



## United States Department of the Interior

NATIONAL PARK SERVICE  
1849 C Street, N.W.  
Washington, D.C. 20240



April 28, 2020

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

**PROPERTY: Renoir Hotel, 1100 Market Street, San Francisco, California**  
**PROJECT NUMBER: 28184**

Dear [REDACTED]:

I have concluded my review of your appeal of the September 10, 2019 Decision of Technical Preservation Services (TPS), National Park Service, revoking the Final Certification of Completed Work issued on February 5, 2018, for the property cited above (the Decision). The appeal was initiated and conducted in accordance with Department of the Interior regulations [36 C.F.R. part 67] governing certifications for federal income tax incentives for historic preservation as specified in the Internal Revenue Code. I thank you, [REDACTED] of the City and County of San Francisco, and [REDACTED] of Heritage Consulting Group, for meeting with me on October 24, 2019, and for providing a detailed account of the project.

After careful review of the complete record for this project, including the materials presented as part of your appeal, and those submitted by [REDACTED] following our appeal meeting, I have determined that the completed rehabilitation of the Renoir Hotel is consistent with the historic character of the property, and hereby reverse the revocation of the Final Certification of Completed Work issued by TPS in the Decision.

The Renoir Hotel (now the Proper Hotel) is listed in the National Register of Historic Places as the Hotel Shaw and a contributing resource of the Market Street Theater and Loft Historic

District. It is a seven-story, Renaissance Revival-style commercial building clad in brown brick and light tan terra cotta. It was originally built as a two-story commercial and office building in 1902. By 1926, the building was modified and expanded to its current seven-story configuration. The period of significance of the district is 1889-1930. The massing of the property is wedge shaped, defined by the narrow angle intersection of the wide, tree-lined, Market Street on the south and one-way westbound McAllister Street on the north. TPS described the building in its Decision:

*The tall, thin, 'flatiron' Renoir Hotel occupies almost the entirety of a triangular block. The Renoir fronts on Market (south) and McAllister (north) Streets, both articulated primary elevations with such features as brown brick, terra-cotta ornamentation; arcaded top story; and pronounced cornice, crested with anthemia. A small and narrow one-story building to the west of the Renoir completes the block, leaving the Renoir's secondary, interior property-line (west) elevation exposed and highly visible. Because of these specific site conditions, views of the west elevation above the first floor are unobstructed, with a straight-on view paralleling Charles Street (west). Consequently, the west elevation has a high degree of visibility, akin to that of a street elevation. This brick west elevation was already painted prior to the start of the overall rehabilitation project, and the elevation is largely blank, except for two columns of small windows and the returns of the cornice on the two street elevations.*

TPS determined that the completed rehabilitation of the Renoir Hotel met the Secretary of the Interior's Standards for Rehabilitation (the Standards) and, thus, was a "certified rehabilitation" eligible to receive the 20-percent tax credit for rehabilitation, on February 5, 2018. However, this certification may be revoked at any time up to five years after completion of rehabilitation for unapproved work undertaken inconsistent with the Standards. The regulations state, *"Completed projects may be inspected by an authorized representative of the Secretary to determine if the work meets the Standards for Rehabilitation. The Secretary reserves the right to make inspections at any time up to five years after completion of the rehabilitation and to revoke a certification, after giving the owner 30 days to comment on the matter, if it is determined that the rehabilitation project was not undertaken as represented by the owner in his or her application and supporting documentation, or the owner, upon obtaining certification, undertook further unapproved project work inconsistent with the Secretary's Standards for Rehabilitation."* [36 C.F.R. 67.6(e)].

A large mural was painted on the west (party wall) elevation of the building in November/December 2018. This work was completed without reviews and approvals from municipal authorities, the SHPO, or TPS. On May 6, 2019, TPS received a post-Part 3

certification amendment describing the completed mural. The SHPO had requested submittal of an amendment after learning of the mural's existence. Upon review of the amendment, TPS determined that the design, size, scale, and location of the mural cause the overall impact of the completed rehabilitation to violate Standards 2 and 9 of the Standards. Standard 2 states, "*The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.*" Standard 9 states, "*New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.*" Consequently, TPS issued on May 17, 2019, a Notice of Intent to Revoke Certification of Rehabilitation pursuant to 36 C.F.R. 67.6(e), quoted above. After review of the additional materials you submitted, TPS issued its Notice of Revocation of Certification of Rehabilitation on September 10, 2019.

In my review, I note that the issue of the revocation is narrow, specifically, the visual impact of the party wall mural on the historic character and integrity of the building and its environment. The completed rehabilitation of the hotel, originally designated by TPS as a "certified rehabilitation," featured light-beige paint on the party wall. And, as TPS stated in the Decision, "*the west elevation has a high degree of visibility, akin to that of a street elevation.*" Approaching the building from the west on both Market Street and McAllister Street, the party wall was a brightly-painted, unadorned, flat surface, in sharp contrast to the three-dimensional articulation of architectural ornamentation, windows and door openings, and more muted colors, on the facades of other buildings in the neighborhood. Thus, even before the mural was painted, the party wall stood out as anomalous in the building's environment.

