" Significant Building of Individual Importance, the HPC must review and approve a Permit to Alter for exterior and certain interior alterations. S.F. Planning Code §§ 1002, 1110(a).

195. Defendants AAU and 620 RSSE, LLC have never obtained required building permits and approvals, nor conditional use authorization. Nonetheless, Defendants AAU and 620 RSSE, LLC used, and continue to use, 620 Sutter Street as Student Housing for an Educational Institution in violation of the Building and Planning Codes. S.F. Building Code § 106A.1.12; S.F. Planning Code §§ 171, 210.2.

196. In addition, since at least 2011, Defendants AAU and 620 RSSE LLC have installed and maintained business signs on the building. The addition of the business signs also required a building permit. S.F. Building Code § 106A.1.9; S.F. Planning Code § 604. Defendants AAU and 620 RSSE, LLC never obtained the required building permits for the installation of business signs at 620 Sutter Street. Defendants AAU and 620 RSSE, LLC have continuously maintained the business sign at 620 Sutter Street since its installation in violation of the Building and Planning Codes. S.F. Building Code § 106A.1.9; S.F. Planning Code § 604.

2151 Van Ness Avenue

197. 2151 Van Ness Avenue is in a RC-4 (Residential/Commercial High Density) Zoning District. S.F. Planning Code § 209.3. The RC-4 Zoning District is intended to protect predominant residential uses, while permitting neighborhood-serving commercial uses that will not generate excessive vehicular traffic.

198. Prior to 2005, 2151 Van Ness Avenue was used as St. Brigid's Church, a religious institution, also known and designated as City Landmark No. 252.

199. In 2005, Defendant AAU began to use 2151 Van Ness Avenue as an Educational Institution. Defendant AAU currently uses the space for classroom and art studio space.

200. The Department has repeatedly notified Defendants AAU and 2151 VAN NESS AVENUE, LLC that their use of 2151 Van Ness Avenue violates the Planning Code. Most recently, on April 7, 2016, the Department through the Zoning Administrator issued a Notice of Violation and Penalty Decision finding that Defendants AAU and 2151 VAN NESS AVENUE, LLC violated the Planning Code through their unlawful conversion and use of 2151 Van Ness Avenue. In its recent decision, the Zoning Administrator acknowledged that the "voluntary tolling of the assessment of penalties as noted above shall in no way affect the ability of the City or any other governmental authority to enforce any other applicable local, state or federal laws against AAU properties."

201. Defendants AAU and 2151 VAN NESS AVENUE, LLC's conversion, maintenance and continued use of 2151 Van Ness Avenue to an Educational Institutional use required a building permit and conditional use authorization. S.F. Planning Code §§ 171, 209.3, 303.

202. Defendants AAU and 2151 VAN NESS AVENUE, LLC have never obtained required building permits and approvals, nor conditional use authorization. Nonetheless, Defendants AAU and 2151 VAN NESS AVENUE, LLC used and continue to use 2151 Van Ness Avenue as an Educational Institution in violation of the Building and Planning Codes. S.F. Building Code § 106A.1.9; S.F. Planning Code §§ 171, 209.3, 303.

817-831 Sutter Street

203. 817-831 Sutter Street is in a RC-4 (Residential/Commercial High Density) Zoning District. S.F. Planning Code § 209.3. The RC-4 Zoning District is intended to protect predominant residential uses, while permitting neighborhood-serving commercial uses that will not generate excessive vehicular traffic.

204. Prior to 2006, 817-831 Sutter Street was known as the Commodore Hotel, built in 1928 as a merchant seaman hotel.

205. In 2006, Defendant AAU began to use 817-831 Sutter Street as Student Housing for an Educational Institution. Defendant AAU currently uses the space as "The Commodore," a co-ed dormitory with 114 units and the capacity to house 222 students.

206. The Department has repeatedly notified Defendants AAU and 825 SUTTER STREET, LLC that their use of 817-831 Sutter Street violates the Planning Code. Most recently, on April 7,

2016, the Department through the Zoning Administrator issued a Notice of Violation and Penalty Decision finding that the Defendants AAU and 825 SUTTER STREET, LLC violated the Planning Code through their unlawful conversion and use of 817-831 Sutter Street. In its recent decision, the Zoning Administrator acknowledged that the "voluntary tolling of the assessment of penalties as noted above shall in no way affect the ability of the City or any other governmental authority to enforce any other applicable local, state or federal laws against AAU properties."

207. Defendants AAU and 825 SUTTER STREET, LLC's conversion, maintenance and continued use of 817-831 Sutter Street as Student Housing for an Educational Institutional use required a building permit and conditional use authorization. S.F. Planning Code §§ 171, 209.3, 303.

208. Defendants AAU and 825 SUTTER STREET, LLC have never obtained required building permits and approvals, nor conditional use authorization. Nonetheless, Defendants AAU and 825 SUTTER STREET, LLC used and continue to use 817-831 Sutter Street as an Educational Institution in violation of the Building and Planning Codes. S.F. Building Code § 106A.1.9; S.F. Planning Code §§ 171, 209.3, 303.

