



SAN FRANCISCO PLANNING DEPARTMENT

Mills Act Contracts Case Report

Hearing Date: October 7, 2015

- a.** *Filing Date:* May 1, 2015
Case No.: 2015-006442MLS
Project Address: **722 Steiner Street**
Landmark District: Alamo Square Landmark District
Zoning: RH-2 (Residential-House, Two Family)
40-X Height and Bulk District
Block/Lot: 0803/023
Applicant: The Trust of Come Lague and Charlene Li
722 Steiner Street
San Francisco, CA 94117
- b.** *Filing Date:* May 1, 2015
Case No.: 2015-006448MLS
Project Address: **761 Post Street**
Landmark District: Lower Nob Hill Apartment Hotel National Register Historic District
Zoning: RC-4 (Residential-Commercial, High Density)
80-T-130-T Height and Bulk District
Block/Lot: 0304/015
Applicant: RLJC San Francisco LP
3 Bethesda Metro Center, #1000
Bethesda, MB 20814
- c.** *Filing Date:* May 1, 2015
Case No.: 2015-006450MLS
Project Address: **807 Montgomery Street**
Landmark District: Jackson Square Landmark District
Zoning: C-2 (Community Business)
65-A Height and Bulk District
Block/Lot: 0176/006
Applicant: 807 Montgomery LLC
17351 W. Sunset Blvd. #1A
Pacific Palisades, CA 90272

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

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PROPERTY DESCRIPTIONS

- a. 722 Steiner Street:** The subject property is located on the east side of Steiner Street between Grove and Hayes streets. Assessor's Block 0803, Lot 023. The subject property is within a RH-2 (Residential-House, Two Family) Zoning District and a 40-X Height and Bulk District. The

property was designated under Article 10 of the Planning Code as a contributor to the Alamo Square Landmark District. It is a two-and-a-half-story-over-raised-basement, wood frame, single-family dwelling designed in the Queen Anne style and constructed in 1892 by master builder Matthew Kavanagh.

- b. **761 Post Street:** The subject property is located on the south side of Post Street between Leavenworth and Jones streets. Assessor's Block 0304, Lot 015. The subject property is within a RC-4 (Residential-Commercial, High Density) Zoning District and an 80-T-130-T Height and Bulk District. The property is a contributor to the Lower Nob Hill Apartment Hotel National Register Historic District. It is an 18-story plus basement, reinforced concrete, hotel/SRO building designed by architectural firm Weeks & Day in the Art Deco style and constructed in 1930.
- c. **807 Montgomery Street:** The subject property is located on the west side of Montgomery Street between Jackson Street and Pacific Avenue. Assessor's Block 0176, Lot 006. The subject property is located within a RC-4 (Residential-Commercial, High Density) Zoning District and a C-2 (Community Business) Zoning District, and a 65-A Height and Bulk District. The property was designated under Article 10 of the Planning Code as a contributor to the Jackson Square Landmark District. It is a two-story-over-basement, wood frame, brick clad, commercial building built in 1909 by J.A. Butler and owned by the Bothin Real Estate Company and was originally used as a smoke house and for meat packing.

PROJECT DESCRIPTION

This project is a Mills Act Historical Property Contract application.

MILLS ACT REVIEW PROCESS

Once a Mills Act application is received, the matter is referred to the Historic Preservation Commission (HPC) for review. The HPC shall conduct a public hearing on the Mills Act application, historical property contract, and proposed rehabilitation and maintenance plan, and make a recommendation for approval or disapproval to the Board of Supervisors.

The Board of Supervisors will hold a public hearing to review and approve or disapprove the Mills Act application and contract. The Board of Supervisors shall conduct a public hearing to review the Historic Preservation Commission recommendation, information provided by the Assessor's Office, and any other information the Board requires in order to determine whether the City should execute a historical property contract for the subject property.

The Board of Supervisors shall have full discretion to determine whether it is in the public interest to enter into a Mills Act contract and may approve, disapprove, or modify and approve the terms of the contract. Upon approval, the Board of Supervisors shall authorize the Director of Planning and the Assessor-Recorder's Office to execute the historical property contract.

MILLS ACT REVIEW PROCEDURES

The Historic Preservation Commission is requested to review and make recommendations on the following:

- The draft Mills Act Historical Property Contract between the property owner and the City and County of San Francisco.
- The proposed rehabilitation and maintenance plan.

The Historic Preservation Commission may also comment in making a determination as to whether the public benefit gained through restoration, continued maintenance and preservation of the property is sufficient to outweigh the subsequent loss of property taxes to the City.

APPLICABLE PRESERVATION STANDARDS

Ordinance No. 191-96 amended the San Francisco Administrative Code by adding Chapter 71 to implement the California Mills Act, California Government Code Sections 50280 *et seq.* The Mills Act authorizes local governments to enter into contracts with private property owners who will rehabilitate, restore, preserve, and maintain a “qualified historical property.” In return, the property owner enjoys a reduction in property taxes for a given period. The property tax reductions must be made in accordance with Article 1.9 (commencing with Section 439) of Chapter 3 of Part 2 of Division 1 of the California Revenue and Taxation Code.

TERM

Mills Act contracts must be made for a minimum term of ten years. The ten-year period is automatically renewed by one year annually to create a rolling ten-year term. One year is added automatically to the initial term of the contract on the anniversary date of the contract, unless notice of nonrenewal is given or the contract is terminated. If the City issues a notice of nonrenewal, then one year will no longer be added to the term of the contract on its anniversary date and the contract will only remain in effect for the remainder of its term. The City must monitor the provisions of the contract until its expiration and may terminate the Mills Act contract at any time if it determines that the owner is not complying with the terms of the contract or the legislation. Termination due to default immediately ends the contract term. Mills Act contracts remain in force when a property is sold.

ELIGIBILITY

San Francisco Administrative Code Chapter 71, Section 71.2, defines a “qualified historic property” as one that is not exempt from property taxation and that is one of the following:

- (a) Individually listed in the National Register of Historic Places;
- (b) Listed as a contributor to an historic district included on the National Register of Historic Places;
- (c) Designated as a City landmark pursuant to San Francisco Planning Code Article 10;

- (d) Designated as contributory to a landmark district designated pursuant to San Francisco Planning Code Article 10; or
- (e) Designated as significant (Categories I or II) or contributory (Categories III or IV) to a conservation district designated pursuant to San Francisco Planning Code Article 11.

All properties that are eligible under the criteria listed above must also meet a tax assessment value to be eligible for a Mills Act Contract. The tax assessment limits are listed below:

Residential Buildings

Eligibility is limited to a property tax assessment value of not more than \$3,000,000.

Commercial, Industrial or Mixed Use Buildings

Eligibility is limited to a property tax assessment value of not more than \$5,000,000.

Properties may be exempt from the tax assessment values if it meets any one of the following criteria:

- The qualified historic property is an exceptional example of architectural style or represents a work of a master architect or is associated with the lives of persons important to local or national history; or
- Granting the exemption will assist in the preservation and rehabilitation of a historic structure (including unusual and/or excessive maintenance requirements) that would otherwise be in danger of demolition, deterioration, or abandonment;

Properties applying for a valuation exemption must provide evidence that it meets the exemption criteria, including a historic structure report to substantiate the exceptional circumstances for granting the exemption. The Historic Preservation Commission shall make specific findings in determining whether to recommend to the Board of Supervisors that the valuation exemption should be approved. Final approval of this exemption is under the purview of the Board of Supervisors.

PUBLIC/NEIGHBORHOOD INPUT

The Department has not received any public comment regarding the Mills Act Historical Property Contract.

STAFF ANALYSIS

The Department received five Mills Act applications by the May 1, 2015 filing date. One application, 827 Fillmore Street (Block/Lot: 0798/005), was withdrawn by the applicant on September 10, 2015. The application for 149 9th Street (Block/Lot: 3728/048) was reviewed by Department Staff for completeness, comments were provided to the applicant, and Department Staff conducted a pre-approval inspection. On May 11, 2015 the property received a change in designation from Category V (Unrated) to Category III (Contributory) under Article 11 of the Planning Code, with the ordinance allowing for submittal of a final application by August 15, 2015. The Project Sponsor, however, decided not to move forward with the Mills Act this year. Although 761 Post Street (Block/Lot: 0304/015) did not see a first year reduction, the Project Sponsor will proceed with the Mills Act Contract.

The Project Sponsor, Planning Department Staff, and the Office of the City Attorney have negotiated the remaining three attached draft historical property contracts, which include a draft rehabilitation and maintenance plan for the historic building. Department staff believes the draft historical property contracts and plans are adequate.

- a. **722 Steiner Street:** As detailed in the Mills Act application, the Project Sponsor proposes to rehabilitate and maintain the historic property. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Preservation and Rehabilitation.