TPS summarized its basis for the revocation in its Decision:

*When the mural is seen in relationship to the primary elevations of the building, the size, supergraphic scale, design, and visual prominence of the mural competes with and detracts from the historic character of these elevations, as well as the building's setting and environment; and it similarly detracts from important views of and within the historic district. As a result of these changes, the west elevation no longer has the character of a secondary elevation. Given the high visibility and prominence of the mural, and the location and prominence of the Renoir Hotel both as a building and within the historic district, the mural significantly alters the historic character and appearance of the building and the district.*

I agree with TPS that the mural, with its geometric pattern, multiple colors, size, and visual prominence, exhibits the characteristics of a supergraphic. And, I agree with TPS that the mural is highly visible when viewed from the west, outside the historic district. But, I note that the TPS Decision had described the party wall as highly visible before the mural was painted

(quoted above). The party wall with the painted mural is no more visible now than it was when it was painted a single color. Nothing changed about the party wall except the manner in which it is painted. With regard to Standard 9 (quoted above), painting the mural did not alter or destroy any historic materials, nor did it impact the massing, size, scale, and architectural features of the property. Consequently, in this case, I question the applicability of Standard 9, which concerns physical changes to a property caused by “*new additions, exterior alterations, or related new construction.*” Regarding the relative visual difference between the mural-painted party wall and the single-color painted party wall, I acknowledge that the mural may be perceived to be more prominent when compared to the previous monochrome color, but I note that it remains overall a painted planar party wall, lacking architectural distinction, albeit painted in a multicolored geometric pattern.

With regard to the party wall’s historic character, party walls are the fire-resistant boundaries between adjacent buildings. They are generally tertiary features, mostly unadorned flat walls, have few—if any—openings, little architectural character, and are rarely exposed, although that is the case here. In this case, I acknowledge that its visibility could cause it to be considered a secondary elevation, but I disagree that “*the west elevation no longer has the character of a secondary elevation,*” which implies that the mural causes the party wall to rival the architectural character and detailing of the Market and McAllister Street facades as the primary elevations of the building.

With regard to TPS’s determination that “*the mural competes with and detracts from*” the Market and McAllister Street facades, TPS describes those two facades as “*articulated primary elevations with such features as brown brick, terra-cotta ornamentation; arcaded top story; and pronounced cornice, crested with anthemias.*” The party wall is a block-wide, smooth and featureless plane except for two columns of small windows set into punched openings, a sharp contrast to the rich architectural detailing on the Market and McAllister Street facades. Both of those primary elevations intersect the party wall at an acute angle, and thus they share limited viewsheds with the party wall from within the historic district. Because of the significant differences between the architectural character and viewsheds of the primary street facades and the party wall, the party wall, whether painted with the mural or not, has only a limited ability to compete with or detract from the historic architectural character of the two primary street elevations of the building.

The sharp-angled intersection of the Market and McAllister Street facades gives the flatiron mass of the Renoir Hotel architectural prominence within the historic district. That prominence is not compromised by the mural with its distinctly different viewshed on the opposite end of the building, nor does the mural detract from important views within the district. The party wall is on the west boundary of the historic district and can only be seen, obliquely from the south, from one building in the district. With regard to the building’s setting and environment, the visual

impact of the party wall with the painted mural when seen from outside the district is not substantially different from the party wall painted a bright color that preceded it because its architectural character as an unadorned, planar party wall is unchanged. And, although the windows are harder to discern within the geometric grid of the mural, small windows set into a party wall are not character-defining features and thus being partially obscured is not a denial issue. Further, the mural's regular geometric pattern helps to blend the unadorned party wall into the regular geometric fenestration patterns of surrounding buildings both within and outside the historic district. Thus, I have determined that the mural has a minimal impact on the overall environment of the historic district.

I acknowledge that the mural is a visual change to the party wall of the building. And, I have no doubt that the mural would be different if it had gone through local, state and federal reviews. Nevertheless, I find that in this case, although the mural was completed without approvals, and although the mural may not be a recommended treatment, the impact of the change is not egregious enough to cause the overall rehabilitation to fail to meet the Standards. Thus, I find that the cumulative impact of the completed rehabilitation, including the painted mural on the party wall, on the historic character of the property complies with the Standards, and hereby reverse TPS's September 10, 2019 Decision.

As the Department of the Interior regulations state, my decision is the final administrative decision with respect to TPS's September 10, 2019 Decision regarding rehabilitation certification. A copy of this decision will be provided to the Internal Revenue Service. Questions concerning specific tax consequences of this decision or interpretations of the Internal Revenue Code should be addressed to the appropriate office of the Internal Revenue Service.

Sincerely,



John A. Burns, FAIA, FAPT  
Chief Appeals Officer  
Cultural Resources

cc: CA SHPO  
IRS