1727 Lombard Street

209. 1727 Lombard Street is in a NC-3 (Moderate Scale Neighborhood Commercial) and a RH-2 (Residential House Two-Family) Zoning District. S.F. Planning Code §§ 712, 209.1. The NC-3 and RH-2 Zoning Districts allow some group housing and institutional uses, a building permit and conditional use authorization are required to permit such uses.

210. 1727 Lombard Street was the former 52-room tourist motel called the Star Motel.

211. In 2007, Defendant AAU began to use 1727 Lombard Street as Student Housing for an Educational Institution. Defendant AAU currently uses the space as Student Housing, with an 81-bed capacity.

212. The Department has repeatedly notified Defendants AAU and 1727 LOMBARD II, LLC that their use of 1727 Lombard Street violates the Planning Code. Most recently, on April 7, 2016, the Department through the Zoning Administrator issued a Notice of Violation and Penalty Decision finding that the Defendants AAU and 1727 LOMBARD II, LLC violated the Planning Code through their unlawful conversion and use of 1727 Lombard Street. In its recent decision, the Zoning

Administrator acknowledged that the "voluntary tolling of the assessment of penalties as noted above shall in no way affect the ability of the City or any other governmental authority to enforce any other applicable local, state or federal laws against AAU properties."

213. Defendants AAU and 1727 LOMBARD II, LLC's conversion, maintenance and continued use of 1727 Lombard Street as Student Housing for an Educational Institutional use required a building permit and conditional use authorization. S.F. Building Code § 106A.1.12; S.F. Planning Code §§ 171, 209.1, 303.

214. Defendants AAU and 1727 LOMBARD II, LLC have never obtained required building permits and approvals, nor conditional use authorization. Nonetheless, Defendants AAU and 1727 LOMBARD II, LLC used and continue to use 1727 Lombard Street as an Educational Institution in violation of the Building and Planning Codes. S.F. Building Code § 106A.1.9; S.F. Planning Code §§ 171, 209.3, 303.

2225 Jerrold Avenue

215. 2225 Jerrold Avenue is located in a PDR-2 (PDR-Core Production, Distribution, and Repair) District. S.F. Planning Code § 210.3. PDR-2 Districts encourage the introduction, intensification, and protection of a wide range of light and contemporary industrial activities. PDR-2 Districts prohibit new housing, large office developments, large-scale retail, and heavy industrial uses. Generally, all other uses are permitted.

216. Prior to 2009, 2295 Jerrold Avenue was used and occupied as a warehouse.

217. In 2009, Defendant AAU began to use 2225 Jerrold Avenue as office use and vehicle storage use for Defendant AAU's commercial passenger vehicles. Defendant AAU also used the property for antique fire vehicle storage and a toy distribution program.

218. From at least April 30, 2013 to June 24, 2014, Defendant AAU used 2225 Jerrold Avenue for a weight training room and a full-scale basketball court, in addition to commercial passenger vehicle storage.

219. Since June 24, 2014, Defendant AAU has used and currently uses the space for commercial passenger vehicle storage garage and warehouse.

220. The Department has repeatedly notified Defendants AAU and 2225 JERROLD

AVENUE, LLC that their use of 2225 Jerrold Avenue violates the Planning Code. Most recently, on April 14, 2016, the Department through the Zoning Administrator issued a Notice of Violation and Penalty Decision finding that the Defendants AAU and 2225 JERROLD AVENUE, LLC violated the Planning Code through their unlawful conversion and use of 2225 Jerrold Avenue. In its recent decision, the Zoning Administrator acknowledged that the "voluntary tolling of the assessment of penalties as noted above shall in no way affect the ability of the City or any other governmental authority to enforce any other applicable local, state or federal laws against AAU properties."

221. Defendants AAU and 2225 JERROLD AVENUE, LLC's conversion, maintenance and continued use of 2225 Jerrold Avenue as a vehicle storage use required a building permit. S.F. Building Code § 106A.1.12; S.F. Planning Code §§ 171, 210.3; see also S.F. Planning Code § 223(t) (2010).

222. Defendants AAU and 2292 JERROLD AVENUE, LLC have never obtained required building permits and approvals. Nonetheless, Defendants AAU and 2225 JERROLD AVENUE, LLC used and continue to use 2225 Jerrold Avenue as a vehicle storage use in violation of the Building and Planning Codes. S.F. Building Code § 106A.1.12; S.F. Planning Code §§ 151, 171, 210.3; see also S.F. Planning Code § 223(t) (2010).

460 Townsend Street

223. 460 Townsend Street is located in the WMUO (WSoMa Mixed-Use Office) Zoning District. S.F. Planning Code § 845. The WMUO is designed to encourage office uses along with small-scale light industrial and arts activities. Permitted uses are office, general commercial, most retail, production, distribution, and repair uses.