The subject property is currently valued by the Assessor's Office as over \$3,000,000 (see attached Market Analysis and Income Approach reports). The subject property qualifies for an exemption as it is a contributor to the Alamo Square Historic District under Article 10 of the Planning Code. A Historic Structure Report was required in order to demonstrate that granting the exemption would assist in the preservation of a property that might otherwise be in danger of demolition or substantial alterations. (See attached, 722 Steiner Street, Exhibit E)

The applicant has already completed substantial rehabilitation efforts, including seismic upgrades with steel moment frame, shear walls in various locations, and reframing. The proposed Rehabilitation Plan involves the following scopes of work: removal of an unpermitted deck and in-kind repair of siding; repair to downspout; repair to roof at turret; repair to rear retaining wall, stairs and handrail at north side of property; repair to dry rot on front door; repaint wood trim and siding; and replace asphalt/composition shingles. The proposed Maintenance Plan includes: annual inspection of windows, exterior doors, wood siding and trim, downspouts and roof with in-kind repair of any deteriorated elements as necessary. Any needed repairs will avoid altering, removing or obscuring character-defining features of the building.

No changes to the use of the property are proposed. Please refer to the attached Rehabilitation and Maintenance Plan for a full description of the proposed work. The attached draft historical property contract will help the Project Sponsor mitigate these expenditures and will induce the Project Sponsor to maintain the property in excellent condition in the future.

- b. **761 Post Street:** As detailed in the Mills Act application, the Project Sponsor proposes to rehabilitate and maintain the historic property. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation, Preservation and Restoration.

The subject property is currently valued by the Assessor's Office as over \$5,000,000 (see attached Market Analysis and Income Approach reports). The subject property qualifies for an exemption as it is a contributor to the Tenderloin Apartment Hotel National Register District. A Historic Structure Report was required in order to demonstrate that granting the exemption would assist in the preservation of a property that might otherwise be in danger of demolition or substantial alterations. (See attached, 761 Post Street, Exhibit E)

The applicant has already completed substantial rehabilitation efforts, including construction of new shear walls, roof replacement, and concrete repair and restoration of the Post Street façade. The applicants have developed a thorough Rehabilitation and Maintenance Plan that involves the following scopes of work: concrete repair and restoration at remaining non-street facing elevations, wood window rehabilitation at the façade, in-kind replacement of aluminum windows on non-street facing elevations, and rehabilitation of steel casement windows at ground floor and fire stairs. The proposed Maintenance Plan includes: inspection of all windows annually, inspection of façade and roof every five years, and repainting of the façade every ten years. Any needed repairs will be made in kind and will avoid altering, removing or obscuring character-defining features of the building.

No changes to the use of the property are proposed. Please refer to the attached Rehabilitation and Maintenance Plan for a full description of the proposed work. The attached draft historical property contract will help the Project Sponsor mitigate these expenditures and will induce the Project Sponsor to maintain the property in excellent condition in the future.

c. **807 Montgomery Street:**

As detailed in the Mills Act application, the Project Sponsor proposes to rehabilitate and maintain the historic property. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Preservation and Rehabilitation. At the time of the application filing date, the property was valued under \$5,000,000 and did not require a Historic Structure Report.

The applicants have developed a thorough Rehabilitation and Maintenance Plan that involves the following scopes of work: consult a structural engineer for evaluation of structural steel beams and cracking and bulging of structural brick and perform repairs which may include repointing and resetting bricks with compatible mortar; repointing with compatible mortar where loose, unsound, cracked or missing; replace any missing bricks with visually similar bricks; remove any biological growth and/or efflorescence using gentlest possible means; repair in kind cracked cement plaster/parge at window sills and façade ends and paint; repair existing wood windows and door at façade and metal windows at rear elevation as necessary; and repair skylight housing; repair parapet bracing; repair downspouts and scuppers; and replace roof and flashing; repair sidewalk to eliminate moisture infiltration in basement. The proposed Maintenance Plan involves a cycle of periodic inspections and includes: inspect brick masonry walls for signs of deterioration, cracking, efflorescence and moisture and repair as needed; inspect and repair and paint as necessary cement plaster/parge at windows and façade ends; seal and paint wood windows and door and seal metal windows; clean scuppers and inspect downspouts; inspect and repair as necessary roof membrane, flashing, and skylight housing; and inspect sidewalk for deterioration and repair. Any needed repairs will avoid altering, removing or obscuring character-defining features of the building.

No changes to the use of the property are proposed. Please refer to the attached Rehabilitation and Maintenance Plan for a full description of the proposed work. The attached draft historical property contract will help the Project Sponsor mitigate these expenditures and will induce the Project Sponsor to maintain the property in excellent condition in the future.

PLANNING DEPARTMENT RECOMMENDATION

Based on information received from the Assessor-Recorder, 722 Steiner Street will receive an estimated 52% first year reduction and 807 Montgomery Street will receive an estimated 25% first year reduction as a result of the Mills Act Contract. 761 Post Street will not receive a first year reduction.

The Planning Department recommends that the Historic Preservation Commission adopt a resolution recommending approval of these Mills Act Historical Property Contracts and Rehabilitation and Maintenance Plans to the Board of Supervisors.

ISSUES AND OTHER CONSIDERATIONS

Mills Act Contract property owners are required to submit an annual affidavit demonstrating compliance with Rehabilitation and Maintenance Plans.

HISTORIC PRESERVATION COMMISSION ACTIONS

Review and adopt a resolution for each property:

1. Recommending to the Board of Supervisors the approval of the proposed Mills Act Historical Property Contract between the property owner(s) and the City and County of San Francisco;
2. Approving the proposed Mills Act Rehabilitation and Maintenance Plan for each property.

Attachments:

a. 722 Steiner Street

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Mills Act Valuation provided by the Assessor-Recorder's Office

Exhibit D: Mills Act Application

Exhibit E: Historic Structure Report

b. 761 Post Street

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Mills Act Valuation provided by the Assessor-Recorder's Office

Exhibit D: Mills Act Application

Exhibit E: Historic Structure Report

c. 807 Montgomery Street

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Mills Act Valuation provided by the Assessor-Recorder's Office

Mill Act Applications
October 7, 2015

2015-006450MLS; 2015-006448MLS; 2015-006450MLS
722 Steiner Street; 761 Post Street; 807 Montgomery Street

Exhibit D: Mills Act Application



SAN FRANCISCO PLANNING DEPARTMENT

Historic Preservation Commission Resolution No. XXX

HEARING DATE OCTOBER 7, 2013

Hearing Date: October 7, 2015
Filing Dates: May 1, 2015
Case No.: 2015-006442MLS
Project Address: **722 Steiner Street**
Landmark District: Alamo Square Landmark District
Zoning: RH-2 (Residential - House, Two Family)
40-X Height and Bulk District
Block/Lot: 0803/023
Applicant: The Trust of Come Lague and Charlene Li
722 Steiner Street
San Francisco, CA 94117
Staff Contact: Shannon Ferguson – (415) 575-9074
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Reviewed By: Tim Frye – (415) 575-6822
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ADOPTING FINDINGS RECOMMENDING TO THE BOARD OF SUPERVISORS APPROVAL OF THE MILLS ACT HISTORICAL PROPERTY CONTRACT, REHABILITATION PROGRAM, AND MAINTENANCE PLAN FOR 722 STEINER STREET:

WHEREAS, in accordance with Article 1.9 (commencing with Section 439) of Chapter 3 of Part 2 of Division 1 of the California Revenue and Taxation Code, the City and County of San Francisco may provide certain property tax reductions, such as the Mills Act; and

WHEREAS, the Mills Act authorizes local governments to enter into contracts with owners of private historical property who assure the rehabilitation, restoration, preservation and maintenance of a qualified historical property; and

WHEREAS, Ordinance No. 191-96 amended the San Francisco Administrative Code by adding Chapter 71 to implement California Mills Act, California Government Code Sections 50280 *et seq.*; and

WHEREAS, The Planning Department has determined that the actions contemplated in this Resolution are categorically exempt from with the California Environmental Quality Act (California Public Resources Code Sections 21000 *et seq.*) under section 15331; and

WHEREAS, the existing building located at 722 Steiner Street and listed under Article 10 of the San Francisco Planning Code Planning Code as a contributor to the Alamo Square Landmark District and thus qualifies as a historic property; and

WHEREAS, the Planning Department has reviewed the Mills Act application, historical property contract, rehabilitation program, and maintenance plan for 722 Steiner Street, which are located in Case Docket No. 2015-006442MLS. The Planning Department recommends approval of the Mills Act historical property contract, rehabilitation program, and maintenance plan; and

WHEREAS, the Historic Preservation Commission (HPC) recognizes the historic building at 722 Steiner Street as an historical resource and believes the rehabilitation program and maintenance plan are appropriate for the property; and

WHEREAS, at a duly noticed public hearing held on October 7, 2014, the Historic Preservation Commission reviewed documents, correspondence and heard oral testimony on the Mills Act application, historical property contract, rehabilitation program, and maintenance plan for 722 Steiner Street, which are located in Case Docket No. 2015-006442MLS.

THEREFORE BE IT RESOLVED that the Historic Preservation Commission hereby recommends that the Board of Supervisors approve the Mills Act historical property contract, rehabilitation program, and maintenance plan for the historic building located at 722 Steiner Street.