224. 460 Townsend Street is also located within the Western SoMa Special Use District. S.F. Planning Code § 823. The Western SoMa Special Use District is governed by the priorities laid out in San Francisco Board of Supervisors Resolution No. 731-04 (File No. 041359, adopted 11/23/2004.)

225. Prior to 2009, 460 Townsend Street was used and occupied by a lighting company for industrial and office use.

226. Since at least November 12, 2009, Defendants AAU and 460 TOWNSEND STREET,

LLC have used and maintained 460 Townsend Street as an Educational Institution. In 2010, Defendant AAU used the space for classrooms, labs/art studios, and offices. Defendant AAU currently uses the space for classrooms, studios, and student and faculty lounges.

227. Defendants AAU and 460 TOWNSEND, LLC's conversion, use and maintenance of 460 Townsend Street as an Educational Institutional use required a building permit. S.F. Building Code § 106A.1.12; S.F. Planning Code §§ 171. Defendants AAU and 460 TOWNSEND, LL's conversion, use, and maintenance of 460 Townsend Street to an Educational Institutional use also required a conditional use authorization. S.F. Planning Code § 823(c).

228. On April 9, 2010, the Department issued an Enforcement Notification informing Defendant AAU of the unauthorized change of use at 460 Townsend Street from an industrial/office use to an Educational Service use in violation of the Planning Code. On June 22, 2010,the Department through the Zoning Administrator issued a Notice of Violation Penalty ("NOVP") to Defendant AAU, informing them it that the unauthorized change in use from industrial/office to Educational Service at 460 Townsend Street had not been abated and the Department had not received a direct response regarding the Enforcement Notification.

229. On July 9, 2010, AAU submitted a request for a Zoning Administrator Hearing, which was held on August 19, 2010. On August 25, 2010, the Zoning Administrator issued a written decision from the hearing in the form of a Final NOVP. The Final NOVP stated that AAU had made no attempt to submit a conditional use application for 460 Townsend Street. The Final NOVP also stated that the Planning Department and Planning Commission were troubled by Defendant AAU's knowing violations of the Planning Code, and its increasing degree of noncompliance with the Planning Code, by commencing operations at 460 Townsend Street. The Final NOVP also stated that Defendant AAU's rapid and uncontrolled growth through unauthorized operations spread across the City without proper prior planning review is cause for concern, and that failing to identify and map out future acquisitions through the public IMP process is simply irresponsible and could negatively impact the quality of life within the City's neighborhoods. The Final NOVP also stated that completing the required processes, which include an IMP, conditional use authorization, building permit, and environmental review, before commencing operations will provide Defendant AAU and the City with

information regarding potential impacts or benefits, allow for public comment, and result in land use outcomes that will benefit the City.

230. On September 9, 2010, Defendant AAU appealed the Zoning Administrator's Final NOVP to the Board of Appeals. On November 3, 2010, the Board of Appeals upheld the decision of the Zoning Administrator. On November 12, 2010, Defendant AAU filed a Rehearing Request. The Rehearing Request was considered and denied by the Board of Appeals on December 9, 2010. The Board of Appeals issued the Notice of Decision and Order on December 10, 2010, upholding the Zoning Administrator's Final NOVP. Defendants AAU and 460 TOWNSEND STREET, LLC did not seek judicial review of the Board of Appeals Notice of Decision and Order.

231. Since 2009, Defendants AAU and 460 TOWNSEND, LLC have never obtained required building permits, conditional use authorization, and approvals. Nonetheless, Defendants AAU and 460 TOWNSEND, LLC used and continues to use and maintain 460 Townsend Street as an Educational Institution in violation of the Building and Planning Codes. S.F. Building Code § 106A.1.12; S.F. Planning Code §§ 171, 823(c).

930-950 Van Ness Avenue and 963 O'Farrell Street

232. 930-950 Van Ness Avenue is located in a RC-4 (Residential - Commercial - Combined, High-Density) district. S.F. Planning Code § 209.3. Permitted RC-4 uses are high-density residential uses, senior housing, group housing including single-room occupancy and student housing, retail uses on the first and second floors only, institutional uses, hotels, and entertainment and arts uses.

233. 930-950 Van Ness Avenue is also located in the Van Ness Special Use District. S.F. Planning Code § 243. The focus of the Van Ness Special Use District is to implement the Van Ness Avenue Area Plan. 930-950 Van Ness Avenue is also located within the Van Ness Special Sign District, which prohibits roof signs, and limits the size, number, and location of signs. S.F. Planning Code § 608(a). 930-950 Van Ness Avenue is also located in the Van Ness Automotive Special Use District. S.F. Planning Code § 237.

234. 963 O'Farrell Street is located in a RC-4 (Residential - Commercial - Combined, High-Density) district. S.F. Planning Code § 209.3. Permitted RC-4 uses are high-density residential uses, senior housing, group housing including single-room occupancy and student housing, retail uses on the

first and second floors only, institutional uses, hotels, and entertainment and arts uses.

235. 963 O'Farrell Street is also located in the Van Ness Special Use District. S.F. Planning Code § 243. The focus of the Van Ness Special Use District is to implement the Van Ness Avenue Area Plan. 963 O'Farrell Street is also located within the Van Ness Special Sign District, which prohibits roof signs, and limits the size, number, and location of signs. S.F. Planning Code § 608(a). 963 O'Farrell Street is also located in the Van Ness Automotive Special Use District. S.F. Planning Code § 237.

236. 930-950 Van Ness Avenue is internally connected to 963 O'Farrell Street at the basement and street level.

237. Prior to 2009, 930-950 Van Ness Avenue and 963 O'Farrell Street were used and occupied as an automobile dealership, with accessory automobile repair use.

238. In 2009, Defendant AAU began to use 930-950 Van Ness Avenue and 963 O'Farrell Street as an Educational Institution and vehicle storage garage use. Defendant AAU currently uses the space to store Defendant AAU's classic car collection.

239. The Department has repeatedly notified Defendants AAU and 950 VAN NESS AVENUE, LLC that their use of 930-950 Van Ness Avenue and 963 O'Farrell Street violates the Planning Code. Most recently, on April 14, 2016, the Department through the Zoning Administrator issued a Notice of Violation and Penalty Decision finding that the Defendants AAU and 950 VAN NESS AVENUE, LLC violated the Planning Code through their unlawful conversion and use of 930-950 Van Ness Avenue and 963 O'Farrell Street. In its recent decision, the Zoning Administrator acknowledged that the "voluntary tolling of the assessment of penalties as noted above shall in no way affect the ability of the City or any other governmental authority to enforce any other applicable local, state or federal laws against AAU properties."

240. Defendants AAU and 950 VAN NESS AVENUE, LLC's conversion, use, and maintenance of 930-950 Van Ness Avenue and 963 O'Farrell Street as an Educational Institutional use required a building permit. S.F. Building Code § 106A.1.12; S.F. Planning Code § 171. Defendants AAU and 950 VAN NESS AVENUE, LLC's conversion, maintenance, and continued use of 930-950 Van Ness Avenue and 963 O'Farrell Street as an Educational Institutional use also required a

conditional use authorization. S.F. Planning Code § 209.3. Defendants AAU and 950 VAN NESS AVENUE, LLC's maintenance and continued use of 930-950 Van Ness Avenue and 963 O'Farrell Street as a vehicle storage garage use also required a conditional use authorization. S.F. Planning Code §§ 209.3, 237.

241. Since 2009, Defendants AAU and 950 VAN NESS AVENUE, LLC have never obtained required building permits, conditional use authorization, and approvals. Nonetheless, Defendants AAU and 950 VAN NESS AVENUE, LLC used and continues to use and maintain 930-950 Van Ness Avenue and 963 O'Farrell Street as an Educational Institution in violation of the Building and Planning Codes. S.F. Building Code § 106A.1.12; S.F. Planning Code §§ 171, 209.3, 237.

2801 Leavenworth Street

242. 2801 Leavenworth Street is in a C-2 (Community Business) Zoning District and is located in the WR-2 (Waterfront Special Use District No. 2). S.F. Planning Code § 210.1, 240.2. The C-2 Zoning District allows retail, office, restaurant, residential, institutional, and automotive uses. S.F. Planning Code § 210.1.

243. 2801 Leavenworth Street functioned for years as the old Cannery building.

244. In 2011, Defendant AAU began to use 2801 Leavenworth Street as an Educational Institution. Defendant AAU currently uses the building as exhibition gallery space and administrative offices.

245. The Department has repeatedly notified Defendants AAU and 2801 LEAVENWORTH-CANNERY, LLC that their use of 2801 Leavenworth Street violates the Planning Code. Most recently, on March 31, 2016, the Department through the Zoning Administrator issued a Notice of Violation and Penalty Decision finding that the Defendants AAU and 2801 LEAVENWORTH–CANNERY, LLC violated the Planning Code through their unlawful conversion and use of 2801 Leavenworth Street. In its recent decision, the Zoning Administrator acknowledged that the "voluntary tolling of the assessment of penalties as noted above shall in no way affect the ability of the City or any other governmental authority to enforce any other applicable local, state or federal laws against AAU properties."

246. Defendants AAU and 2801 LEAVENWORTH–CANNERY, LLC's conversion, maintenance, and continued use of 2801 Leavenworth Street as an Educational Institutional use required a building permit. S.F. Building Code § 106A.1.12; S.F. Planning Code §§ 171, 210.1.

247. Since 2011, Defendants AAU and 2801 LEAVENWORTH–CANNERY, LLC have never obtained required building permits and approvals. Nonetheless, Defendants AAU and 2801 LEAVENWORTH–CANNERY, LLC used and continues to use 2801 Leavenworth Street as an Educational Institution in violation of the Building and Planning Codes. S.F. Building Code § 106A.1.12; S.F. Planning Code §§ 171, 210.1.