BE IT FURTHER RESOLVED that the Historic Preservation Commission hereby directs its Commission Secretary to transmit this Resolution, the Mills Act historical property contract, rehabilitation program, and maintenance plan for 722 Steiner Street, and other pertinent materials in the case file 2015-006442MLS to the Board of Supervisors.

I hereby certify that the foregoing Resolution was ADOPTED by the Historic Preservation Commission on October 7, 2015.

Jonas P. Ionin
Commissions Secretary

AYES:

NOES:

ABSENT:

ADOPTED:

1 [Approval of an Historical Property Contract for 722 Steiner Street]

2

3 **Resolution under Chapter 71 of the San Francisco Administrative Code, approving an**
4 **historical property contract between The Trust of Come Lague and Charlene Li, the**
5 **owners of 722 Steiner Street, and the City and County of San Francisco; authorizing the**
6 **Planning Director and the Assessor to execute the historical property contract.**

7

8 WHEREAS, The California Mills Act (Government Code Section 50280 et seq.)
9 authorizes local governments to enter into a contract with the owners of a qualified historical
10 property who agree to rehabilitate, restore, preserve, and maintain the property in return for
11 property tax reductions under the California Revenue and Taxation Code; and

12 WHEREAS, The Planning Department has determined that the actions contemplated in
13 this Resolution comply with the California Environmental Quality Act (California Public
14 Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the
15 Board of Supervisors in File No. ____, is incorporated herein by reference, and the Board
16 herein affirms it; and

17 WHEREAS, San Francisco contains many historic buildings that add to its character
18 and international reputation and that have not been adequately maintained, may be
19 structurally deficient, or may need rehabilitation, and the costs of properly rehabilitating,
20 restoring, and preserving these historic buildings may be prohibitive for property owners; and,

21 WHEREAS, Chapter 71 of the San Francisco Administrative Code was adopted to
22 implement the provisions of the Mills Act and to preserve these historic buildings; and

23 WHEREAS, 722 Steiner Street is a contributor the Alamo Square Landmark District
24 under Article 10 of the Planning Code and thus qualifies as an historical property as defined in
25 Administrative Code Section 71.2; and

1 WHEREAS, A Mills Act application for an historical property contract has been
2 submitted by The Trust of Come Lague and Charlene Li, the owners of 722 Steiner Street,
3 detailing completed rehabilitation work and proposing a maintenance plan for the property;
4 and

5 WHEREAS, As required by Administrative Code Section 71.4(a), the application for the
6 historical property contract for 722 Steiner Street was reviewed by the Assessor's Office and
7 the Historic Preservation Commission; and

8 WHEREAS, The Assessor has reviewed the historical property contract and has
9 provided the Board of Supervisors with an estimate of the property tax calculations and the
10 difference in property tax assessments under the different valuation methods permitted by the
11 Mills Act in its report transmitted to the Board of Supervisors on _____, which report
12 is on file with the Clerk of the Board of Supervisors in File No. _____ and is hereby
13 declared to be a part of this motion as if set forth fully herein; and,

14 WHEREAS, The Historic Preservation Commission recommended approval of the
15 historical property contract in its Resolution No. _____, which Resolution is on file with
16 the Clerk of the Board of Supervisors in File No _____ and is hereby declared to be
17 a part of this resolution as if set forth fully herein; and,

18 WHEREAS, The draft historical property contract between The Trust of Come Lague
19 and Charlene Li, the owners of 722 Steiner Street, and the City and County of San Francisco
20 is on file with the Clerk of the Board of Supervisors in File No. _____ and is hereby
21 declared to be a part of this resolution as if set forth fully herein; and,

22 WHEREAS, The Board of Supervisors has conducted a public hearing pursuant to
23 Administrative Code Section 71.4(d) to review the Historic Preservation Commission's
24 recommendation and the information provided by the Assessor's Office in order to determine
25 whether the City should execute the historical property contract for 722 Steiner Street; and

1 WHEREAS, The Board of Supervisors has balanced the benefits of the Mills Act to the
2 owner of 722 Steiner Street with the cost to the City of providing the property tax reductions
3 authorized by the Mills Act, as well as the historical value of 722 Steiner Street and the
4 resultant property tax reductions; now, therefore, be it

5 RESOLVED, That the Board of Supervisors hereby approves the historical property
6 contract between The Trust of Come Lague and Charlene Li, the owners of 722 Steiner
7 Street, and the City and County of San Francisco; and, be it

8 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the Planning
9 Director and the Assessor to execute the historical property contract.

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SAN FRANCISCO PLANNING DEPARTMENT

Historic Preservation Commission Resolution No. XXX

HEARING DATE OCTOBER 7, 2013

Hearing Date: October 7, 2015
Filing Dates: May 1, 2015
Case No.: 2015-006448MLS
Project Address: **761 Post Street**
Landmark District: Tenderloin Apartment Hotel National Register District
Zoning: RC-4 (Residential – Commercial, High Density)
80-T-130-T Height and Bulk District
Block/Lot: 0304/015
Applicant: RLJC San Francisco LP
3 Bethesda Metro Center, #1000
Bethesda, MD 20814
Staff Contact: Shannon Ferguson – (415) 575-9074
shannon.ferguson@sfgov.org
Reviewed By: Tim Frye – (415) 575-6822
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ADOPTING FINDINGS RECOMMENDING TO THE BOARD OF SUPERVISORS APPROVAL OF THE MILLS ACT HISTORICAL PROPERTY CONTRACT, REHABILITATION PROGRAM, AND MAINTENANCE PLAN FOR 761 POST STREET:

WHEREAS, in accordance with Article 1.9 (commencing with Section 439) of Chapter 3 of Part 2 of Division 1 of the California Revenue and Taxation Code, the City and County of San Francisco may provide certain property tax reductions, such as the Mills Act; and

WHEREAS, the Mills Act authorizes local governments to enter into contracts with owners of private historical property who assure the rehabilitation, restoration, preservation and maintenance of a qualified historical property; and

WHEREAS, Ordinance No. 191-96 amended the San Francisco Administrative Code by adding Chapter 71 to implement California Mills Act, California Government Code Sections 50280 *et seq.*; and

WHEREAS, The Planning Department has determined that the actions contemplated in this Resolution are categorically exempt from with the California Environmental Quality Act (California Public Resources Code Sections 21000 *et seq.*) under section 15331; and

WHEREAS, the existing building located at 761 Post Street and listed under Article 10 of the San Francisco Planning Code Planning Code as a contributor to the Tenderloin Apartment Hotel National Register District and thus qualifies as a historic property; and

WHEREAS, the Planning Department has reviewed the Mills Act application, historical property contract, rehabilitation program, and maintenance plan for 761 Post Street, which are located in Case Docket No. 2015-006448MLS. The Planning Department recommends approval of the Mills Act historical property contract, rehabilitation program, and maintenance plan; and

WHEREAS, the Historic Preservation Commission (HPC) recognizes the historic building at 761 Post Street as an historical resource and believes the rehabilitation program and maintenance plan are appropriate for the property; and

WHEREAS, at a duly noticed public hearing held on October 7, 2014, the Historic Preservation Commission reviewed documents, correspondence and heard oral testimony on the Mills Act application, historical property contract, rehabilitation program, and maintenance plan for 761 Post Street, which are located in Case Docket No. 2015-006448MLS.

THEREFORE BE IT RESOLVED that the Historic Preservation Commission hereby recommends that the Board of Supervisors approve the Mills Act historical property contract, rehabilitation program, and maintenance plan for the historic building located at 761 Post Street.

BE IT FURTHER RESOLVED that the Historic Preservation Commission hereby directs its Commission Secretary to transmit this Resolution, the Mills Act historical property contract, rehabilitation program, and maintenance plan for 761 Post Street, and other pertinent materials in the case file 2015-006448MLS to the Board of Supervisors.

I hereby certify that the foregoing Resolution was ADOPTED by the Historic Preservation Commission on October 7, 2015.