FIRST CAUSE OF ACTION
VIOLATION OF BUSINESS AND PROFESSIONS CODE SECTIONS 17200-17210
BROUGHT BY PLAINTIFF PEOPLE OF THE STATE OF CALIFORNIA
AGAINST ALL DEFENDANTS

248. Plaintiff PEOPLE incorporate by reference paragraphs 1 through 247, and 260-292, inclusive, against all DEFENDANTS and make them a part of this cause of action, as though fully set forth herein.

249. Plaintiff PEOPLE, by and through Dennis J. Herrera, City Attorney for the City and County of San Francisco, bring this cause of action pursuant to Business and Professions Code sections 17200-17210.

250. DEFENDANTS transact business by running a for-profit, proprietary Educational Institution, and by acquiring, developing, maintaining, leasing, and operating over 40 commercial and residential buildings within the City and County of San Francisco, California, including the 22 described in this complaint. The violations of law described in this complaint have been, and are being, carried out wholly or in part within the City and County of San Francisco.

251. California Business and Professions Code section 17200 prohibits any "unlawful, unfair or fraudulent business practices." As alleged throughout this complaint, DEFENDANTS have engaged and continue to engage in unlawful, unfair and/or fraudulent business practices in violation of Section 17200. DEFENDANTS continued use of each of the PROPERTIES in violation of law, constitutes an unlawful, unfair and/or fraudulent business practice.

252. DEFENDANTS' acts and business practices, set forth in this complaint, constitute

unfair business practices because they offend established public policy and cause harm that greatly outweighs any benefits associated with those acts and practices.

253. As a direct and proximate result of the foregoing acts and practices, DEFENDANTS have received income, profits, and other benefits, which they would not have obtained if they had not engaged in the violations of Section 17200 described in this complaint.

254. By engaging in a pattern and practice of violating the California Business and Professions Code, the California Civil Code, and Planning Code, DEFENDANTS were able to unfairly compete with other Educational Institutions and property owners with the City and County of San Francisco in the State of California.

255. Plaintiff PEOPLE are informed and believe, and based upon such information and belief, allege that as a direct result of these acts and omissions, DEFENDANTS have received or will receive income and other benefits which they would not have received if they had not engaged in the violations of Business and Professions Code section 17200 et seq. described in this complaint.

256. Plaintiff PEOPLE have no adequate remedy at law in that damages are insufficient to protect the public from the harm caused by the conditions described in this complaint.

257. Unless injunctive relief is granted to enjoin DEFENDANTS' unlawful business practices, Plaintiff PEOPLE will suffer irreparable injury.

258. By engaging in the unlawful and unfair business practices described in this complaint, DEFENDANTS are each subject to civil penalties in the amount of $2,500 for each unlawful and unfair act, pursuant to Business and Professions Code section 17206.

259. DEFENDANTS have engaged, and continue to engage, in unlawful, unfair and/or fraudulent business acts or practices in violation of Section 17200. Such acts and practices include, but are not limited to, the following:

- Unlawfully converting the PROPERTIES to uses including postsecondary educational uses and Student Housing, in violation of the express language of the Planning Code;

- Unlawfully converting the PROPERTIES to uses including postsecondary educational uses and Student Housing, without the required conditional use authorization;

- Unlawfully converting the PROPERTIES to uses including postsecondary educational uses and Student Housing, without the required building permits;
- Using, maintaining, or aiding and abetting in the use of maintenance of the PROPERTIES in violation of the Planning Code;
- Using, maintaining, or aiding and abetting in the use of maintenance of the PROPERTIES in violation of the Building Code;
- Unlawfully eliminating residential hotel units in violation of the express provisions of Administrative Code section 41.20(a);
- Refusing to comply with numerous Notices and Orders issued by the Planning Department related to the PROPERTIES;
- Creating and maintaining a public nuisance at the PROPERTIES; and
- Accepting and tendering rents and other payments for the PROPERTIES used in violation of provisions of the Building and Planning Codes.

SECOND CAUSE OF ACTION
FOR PUBLIC NUISANCE BROUGHT BY PLAINTIFF PEOPLE OF THE STATE OF CALIFORNIA AGAINST ALL DEFENDANTS

COUNT ONE
PER SE PUBLIC NUISANCE

260. Plaintiff PEOPLE incorporate by reference paragraphs 1 through 247, inclusive, against all DEFENDANTS and make them a part of this cause of action, as though fully set forth herein.

261. Plaintiff PEOPLE bring this count of the second cause of action under California Civil Code sections 3479, 3480, 3491, and 3494, California Code of Civil Procedure sections 526, 527(a), and 731, and Planning Code sections 176 and 176.1.

262. As described above, Defendant AAU and Defendant LLCs are now, and for a considerable period of time have been, using or maintaining, or aiding and abetting in the use and maintenance of the PROPERTIES in violation of the Planning Code.

263. Defendants 2801 LEAVENWORTH-CANNERY, LLC; 1727 LOMBARD II, LLC; 60 FEDERAL STREET, LLC; 1916 OCTAVIA STREET, LLC; 2151 VAN NESS AVENUE, LLC; 1835 VAN NESS AVENUE, LLC; 1825 SUTTER STREET, LLC; 491 POST STREET, LLC; 1069 PINE STREET, LLC; 620 RSSE, LLC; 2300 STOCKTON STREET, LLC; S/F 466 TOWNSD, LLC;

950 VAN NESS AVENUE, LLC; 701 CHESTNUT STREET, LLC; and 2225 JERROLD AVENUE, LLC are now, and for a considerable period of time have been using or maintaining, or aiding and abetting in the use and maintenance of their properties in violation of the Planning Code, by failing to secure requisite conditional use authorizations and/or building permits.

264. Defendants 601 BRANNAN STREET, LLC; 1080 BUSH STREET, LLC; 1153 BUSH STREET, LLC; 1916 OCTAVIA STREET, LLC; 1055 PINE STREET, LLC; 860 SUTTER STREET, LLC; 2209 VAN NESS AVENUE, LLC; and 2211 VAN NESS AVENUE, LLC are now, and for a considerable period of time have been using or maintaining, or aiding and abetting in the use and maintenance of their properties in violation of the Planning Code, by failing to comply with the express provisions of the Planning Code.

265. As described above, Defendant AAU unlawfully converted the PROPERTIES from their legal use in violation of the Planning Code.

266. Pursuant to the Planning Code section 176, any use, structure, lot, feature, or condition in violation of the Planning Code is unlawful and a per se public nuisance.

267. DEFENDANTS' illegal conversion and use of the PROPERTIES in violation of the Planning Code are detrimental to the health, safety, and welfare of the community and injuriously affects public and private property within the City and County of San Francisco, and constitutes a per se public nuisance.

268. At all times alleged herein, DEFENDANTS knew or should have known that their use and maintenance of the PROPERTIES was and is illegal and was creating a public nuisance, as alleged in this Complaint. Despite this knowledge, DEFENDANTS have refused to discontinue their illegal use of the PROPERTIES and continue to violate the Planning Code, infringing on the rights of Plaintiff PEOPLE and the community.

269. Unless said nuisances are abated, the occupants and residents of adjacent properties, the surrounding neighborhood, and the citizens of the City and County of San Francisco, will suffer irreparable injury, in that said conditions will continue to be injurious to the continuous enjoyment of the life and free use of property of said citizens of the City and County of San Francisco and the People of the State of California.

270. Plaintiff PEOPLE have no adequate remedy at law in that damages are insufficient to protect the PEOPLE and the public from the present danger and harm caused by the conditions described in this complaint, and injunctive relief is expressly authorized by California Code of Civil Procedure sections 526 and 731, and Planning Code sections 176(a), 176(c)(2), and 176.1(b).

COUNT TWO
GENERAL PUBLIC NUISANCE

271. Plaintiff PEOPLE incorporate by reference paragraphs 1 through 247, inclusive, against all DEFENDANTS and make them a part of this cause of action, as though fully set forth herein.

272. Plaintiff PEOPLE bring this count of the second cause of action under California Civil Code sections 3479, 3480, 3491, and 3494, California Code of Civil Procedure sections 526, 527(a), and 731.

273. As described above, DEFENDANTS have now, and for a considerable period of time, and all times pertinent to the allegations in this Complaint have been, owning, operating, and maintaining the PROPERTIES in violation of the Planning Code. DEFENDANTS' conduct constitutes an ongoing public nuisance within the meaning of Civil Code sections 3479 and 3480, as it is injurious to the health and safety of the residents and the community, is offensive to the senses, and interferes with the comfortable enjoyment of life and property, and also affects a considerable number of persons, an entire community, or neighborhood.

274. At all times herein mentioned, DEFENDANTS knew or should have known that their conduct was and is illegal and was and is creating a public nuisance, as alleged in the Complaint, but have refused to discontinue their illegal use of the PROPERTIES as an Educational Institutional use and have continued to operate, manage, and maintain the PROPERTIES as such, in violation of the rights of Plaintiffs and the community.

275. Unless enjoined, DEFENDANTS will continue to operate the PROPERTIES in the above-described condition as a public nuisance.

276. Plaintiff PEOPLE have no adequate remedy at law in that damages are insufficient to protect Plaintiff PEOPLE and the public from the present danger and harm caused by the conditions described above, and injunctive relief is expressly authorized by Code of Civil Procedure sections 526

and 731.

277. Unless DEFENDANTS are enjoined from operating the PROPERTIES in violation of local laws, Plaintiffs and the community, neighborhood, and the residents and citizens of the City and County of San Francisco will suffer irreparable injury and damage, in that said conditions will continue to be injurious to health and safety, offensive to the senses and injurious to the enjoyment and the free use of the life and property of said residents and citizens of the City and County of San Francisco and the People of the State of California.

THIRD CAUSE OF ACTION
FOR VIOLATION OF PLANNING CODE BY PLAINTIFF CITY AND COUNTY OF SAN FRANCISCO AGAINST ALL DEFENDANTS

COUNT ONE
VIOLATION OF PLANNING CODE DEFENDANT AAU

278. Plaintiff CITY hereby incorporates by reference Paragraphs 1 through 247, as though fully set forth herein.

279. Plaintiff CITY brings this action pursuant to Planning Code sections 176(a), 176(c)(2), and 176.1(b) and San Francisco Charter section 6.102.