Jonas P. Ionin
Commissions Secretary

AYES:

NOES:

ABSENT:

ADOPTED:

1 [Approval of an Historical Property Contract for 761 Post Street]

2

3 **Resolution under Chapter 71 of the San Francisco Administrative Code, approving an**
4 **historical property contract between RLJC San Francisco LP, the owners of 761 Post**
5 **Street, and the City and County of San Francisco; authorizing the Planning Director**
6 **and the Assessor to execute the historical property contract.**

7

8 WHEREAS, The California Mills Act (Government Code Section 50280 et seq.)
9 authorizes local governments to enter into a contract with the owners of a qualified historical
10 property who agree to rehabilitate, restore, preserve, and maintain the property in return for
11 property tax reductions under the California Revenue and Taxation Code; and

12 WHEREAS, The Planning Department has determined that the actions contemplated in
13 this Resolution comply with the California Environmental Quality Act (California Public
14 Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the
15 Board of Supervisors in File No. ____, is incorporated herein by reference, and the Board
16 herein affirms it; and

17 WHEREAS, San Francisco contains many historic buildings that add to its character
18 and international reputation and that have not been adequately maintained, may be
19 structurally deficient, or may need rehabilitation, and the costs of properly rehabilitating,
20 restoring, and preserving these historic buildings may be prohibitive for property owners; and,

21 WHEREAS, Chapter 71 of the San Francisco Administrative Code was adopted to
22 implement the provisions of the Mills Act and to preserve these historic buildings; and

23 WHEREAS, 761 Post Street is a contributor the Tenderloin Apartment Hotel National
24 Register District under Article 10 of the Planning Code and thus qualifies as an historical
25 property as defined in Administrative Code Section 71.2; and

1 WHEREAS, A Mills Act application for an historical property contract has been
2 submitted by RLJC San Francisco LP, the owners of 761 Post Street, detailing completed
3 rehabilitation work and proposing a maintenance plan for the property; and

4 WHEREAS, As required by Administrative Code Section 71.4(a), the application for the
5 historical property contract for 761 Post Street was reviewed by the Assessor's Office and the
6 Historic Preservation Commission; and

7 WHEREAS, The Assessor has reviewed the historical property contract and has
8 provided the Board of Supervisors with an estimate of the property tax calculations and the
9 difference in property tax assessments under the different valuation methods permitted by the
10 Mills Act in its report transmitted to the Board of Supervisors on _____, which report
11 is on file with the Clerk of the Board of Supervisors in File No. _____ and is hereby
12 declared to be a part of this motion as if set forth fully herein; and,

13 WHEREAS, The Historic Preservation Commission recommended approval of the
14 historical property contract in its Resolution No. _____, which Resolution is on file with
15 the Clerk of the Board of Supervisors in File No _____ and is hereby declared to be
16 a part of this resolution as if set forth fully herein; and,

17 WHEREAS, The draft historical property contract between RLJC San Francisco LP, the
18 owners of 761 Post Street, and the City and County of San Francisco is on file with the Clerk
19 of the Board of Supervisors in File No. _____ and is hereby declared to be a part of
20 this resolution as if set forth fully herein; and,

21 WHEREAS, The Board of Supervisors has conducted a public hearing pursuant to
22 Administrative Code Section 71.4(d) to review the Historic Preservation Commission's
23 recommendation and the information provided by the Assessor's Office in order to determine
24 whether the City should execute the historical property contract for 761 Post Street; and

25

1 WHEREAS, The Board of Supervisors has balanced the benefits of the Mills Act to the
2 owner of 761 Post Street with the cost to the City of providing the property tax reductions
3 authorized by the Mills Act, as well as the historical value of 761 Post Street and the resultant
4 property tax reductions; now, therefore, be it

5 RESOLVED, That the Board of Supervisors hereby approves the historical property
6 contract between RLJC San Francisco LP, the owners of 761 Post Street, and the City and
7 County of San Francisco; and, be it

8 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the Planning
9 Director and the Assessor to execute the historical property contract.

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SAN FRANCISCO PLANNING DEPARTMENT

Historic Preservation Commission Resolution No. XXX

HEARING DATE OCTOBER 7, 2013

Hearing Date: October 7, 2015
Filing Dates: May 1, 2015
Case No.: 2015-006450MLS
Project Address: **807 Montgomery Street**
Landmark District: Jackson Square Landmark District
Zoning: C-2 (Community Business)
65-A Height and Bulk District
Block/Lot: 0176/006
Applicant: 807 Montgomery LLC
17351 W. Sunset Blvd. #1A
Pacific Palisades, CA 90272
Staff Contact: Shannon Ferguson – (415) 575-9074
shannon.ferguson@sfgov.org
Reviewed By: Tim Frye – (415) 575-6822
tim.frye@sfgov.org

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

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ADOPTING FINDINGS RECOMMENDING TO THE BOARD OF SUPERVISORS APPROVAL OF THE MILLS ACT HISTORICAL PROPERTY CONTRACT, REHABILITATION PROGRAM, AND MAINTENANCE PLAN FOR 807 MONTGOMERY STREET:

WHEREAS, in accordance with Article 1.9 (commencing with Section 439) of Chapter 3 of Part 2 of Division 1 of the California Revenue and Taxation Code, the City and County of San Francisco may provide certain property tax reductions, such as the Mills Act; and

WHEREAS, the Mills Act authorizes local governments to enter into contracts with owners of private historical property who assure the rehabilitation, restoration, preservation and maintenance of a qualified historical property; and

WHEREAS, Ordinance No. 191-96 amended the San Francisco Administrative Code by adding Chapter 71 to implement California Mills Act, California Government Code Sections 50280 *et seq.*; and

WHEREAS, The Planning Department has determined that the actions contemplated in this Resolution are categorically exempt from with the California Environmental Quality Act (California Public Resources Code Sections 21000 *et seq.*) under section 15331; and

WHEREAS, the existing building located at 807 Montgomery Street and listed under Article 10 of the San Francisco Planning Code Planning Code as a contributor to the Jackson Square Landmark District and thus qualifies as a historic property; and

WHEREAS, the Planning Department has reviewed the Mills Act application, historical property contract, rehabilitation program, and maintenance plan for 807 Montgomery Street, which are located in Case Docket No. 2015-006450MLS. The Planning Department recommends approval of the Mills Act historical property contract, rehabilitation program, and maintenance plan; and

WHEREAS, the Historic Preservation Commission (HPC) recognizes the historic building at 807 Montgomery Street as an historical resource and believes the rehabilitation program and maintenance plan are appropriate for the property; and

WHEREAS, at a duly noticed public hearing held on October 7, 2014, the Historic Preservation Commission reviewed documents, correspondence and heard oral testimony on the Mills Act application, historical property contract, rehabilitation program, and maintenance plan for 807 Montgomery Street, which are located in Case Docket No. 2015-006450MLS.

THEREFORE BE IT RESOLVED that the Historic Preservation Commission hereby recommends that the Board of Supervisors approve the Mills Act historical property contract, rehabilitation program, and maintenance plan for the historic building located at 807 Montgomery Street.

BE IT FURTHER RESOLVED that the Historic Preservation Commission hereby directs its Commission Secretary to transmit this Resolution, the Mills Act historical property contract, rehabilitation program, and maintenance plan for 807 Montgomery Street, and other pertinent materials in the case file 2015-006450MLS to the Board of Supervisors.

I hereby certify that the foregoing Resolution was ADOPTED by the Historic Preservation Commission on October 7, 2015.

Jonas P. Ionin
Commissions Secretary

AYES:

NOES:

ABSENT:

ADOPTED:

1 [Approval of an Historical Property Contract for 807 Montgomery Street]

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3 **Resolution under Chapter 71 of the San Francisco Administrative Code, approving an**
4 **historical property contract between 807 Montgomery LLC, the owners of 807**
5 **Montgomery Street, and the City and County of San Francisco; authorizing the**
6 **Planning Director and the Assessor to execute the historical property contract.**
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8 WHEREAS, The California Mills Act (Government Code Section 50280 et seq.)
9 authorizes local governments to enter into a contract with the owners of a qualified historical
10 property who agree to rehabilitate, restore, preserve, and maintain the property in return for
11 property tax reductions under the California Revenue and Taxation Code; and

12 WHEREAS, The Planning Department has determined that the actions contemplated in
13 this Resolution comply with the California Environmental Quality Act (California Public
14 Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the
15 Board of Supervisors in File No. ____, is incorporated herein by reference, and the Board
16 herein affirms it; and

17 WHEREAS, San Francisco contains many historic buildings that add to its character
18 and international reputation and that have not been adequately maintained, may be
19 structurally deficient, or may need rehabilitation, and the costs of properly rehabilitating,
20 restoring, and preserving these historic buildings may be prohibitive for property owners; and,

21 WHEREAS, Chapter 71 of the San Francisco Administrative Code was adopted to
22 implement the provisions of the Mills Act and to preserve these historic buildings; and

23 WHEREAS, 807 Montgomery Street is a contributor the Jackson Square Landmark
24 District under Article 10 of the Planning Code and thus qualifies as an historical property as
25 defined in Administrative Code Section 71.2; and

1 WHEREAS, A Mills Act application for an historical property contract has been
2 submitted by 807 Montgomery LLC, the owners of 807 Montgomery Street, detailing
3 completed rehabilitation work and proposing a maintenance plan for the property; and

4 WHEREAS, As required by Administrative Code Section 71.4(a), the application for the
5 historical property contract for 807 Montgomery Street was reviewed by the Assessor's Office
6 and the Historic Preservation Commission; and

7 WHEREAS, The Assessor has reviewed the historical property contract and has
8 provided the Board of Supervisors with an estimate of the property tax calculations and the
9 difference in property tax assessments under the different valuation methods permitted by the
10 Mills Act in its report transmitted to the Board of Supervisors on _____, which report
11 is on file with the Clerk of the Board of Supervisors in File No. _____ and is hereby
12 declared to be a part of this motion as if set forth fully herein; and,

13 WHEREAS, The Historic Preservation Commission recommended approval of the
14 historical property contract in its Resolution No. _____, which Resolution is on file with
15 the Clerk of the Board of Supervisors in File No _____ and is hereby declared to be
16 a part of this resolution as if set forth fully herein; and,

17 WHEREAS, The draft historical property contract between 807 Montgomery LLC, the
18 owners of 807 Montgomery Street, and the City and County of San Francisco is on file with
19 the Clerk of the Board of Supervisors in File No. _____ and is hereby declared to be
20 a part of this resolution as if set forth fully herein; and,

21 WHEREAS, The Board of Supervisors has conducted a public hearing pursuant to
22 Administrative Code Section 71.4(d) to review the Historic Preservation Commission's
23 recommendation and the information provided by the Assessor's Office in order to determine
24 whether the City should execute the historical property contract for 807 Montgomery Street;
25 and

1 WHEREAS, The Board of Supervisors has balanced the benefits of the Mills Act to the
2 owner of 807 Montgomery Street with the cost to the City of providing the property tax
3 reductions authorized by the Mills Act, as well as the historical value of 807 Montgomery
4 Street and the resultant property tax reductions; now, therefore, be it

5 RESOLVED, That the Board of Supervisors hereby approves the historical property
6 contract between 807 Montgomery LLC, the owners of 807 Montgomery Street, and the City
7 and County of San Francisco; and, be it

8 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the Planning
9 Director and the Assessor to execute the historical property contract.

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722 STEINER STREET

Site Photo



Mills Act Historical Property Contract
Case Number 2015-006430MLS
722 Steiner Street

Aerial Photo



SUBJECT PROPERTY



Mills Act Historical Property Contract
Case Number 2015-006430MLS
722 Steiner Street

EXHIBIT A:
DRAFT MILLS ACT HISTORICAL PROPERTY
CONTRACT

Recording Requested by, and
when recorded, send notice to:
Director of Planning
1650 Mission Street
San Francisco, California 94103-2414

**CALIFORNIA MILLS ACT
HISTORIC PROPERTY AGREEMENT
722 Steiner Street**

SAN FRANCISCO, CALIFORNIA

THIS AGREEMENT is entered into by and between the City and County of San Francisco, a California municipal corporation (“City”) and The Trust of Come Lague and Charlene Li (“Owner(s”).

RECITALS

Owners are the owners of the property located at 722 Steiner Street, in San Francisco, California (Block 0803, Lot 023). The building located at 722 Steiner Street is designated as a contributor to the Alamo Square Landmark District under Article 10 of the Planning Code (“Historic Property”).

Owners desire to execute a rehabilitation and ongoing maintenance project for the Historic Property. Owners' application calls for the rehabilitation and restoration of the Historic Property according to established preservation standards, which it estimates will cost approximately Two Hundred Twenty Two Thousand and Three Hundred Thirty Five Dollars (\$222,335). (See Rehabilitation Plan, Exhibit A.) Owners' application calls for the maintenance of the Historic Property according to established preservation standards, which is estimated will cost approximately Eight Thousand Eight Hundred Dollar (\$ 8,800 s) annually (See Maintenance Plan, Exhibit B).

The State of California has adopted the “Mills Act” (California Government Code Sections 50280-50290, and California Revenue & Taxation Code, Article 1.9 [Section 439 et seq.]) authorizing local governments to enter into agreements with property Owners to reduce their property taxes, or to prevent increases in their property taxes, in return for improvement to and maintenance of historic properties. The City has adopted enabling legislation, San Francisco Administrative Code Chapter 71, authorizing it to participate in the Mills Act program.

Owners desire to enter into a Mills Act Agreement (also referred to as a "Historic Property Agreement") with the City to help mitigate its anticipated expenditures to restore and maintain the Historic Property. The City is willing to enter into such Agreement to mitigate these expenditures and to induce Owners to restore and maintain the Historic Property in excellent condition in the future.

NOW, THEREFORE, in consideration of the mutual obligations, covenants, and conditions contained herein, the parties hereto do agree as follows:

1. Application of Mills Act. The benefits, privileges, restrictions and obligations provided for in the Mills Act shall be applied to the Historic Property during the time that this Agreement is in effect commencing from the date of recordation of this Agreement.

2. Rehabilitation of the Historic Property. Owners shall undertake and complete the work set forth in Exhibit A ("Rehabilitation Plan") attached hereto according to certain standards and requirements. Such standards and requirements shall include, but not be limited to: the Secretary of the Interior's Standards for the Treatment of Historic Properties ("Secretary's Standards"); the rules and regulations of the Office of Historic Preservation of the California Department of Parks and Recreation ("OHP Rules and Regulations"); the State Historical Building Code as determined applicable by the City; all applicable building safety standards; and the requirements of the Historic Preservation Commission, the Planning Commission, and the Board of Supervisors, including but not limited to any Certificates of Appropriateness approved under Planning Code Article 10. The Owners shall proceed diligently in applying for any necessary permits for the work and shall apply for such permits not less than six (6) months after recordation of this Agreement, shall commence the work within six (6) months of receipt of necessary permits, and shall complete the work within three (3) years from the date of receipt of permits. Upon written request by the Owners, the Zoning Administrator, at his or her discretion, may grant an extension of the time periods set forth in this paragraph. Owners may apply for an extension by a letter to the Zoning Administrator, and the Zoning Administrator may grant the extension by letter without a hearing. Work shall be deemed complete when the Director of Planning determines that the Historic Property has been rehabilitated in accordance with the standards set forth in this Paragraph. Failure to timely complete the work shall result in cancellation of this Agreement as set forth in Paragraphs 13 and 14 herein.

3. Maintenance. Owners shall maintain the Historic Property during the time this Agreement is in effect in accordance with the standards for maintenance set forth in Exhibit B ("Maintenance Plan"), the Secretary's Standards; the OHP Rules and Regulations; the State Historical Building Code as determined applicable by the City; all applicable building safety standards; and the requirements of the Historic Preservation Commission, the Planning Commission, and the Board of Supervisors, including but not limited to any Certificates of Appropriateness approved under Planning Code Article 10.

4. Damage. Should the Historic Property incur damage from any cause whatsoever, which damages fifty percent (50%) or less of the Historic Property, Owners shall replace and repair the damaged area(s) of the Historic Property. For repairs that do not require a permit, Owners shall commence the repair work within thirty (30) days of incurring the damage and shall diligently prosecute the repair to completion within a reasonable period of time, as determined by the City. Where specialized services are required due to the nature of the work and the historic character of the features damaged, "commence the repair work" within the meaning of this paragraph may include contracting for repair services. For repairs that require a permit(s), Owners shall proceed diligently in applying for any necessary permits for the work and shall apply for such permits not less than sixty (60) days after the damage has been incurred, commence the repair work within one hundred twenty (120) days of receipt of the required permit(s), and shall diligently prosecute the repair to completion within a reasonable period of time, as determined by the City. Upon written request by the Owners, the Zoning Administrator, at his or her discretion, may grant an extension of the time periods set forth in this paragraph. Owners may apply for an extension by a letter to the Zoning Administrator, and the Zoning Administrator may grant the extension by letter without a hearing. All repair work shall comply with the design and standards established for the Historic Property in Exhibits A and B attached hereto and Paragraph 3 herein. In the case of damage to twenty percent (20%) or more of the Historic Property due to a catastrophic event, such as an earthquake, or in the case of damage from any cause whatsoever that destroys more than fifty percent (50%) of the Historic Property, the City and Owners may mutually agree to terminate this Agreement. Upon such termination, Owners shall not be obligated to pay the

cancellation fee set forth in Paragraph 14 of this Agreement. Upon such termination, the City shall assess the full value of the Historic Property without regard to any restriction imposed upon the Historic Property by this Agreement and Owners shall pay property taxes to the City based upon the valuation of the Historic Property as of the date of termination.

5. Insurance. Owners shall secure adequate property insurance to meet Owners' repair and replacement obligations under this Agreement and shall submit evidence of such insurance to the City upon request.

6. Inspections. Owners shall permit periodic examination of the exterior and interior of the Historic Property by representatives of the Historic Preservation Commission, the City's Assessor, the Department of Building Inspection, the Planning Department, the Office of Historic Preservation of the California Department of Parks and Recreation, and the State Board of Equalization, upon seventy-two (72) hours advance notice, to monitor Owners' compliance with the terms of this Agreement. Owners shall provide all reasonable information and documentation about the Historic Property demonstrating compliance with this Agreement as requested by any of the above-referenced representatives.

7. Term. This Agreement shall be effective upon the date of its recordation and shall be in effect for a term of ten years from such date ("Initial Term"). As provided in Government Code section 50282, one year shall be added automatically to the Initial Term, on each anniversary date of this Agreement, unless notice of nonrenewal is given as set forth in Paragraph 10 herein.

8. Valuation. Pursuant to Section 439.4 of the California Revenue and Taxation Code, as amended from time to time, this Agreement must have been signed, accepted and recorded on or before the lien date (January 1) for a fiscal year (the following July 1-June 30) for the Historic Property to be valued under the taxation provisions of the Mills Act for that fiscal year.

9. Termination. In the event Owners terminates this Agreement during the Initial Term, Owners shall pay the Cancellation Fee as set forth in Paragraph 15 herein. In addition, the City Assessor shall determine the fair market value of the Historic Property without regard to any restriction imposed on the Historic Property by this Agreement and shall reassess the property taxes payable for the fair market value of the Historic Property as of the date of Termination without regard to any restrictions imposed on the Historic Property by this Agreement. Such reassessment of the property taxes for the Historic Property shall be effective and payable six (6) months from the date of Termination.