280. As described above, Defendant AAU is now, and for a considerable period of time, has been using or maintaining, or aiding and abetting in the use and maintenance of the PROPERTIES in violation of the Planning Code.

281. Defendant AAU unlawfully converted the PROPERTIES from their legal use in violation of the Planning Code.

282. At all times alleged herein, Defendant AAU has had notice and knowledge that it was operating the PROPERTIES in violations of the Planning Code, but Defendant AAU deliberately failed and refused to abate the violations or to cease using the PROPERTIES.

283. By using the PROPERTIES as described herein, DEFENDANTS have violated, disobeyed, omitted, neglected, and refused to comply with the Planning Code and should be enjoined and ordered to pay mandatory civil penalties of no less than $200 per day for each day that the violations existed and were permitted to continue, as set forth in Planning Code section 176(c)(2).

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COUNT TWO
VIOLATION OF PLANNING CODE BY DEFENDANT LLCS

284. Plaintiff CITY hereby incorporates by reference Paragraphs 1 through 278 above, as though fully set forth herein.

285. Plaintiff CITY brings this action pursuant to Planning Code sections 176(a), 176(c)(2), and 176.1(b) and San Francisco Charter section 6.102.

286. As described above, Defendant LLCs are now, and for a considerable period of time have been, using or maintaining, or aiding and abetting in the use and maintenance of the PROPERTIES in violation of the Planning Code.

287. Defendants 2801 LEAVENWORTH-CANNERY, LLC; 1727 LOMBARD II, LLC; 60 FEDERAL STREET, LLC; 1916 OCTAVIA STREET, LLC; 2151 VAN NESS AVENUE, LLC; 1835 VAN NESS AVENUE, LLC; 825 SUTTER STREET, LLC; 491 POST STREET, LLC; 1069 PINE STREET, LLC; 620 RSSE, LLC; 2300 STOCKTON STREET, LLC; S/F 466 TOWNSD, LLC; 950 VAN NESS AVENUE, LLC; 701 CHESTNUT STREET, LLC; and 2225 JERROLD AVENUE, LLC are now, and for a considerable period of time have been using or maintaining, or aiding and abetting in the use and maintenance of their properties in violation of the Planning Code by failing to secure requisite conditional use authorizations and/or building permits.

288. Defendants 601 BRANNAN STREET, LLC; 1080 BUSH STREET, LLC; 153 BUSH STREET, LLC; 1916 OCTAVIA STREET, LLC; 1055 PINE STREET, LLC; 860 SUTTER STREET, LLC; 2209 VAN NESS AVENUE, LLC; and 2211 VAN NESS AVENUE, LLC are now, and for a considerable period of time have been using or maintaining, or aiding and abetting in the use and maintenance of their properties in violation of the Planning Code by failing to comply with the express provisions of the Planning Code.

289. At all times alleged herein, each of the Defendant LLCs have had notice and knowledge that they were operating the PROPERTIES in violations of the Planning Code, but the Defendant LLCs deliberately failed and refused to abate the violations or to cease the illegal use of the PROPERTIES.

290. Plaintiff CITY has no adequate remedy at law in that damages are insufficient to protect the public from the harm caused by the conditions described herein.

291. Unless said violation is abated, Plaintiff CITY and other occupants, neighbors, and residents of San Francisco will suffer irreparable injury and damage, in that said conditions will continue to be injurious to the continuous enjoyment of life and the free use of property of said residents.

292. By using the PROPERTIES as described herein, the Defendant LLCs have violated, disobeyed, omitted, neglected, and refused to comply with the Planning Code and should be enjoined and ordered to pay mandatory civil penalties of no less than $200 per day for each day that the violations existed and were permitted to continue, as set forth in Planning Code section 176(c)(2).

PRAYER FOR RELIEF

WHEREFORE, PLAINTIFFS pray that:

1. DEFENDANTS, and each of them, be declared to have violated the Administrative Code, the Building Code, the Planning Code, and California Business and Professions Code sections 17200-17210;

2. The properties and structures located at 1916 Octavia Street; 1153 Bush Street; 2209 Van Ness Avenue; 1080 Bush Street; 1055 Pine Street; 860 Sutter Street; 2211 Van Ness Avenue; 601 Brannan Street; 2340 Stockton Street (also known as 2300 Stockton Street); 1849 Van Ness Avenue (also known as 1835 Van Ness Avenue); 1069-1077 Pine Street; 58-60 Federal Street; 491 Post Street; 2295 Taylor Street (also known as 701 Chestnut Street); 466 Townsend Street; 620 Sutter Street; 2151 Van Ness Avenue; 817-831 Sutter Street; 1727 Lombard Street; 2225 Jerrold Avenue; 460 Townsend Street; 930-950 Van Ness Avenue; 963 O'Farrell Street; and 2801 Leavenworth Street, together with the fixtures and moveable property therein and thereon, be judicially declared a public nuisance and a per se public nuisance, to be permanently abated in accordance with Planning Code section 176, Civil Code section 3479, and Code of Civil Procedure section 731;