10. Notice of Nonrenewal. If in any year after the Initial Term of this Agreement has expired either the Owners or the City desires not to renew this Agreement that party shall serve written notice on the other party in advance of the annual renewal date. Unless the Owners serves written notice to the City at least ninety (90) days prior to the date of renewal or the City serves written notice to the Owners sixty (60) days prior to the date of renewal, one year shall be automatically added to the term of the Agreement. The Board of Supervisors shall make the City's determination that this Agreement shall not be renewed and shall send a notice of nonrenewal to the Owners. Upon receipt by the Owners of a notice of nonrenewal from the City, Owners may make a written protest. At any time prior to the renewal date, City may withdraw its notice of nonrenewal. If in any year after the expiration of the Initial Term of the Agreement, either party serves notice of nonrenewal of this Agreement, this Agreement shall remain in effect for the balance of the period remaining since the execution of the last renewal of the Agreement.

11. Payment of Fees. Within one month of the execution of this Agreement, City shall tender to Owners a written accounting of its reasonable costs related to the preparation and approval of the Agreement as provided for in Government Code Section 50281.1 and San Francisco

Administrative Code Section 71.6. Owners shall promptly pay the requested amount within forty-five (45) days of receipt.

12. Default. An event of default under this Agreement may be any one of the following:

(a) Owners' failure to timely complete the rehabilitation work set forth in Exhibit A in accordance with the standards set forth in Paragraph 2 herein;

(b) Owners' failure to maintain the Historic Property in accordance with the requirements of Paragraph 3 herein;

(c) Owners' failure to repair any damage to the Historic Property in a timely manner as provided in Paragraph 4 herein;

(d) Owners' failure to allow any inspections as provided in Paragraph 6 herein;

(e) Owners' termination of this Agreement during the Initial Term;

(f) Owners' failure to pay any fees requested by the City as provided in Paragraph 11 herein;

(g) Owners' failure to maintain adequate insurance for the replacement cost of the Historic Property; or

(h) Owners' failure to comply with any other provision of this Agreement.

An event of default shall result in cancellation of this Agreement as set forth in Paragraphs 13 and 14 herein and payment of the cancellation fee and all property taxes due upon the Assessor's determination of the full value of the Historic Property as set forth in Paragraph 14 herein. In order to determine whether an event of default has occurred, the Board of Supervisors shall conduct a public hearing as set forth in Paragraph 13 herein prior to cancellation of this Agreement.

13. Cancellation. As provided for in Government Code Section 50284, City may initiate proceedings to cancel this Agreement if it makes a reasonable determination that Owners have breached any condition or covenant contained in this Agreement, has defaulted as provided in Paragraph 12 herein, or has allowed the Historic Property to deteriorate such that the safety and integrity of the Historic Property is threatened or it would no longer meet the standards for a Qualified Historic Property. In order to cancel this Agreement, City shall provide notice to the Owners and to the public and conduct a public hearing before the Board of Supervisors as provided for in Government Code Section 50285. The Board of Supervisors shall determine whether this Agreement should be cancelled.

14. Cancellation Fee. If the City cancels this Agreement as set forth in Paragraph 13 above, Owners shall pay a cancellation fee of twelve and one-half percent (12.5%) of the fair market value of the Historic Property at the time of cancellation. The City Assessor shall determine fair market value of the Historic Property without regard to any restriction imposed on the Historic Property by this Agreement. The cancellation fee shall be paid to the City Tax Collector at such time and in such manner as the City shall prescribe. As of the date of cancellation, the Owners shall pay property taxes to the City without regard to any restriction imposed on the Historic Property by this Agreement and based upon the Assessor's determination of the fair market value of the Historic Property as of the date of cancellation.

15. Enforcement of Agreement. In lieu of the above provision to cancel the Agreement, the City may bring an action to specifically enforce or to enjoin any breach of any condition or covenant of this Agreement. Should the City determine that the Owners has breached this Agreement, the City shall give the Owners written notice by registered or certified mail setting forth the grounds for the breach. If the Owners do not correct the breach, or if it does not undertake and diligently pursue corrective action, to the reasonable satisfaction of the City within thirty (30) days from the date of receipt of the notice, then the City may, without further notice, initiate default procedures under this Agreement as set forth in Paragraph 13 and bring any

action necessary to enforce the obligations of the Owners set forth in this Agreement. The City does not waive any claim of default by the Owners if it does not enforce or cancel this Agreement.

16. Indemnification. The Owners shall indemnify, defend, and hold harmless the City and all of its boards, commissions, departments, agencies, agents and employees (individually and collectively, the “City”) from and against any and all liabilities, losses, costs, claims, judgments, settlements, damages, liens, fines, penalties and expenses incurred in connection with or arising in whole or in part from: (a) any accident, injury to or death of a person, loss of or damage to property occurring in or about the Historic Property; (b) the use or occupancy of the Historic Property by the Owners, their Agents or Invitees; (c) the condition of the Historic Property; (d) any construction or other work undertaken by Owners on the Historic Property; or (e) any claims by unit or interval Owners for property tax reductions in excess those provided for under this Agreement. This indemnification shall include, without limitation, reasonable fees for attorneys, consultants, and experts and related costs that may be incurred by the City and all indemnified parties specified in this Paragraph and the City’s cost of investigating any claim. In addition to Owners' obligation to indemnify City, Owners specifically acknowledge and agree that they have an immediate and independent obligation to defend City from any claim that actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false, or fraudulent, which obligation arises at the time such claim is tendered to Owners by City, and continues at all times thereafter. The Owners' obligations under this Paragraph shall survive termination of this Agreement.

17. Eminent Domain. In the event that a public agency acquires the Historic Property in whole or part by eminent domain or other similar action, this Agreement shall be cancelled and no cancellation fee imposed as provided by Government Code Section 50288.

18. Binding on Successors and Assigns. The covenants, benefits, restrictions, and obligations contained in this Agreement shall be deemed to run with the land and shall be binding upon and inure to the benefit of all successors and assigns in interest of the Owners.

19. Legal Fees. In the event that either the City or the Owners fail to perform any of their obligations under this Agreement or in the event a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the prevailing party may recover all costs and expenses incurred in enforcing or establishing its rights hereunder, including reasonable attorneys’ fees, in addition to court costs and any other relief ordered by a court of competent jurisdiction. Reasonable attorneys fees of the City’s Office of the City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney.

20. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

21. Recordation. Within 20 days from the date of execution of this Agreement, the City shall cause this Agreement to be recorded with the Office of the Recorder of the City and County of San Francisco.

22. Amendments. This Agreement may be amended in whole or in part only by a written recorded instrument executed by the parties hereto in the same manner as this Agreement.

23. No Implied Waiver. No failure by the City to insist on the strict performance of any obligation of the Owners under this Agreement or to exercise any right, power, or remedy arising

out of a breach hereof shall constitute a waiver of such breach or of the City's right to demand strict compliance with any terms of this Agreement.

24. Authority. If the Owners sign as a corporation or a partnership, each of the persons executing this Agreement on behalf of the Owners does hereby covenant and warrant that such entity is a duly authorized and existing entity, that such entity has and is qualified to do business in California, that the Owner has full right and authority to enter into this Agreement, and that each and all of the persons signing on behalf of the Owners are authorized to do so.

25. Severability. If any provision of this Agreement is determined to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each other provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

26. Tropical Hardwood Ban. The City urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood or tropical hardwood product.

27. Charter Provisions. This Agreement is governed by and subject to the provisions of the Charter of the City.

28. Signatures. This Agreement may be signed and dated in parts

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as follows:

CITY AND COUNTY OF SAN FRANCISCO:

By: _____
Carmen Chu
Assessor-Recorder

DATE: _____

By: _____
John Rahaim
Director of Planning

DATE: _____

APPROVED AS TO FORM:
DENNIS J. HERRERA
CITY ATTORNEY

By: _____
[NAME]
Deputy City Attorney

DATE: _____

OWNERS

By: _____
[NAME], Owner

DATE: _____

[IF MORE THAN ONE OWNER, ADD ADDITIONAL SIGNATURE LINES. ALL OWNERS MUST SIGN AGREEMENT.]

OWNER(S)' SIGNATURE(S) MUST BE NOTARIZED.
ATTACH PUBLIC NOTARY FORMS HERE.

EXHIBIT B:
DRAFT REHABILITATION AND MAINTENANCE PLAN

722 Steiner Rehabilitation and Maintenance Plan

SCOPE #1	BUILDING FEATURE: STRUCTURAL
Rehab/Restoration <input checked="" type="checkbox"/> Completed <input checked="" type="checkbox"/>	
Contract Year Work Completion: 2015	
Total Cost (rounded to the nearest dollar): \$100,000	
Description of Work	
<p>Seismic Upgrades.</p> <p>A steel moment frame was added to the kitchen/family room area on the second floor ceiling with posts anchored into newly poured footings on the first floor. Shear walls were added north/south and east/west in various locations of the second and third floors with hold downs at the first floor foundation. Framing was rebuilt and reinforced on the second and third floors.</p> <p>The repairs were designed to avoid altering, removing or obscuring character-defining features of the property and to reinforce the structural integrity of the house.</p> <p>Work was done in accordance with the National Park Service’s Preservation Brief #47: <i>Maintaining the Exterior of Small and Medium Size Historic Buildings</i>.</p>	

SCOPE #2	BUILDING FEATURE: WOOD SIDING
Rehab/Restoration <input checked="" type="checkbox"/> Proposed <input checked="" type="checkbox"/>	
Contract Year Work Completion: 2016	
Total Cost (rounded to the nearest dollar): \$3,500	
Description of Work	
<p>Removal of planter deck/abutment above walkway and connected to 720 Steiner house.</p> <p>A planter deck extension was previously installed above the walkway between 722 and 720 Steiner and is currently attached to 720 Steiner which is not permitted and shows signs of deterioration. The structure will be removed, wood siding repaired and repainted.</p> <p>The needed repairs will avoid altering, removing or obscuring character- defining features of the building. Any siding replacements will be made in kind with new wood elements to match the historic building material.</p> <p>Work will be done in accordance with the National Park Service’s <i>Preservation Brief #10: Exterior Paint Problems on Historic Woodwork</i> and <i>Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings</i>.</p>	

SCOPE #3	BUILDING FEATURE: DOWNSPOUT
Rehab/Restoration <input checked="" type="checkbox"/> Proposed <input checked="" type="checkbox"/>	
Contract Year Work Completion: 2016	
Total Cost (rounded to the nearest dollar): \$1,500	
Description of Work	
<p>Repair to downspout.</p> <p>The downspout at the north west corner of the house facing Grove St is corroded and damaged. It will be repaired to prevent damage to the Grove St. façade and water leakage on the sidewalk. The repair will be designed to avoid altering, removing or obscuring character-defining features of the property.</p> <p>Work will be done in accordance with the National Park Service's Preservation Brief #47: <i>Maintaining the Exterior of Small and Medium Size Historic Buildings.</i></p>	

SCOPE #4	BUILDING FEATURE: ROOF
Rehab/Restoration <input checked="" type="checkbox"/> Proposed <input checked="" type="checkbox"/>	
Contract Year Work Completion: 2017	
Total Cost (rounded to the nearest dollar): \$5,000	
Description of Work	
<p>Repair leak to roof above turret.</p> <p>The roof was replaced in 2005 with asphalt/composition shingles. We have discovered a leak at the south west turret spindle. The area will be inspected while scaffolding is up for painting and the leak repaired.</p> <p>Repairs to the roof will avoid altering, removing or obscuring character-defining features of the building, including decorative elements, as well as eave trim and moldings. Repairs and maintenance will be performed in accordance with guidance outlined in the National Park Service's <i>Preservation Brief 47: Maintaining the Exterior of Small and Medium Size Historic Buildings.</i></p>	

SCOPE #5	BUILDING FEATURE: RETAINING WALL
Rehab/Restoration <input checked="" type="checkbox"/> Proposed <input checked="" type="checkbox"/>	
Contract Year Work Completion: 2019	
Total Cost (rounded to the nearest dollar): \$50,000	
Description of Work	
<p>Repair to rear retaining wall, stairs and handrail.</p> <p>The rear retaining wall has significant cracking and displacement. The riser heights/tread depths on the concrete stairs are inconsistent in height and variance. The safety handrail does not extend the full length of the stairway.</p> <p>A project is underway at 981 Grove Street immediately at the rear of the house to further excavate their garage, which will impact the common retaining wall. The retaining wall will be replaced, stairs and handrail repaired or removed at the same time that work is undertaken. These repairs will be designed to avoid altering, removing or obscuring character-defining features of the property.</p> <p>Work will be will be done in accordance with the National Park Service's Preservation Brief #47: <i>Maintaining the Exterior of Small and Medium Size Historic Buildings</i>.</p>	

SCOPE #6	BUILDING FEATURE: DOOR
Rehab/Restoration <input checked="" type="checkbox"/> Proposed <input checked="" type="checkbox"/>	
Contract Year Work Completion: 2020	
Total Cost (rounded to the nearest dollar): \$1,900	
Description of Work	
<p>Repair dry rot on front door.</p> <p>The front entrance door has signs of dry rot and will be repaired according to best practices or replaced in kind as necessary.</p> <p>Work will be will be done in accordance with the National Park Service's Preservation Brief #47: <i>Maintaining the Exterior of Small and Medium Size Historic Buildings</i>.</p>	

SCOPE #7	BUILDING FEATURE: EXTERIOR/PAINT
Rehab/Restoration <input checked="" type="checkbox"/> Proposed <input checked="" type="checkbox"/>	
Contract Year Work Completion: 2020	
Total Cost (rounded to the nearest dollar): \$60,435	
Description of Work	
<p>Repaint exterior.</p> <p>Prior to painting, any loose and flaking paint will be thoroughly removed. The new exterior paint will be applied using a primer coat where needed on new wood and 2 finish coats to ensure the greatest longevity of the finished surfaces.</p> <p>If any damage or deterioration is found, the extent and nature of the damage will be assessed. Any needed repairs will avoid altering, removing or obscuring character- defining features of the building. If any elements are determined to be damaged or deteriorated beyond repair, replacements will be made in kind with new wood elements to match the historic building material.</p> <p>Painting and maintenance of painted exterior elements will be undertaken in accordance with the National Park Service's <i>Preservation Brief #10: Exterior Paint Problems on Historic Woodwork</i> and <i>Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings</i>.</p>	

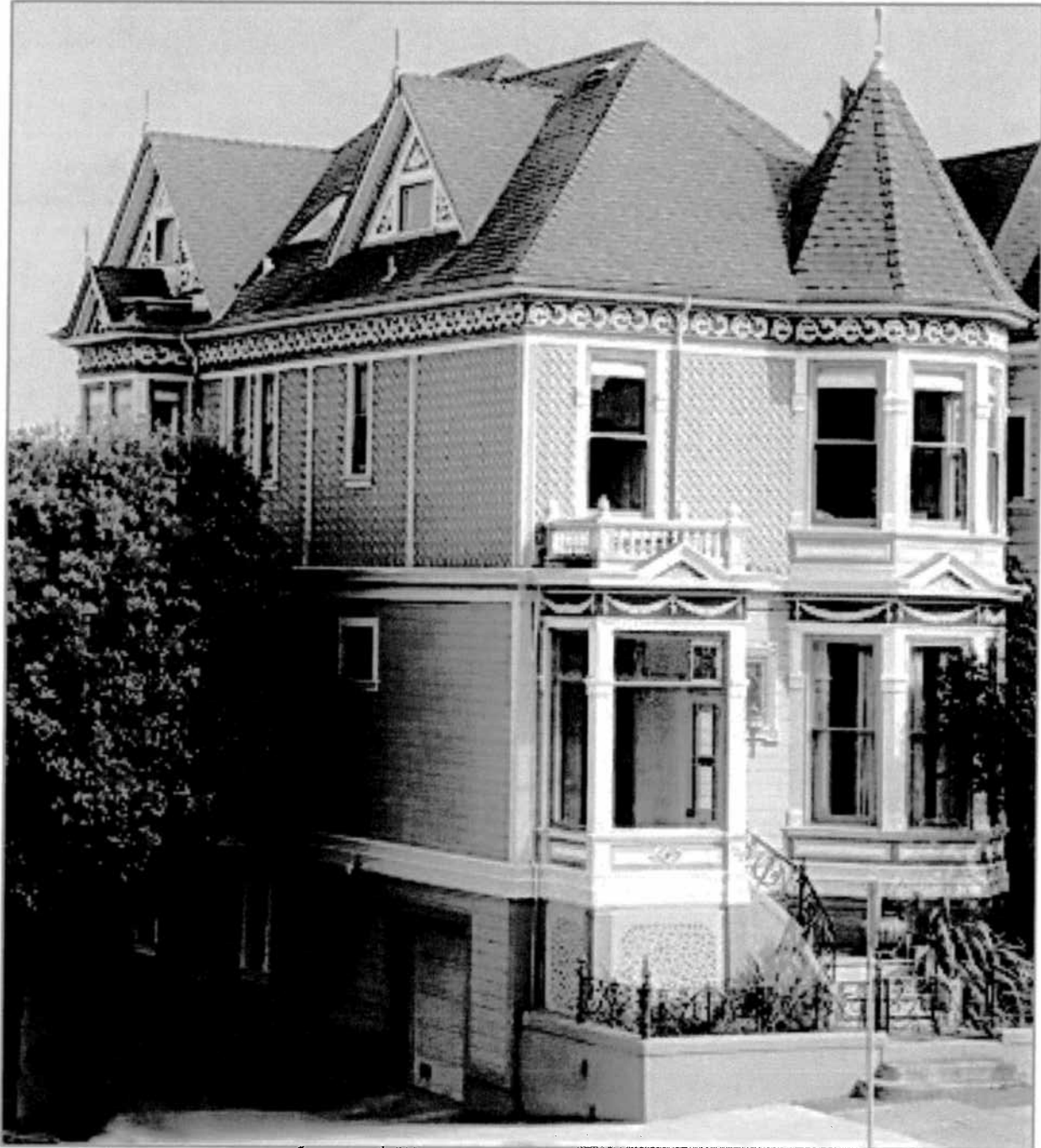
SCOPE #8	BUILDING FEATURE: WINDOWS AND DOORS
Maintenance <input checked="" type="checkbox"/> Proposed <input checked="" type="checkbox"/>	
Contract Year Work Completion: Ongoing	
Total Cost (rounded to the nearest dollar): Estimated \$2,000/annum	
Description of Work	
<p>Perform annual inspections of the windows and exterior doors. If any damage or deterioration is found, the extent and nature of the damage will be assessed. Any needed repairs will avoid altering, removing or obscuring character-defining features of the building. If any elements are determined to be damaged or deteriorated beyond repair, replacements will be made in kind (e.g., wood for wood).</p> <p>This maintenance routine will be informed by the guidance outlined in the National Park Service's <i>Preservation Brief 47: Maintaining the Exterior of Small and Medium Size Historic Buildings</i>.</p>	