3. The Court issue a permanent injunction, ordering DEFENDANTS, and each of them, to permanently abate all code violations and unlawful or unfair business practices on all of the PROPERTIES, San Francisco, California, in accordance with the San Francisco Municipal Code and the California Business and Professions Code;

4. DEFENDANTS, and each of them, their agents, officers, managers, representatives, employees, and anyone acting on their behalf, and their heirs and assignees, be preliminarily and permanently enjoined from maintaining, operating, conducting, using, occupying, or in any way permitting the use of the properties and structures at 1916 Octavia Street; 1153 Bush Street; 2209 Van Ness Avenue; 1080 Bush Street; 1055 Pine Street; 860 Sutter Street; 2211 Van Ness Avenue; 601 Brannan Street; 2340 Stockton Street (also known as 2300 Stockton Street); 1849 Van Ness Avenue (also known as 1835 Van Ness Avenue); 1069-1077 Pine Street; 58-60 Federal Street; 491 Post Street; 2295 Taylor Street (also known as 701 Chestnut Street); 466 Townsend Street; 620 Sutter Street; 2151 Van Ness Avenue; 817-831 Sutter Street; 1727 Lombard Street; 2225 Jerrold Avenue; 460 Townsend Street; 930-950 Van Ness Avenue; 963 O'Farrell Street; and 2801 Leavenworth Street, San Francisco, California, and all parts thereof, as a public nuisance;

5. DEFENDANTS, and each of them, their agents, officers, managers, representatives, employees, and anyone acting on their behalf, and their heirs and assignees, be preliminarily and permanently enjoined from maintaining, operating, conducting, using, occupying, or in any way permitting the use of the properties and structures at 1916 Octavia Street; 1153 Bush Street; 2209 Van Ness Avenue; 1080 Bush Street; 1055 Pine Street; 860 Sutter Street; 2211 Van Ness Avenue; 601 Brannan Street; 2340 Stockton Street (also known as 2300 Stockton Street); 1849 Van Ness Avenue (also known as 1835 Van Ness Avenue); 1069-1077 Pine Street; 58-60 Federal Street; 491 Post Street; 2295 Taylor Street (also known as 701 Chestnut Street); 466 Townsend Street; 620 Sutter Street; 2151 Van Ness Avenue; 817-831 Sutter Street; 1727 Lombard Street; 2225 Jerrold Avenue; 460 Townsend Street; 930-950 Van Ness Avenue; 963 O'Farrell Street; and 2801 Leavenworth Street, San Francisco, California, as an unfair and/or unlawful business practice in violation of California Business and Professions Code sections 17200-17210.

6. DEFENDANTS, and each of them, their agents, officers, managers, representatives, employees, and anyone acting on their behalf, and their heirs and assignees, be ordered to cause the PROPERTIES and all parts thereof, to conform to law, and to maintain them in such conformity at all times;

7. DEFENDANTS, and each of them, be ordered to pay a civil penalty of no less than

$200 for each violation and for each day that the Planning Code violations alleged in the Complaint were permitted to occur, pursuant to Planning Code section 176(c)(2);

8. Defendants AAU and 460 TOWNSEND STREET, LLC be ordered to pay the San Francisco Planning Department all outstanding administrative penalties assessed at $250 for each violation and each day that the Planning Code violations alleged in the Complaint were permitted to occur, pursuant to Planning Code section 176(c)(1);

9. DEFENDANTS, and each of them, be ordered to pay a civil penalty of $2,500 for each unfair and/or unlawful business act alleged in this Complaint, pursuant to Business and Professions Code section 17206;

10. DEFENDANTS, and each of them, be preliminarily and permanently enjoined from spending, transferring, encumbering, or removing from California any real or personal property or money received from the PROPERTIES or in payment for the unfair and/or unlawful acts alleged in this Complaint;

11. PLAINTIFFS be authorized to record an Abstract of Judgment that constitutes a prior lien over any lien that any Defendants in this case may hold on the PROPERTIES;

12. DEFENDANTS, and each of them, be ordered to pay the CITY's costs of enforcement pursuant to Planning Code section 176(c)(2);

13. DEFENDANTS, and each of them, be ordered to pay the CITY's reasonable attorney's fees and costs, including expert witness fees, incurred in bringing this civil action, pursuant to Planning Code section 176(c)(2);

14. DEFENDANTS, and each of them, be ordered to pay the costs of suit;

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15. PLAINTIFFS be awarded costs incurred herein; and

16. Other and further relief be ordered as this Court should find just and proper.

Dated: May 6, 2016

DENNIS J. HERRERA
City Attorney

By: _____
DENNIS J. HERRERA
Attorneys for Plaintiffs
PEOPLE OF THE STATE OF CALIFORNIA and
CITY AND COUNTY OF SAN FRANCISCO