SCOPE #9	BUILDING FEATURE: DOWNSPOUTS
Maintenance <input checked="" type="checkbox"/> Proposed <input checked="" type="checkbox"/>	
Contract Year Work Completion: Ongoing	
Total Cost (rounded to the nearest dollar): Estimated \$500/annum	
Description of Work	
<p>Perform annual inspections of the downspouts. If any damage or deterioration is found, the extent and nature of the damage will be assessed. Any needed repairs will avoid altering, removing or obscuring character-defining features of the building. If any elements are determined to be damaged or deteriorated beyond repair, replacements will be made in kind (e.g., wood for wood).</p> <p>This maintenance routine will be informed by the guidance outlined in the National Park Service's <i>Preservation Brief 47: Maintaining the Exterior of Small and Medium Size Historic Buildings</i>.</p>	

SCOPE #10	BUILDING FEATURE: WOOD SIDING & TRIM
Maintenance <input checked="" type="checkbox"/> Proposed <input checked="" type="checkbox"/>	
Contract Year Work Completion: Ongoing	
Total Cost (rounded to the nearest dollar): Estimated \$2,500/annum	
Description of Work	
<p>Perform annual inspections of the wood siding and decorative trim. If any damage or deterioration is found, the extent and nature of the damage will be assessed. Any needed repairs will avoid altering, removing or obscuring character-defining features of the building. If any elements are determined to be damaged or deteriorated beyond repair, replacements will be made in kind (e.g., wood for wood).</p> <p>This maintenance routine will be informed by the guidance outlined in the National Park Service's <i>Preservation Brief 47: Maintaining the Exterior of Small and Medium Size Historic Buildings</i>.</p>	

SCOPE #11	BUILDING FEATURE: ROOF
Maintenance <input checked="" type="checkbox"/> Proposed <input checked="" type="checkbox"/>	
Contract Year Work Completion: Ongoing	
Total Cost (rounded to the nearest dollar): \$38,000 to Replace Roof	
Description of Work	
<p>Approximately every 5 years, the roof will be re-inspected by a licensed roof contractor. If any damage or deterioration is found, the extent and nature of the deterioration will be assessed. If the roof requires replacement, a new asphalt/composition shingle roof will be installed.</p> <p>Replacement of the roof will avoid altering, removing or obscuring character-defining features of the building, including decorative elements, as well as eave trim and moldings. Repairs and maintenance will be performed in accordance with guidance outlined in the National Park Service's <i>Preservation Brief 47: Maintaining the Exterior of Small and Medium Size Historic Buildings</i>.</p>	

**EXHIBIT C:
DRAFT MILLS ACT VALUATION PROVIDED BY THE
ASSESSOR-RECORDER'S OFFICE**



722 Steiner Street
06-0803-023
2015 Mills Act Valuation



APN: 06-0803-023 SF Landmark: N/A
 Property Location: 722 Steiner Street Date of Mills Act Application: 4/28/2015
 Applicant's Name: Come Lague Property Type: SFR w/In-Law Unit
 Agt./Tax Rep./Atty: None Date of Sale: 6/3/2014
 Applicant supplied appraisal? No Sale Price: \$3,100,000

DATE OF MILLS ACT VALUATION: July 1, 2015

TAXABLE VALUE - THREE WAY VALUE COMPARISON					
FACTORED BASE YEAR VALUE		RESTRICTED MILLS ACT VALUE		CURRENT MARKET VALUE	
Land	\$2,213,356	Land	\$912,000	Land	\$2,040,000
Imps	\$963,581	Imps	\$608,000	Imps	\$1,360,000
Total	\$3,176,937	Total	\$1,520,000	Total	\$3,400,000

PROPERTY CHARACTERISTICS

Present Use: SFR Neighborhood: Alamo Square Number of Stories: 3
 Number of Units: 1 w/In-Law Unit Year Built: 1898 Land Area (SF): 2,286
 Owner Occupied: Yes Building Area: 4,255 Zoning: RH-2

CONTENTS

Cover Sheet	Page 2
Photos	Page 3
Restricted Income Valuation	Page 4
Comparable Rents	Page 5
Sales Comparison Valuation	Page 6
Map of Comparable Sales	Page 7

CONCLUSION AND RECOMMENDATIONS

Based on the three-way value comparison, the lowest of the three values is the restricted Mills Act value.
 The taxable Mills Act value on: July 1, 2015 is \$1,520,000

Appraiser: Bryan Bibby Date: 08/13/15
 Principal Appraiser: Greg Wong

Subject Photo Page
722 Steiner Street
06-0803-023



RESTRICTED INCOME APPROACH

**06-0803-023
722 Steiner Street
Restricted Mills Act Value
Lien Date: July 1, 2015**

Owner Occupied

	GLA (SF)		Annual Rent / SF		
Potential Gross Income*	4,255	x	\$43.70	=	\$185,944
Less Vacancy & Collection Loss			3%		<u>(\$5,578)</u>
Effective Gross Income					\$180,365
Less Anticipated Operating Expenses**			15%		<u>(\$27,055)</u>
Net Operating Income (before property tax)					\$153,310
Restricted Capitalization Rate Components:					
<u>Rate Components:</u>					
2015 Interest Rate per SBE			4.2500%		
Risk rate (4% owner occupied / 2% all other property types)			4.0000%		
Property tax rate (2014)			1.1743%		
Amortization rate for the Improvements:					
Remaining Economic Life:	60				
Amortization per Year (reciprocal)	0.0167		<u>1.6667%</u>		
Overall Rates:					
			Land		9.4243%
			Improvements		11.0910%
Weighted Capitalization Rate					
			Land	60%	5.65%
			Improvements	40%	<u>4.44%</u>
			Total		10.09%

RESTRICTED VALUE **\$1,519,284**

ROUNDED TO **\$1,520,000**

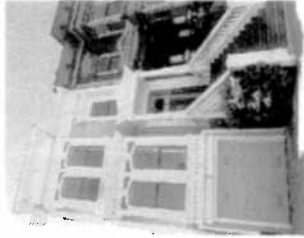
Footnotes:

*Topline rent potential concluded to be approximately \$15,495 per month, or \$43.70 per foot annually. Rental listing amounts ranged from \$43/sf to \$49/sf. The owner projected the rent at about \$10,000 per month. The appraiser placed an added premium on the dwelling due to the attached In-Law Apartment & determined that the additional rent projected above accounted for the overall building feature components. According to the owner, the In-Law Unit was not rented out & no plans were currently in place to rent this area to a tenant. Further, as reported on the Mills Act Historical Property Contract Application, Rental Income Information (Item #9), this information was reported as "No" & a remark of "N/A" was inserted as well. Lastly, the entire property including the In-Law Unit was noted as owner-occupied in the marketing listing history for the prior owner. In taking the preceding items into account, the appraiser considered the entire structure as owner-occupied with multiple levels of living areas.

**Annual Operating Expenses include PG&E, water service, refuse collection, insurance, maintenance and property management, typically estimated at 15% of effective gross income. TP estimates projected annual operating annual operating expenses of the subject property at \$8,800. This amount is less than typical. Default to 15%.

Rental Comps

Rental Comp #1-E: Hayes Valley



Listing Agent:
Address:
Cross Streets:
SF:
Layout:
Monthly Rent
Rent/Foot/Mo
Annual Rent/Foot:
Availability Date:

Not Provided
815 Haight Street
Scott Street
2,700
4/3.5, 2 car parking
\$10,900
\$4.04
\$48.44
Summer, 2015

Rental Comp #2-F: Haight Ashbury



Not Provided
221 Central Avenue
Oak Street
1,090
3/1.5, 2 car parking
\$4,250
\$3.90
\$46.79
Summer, 2015

Rental Comp #3-G: Corona Heights



Not Provided
56 Mars Street
17th Street
1,850
3/3, no off-street parking
\$7,000
\$3.78
\$45.41
Summer, 2015

Rental Comp #4-H: Buena Vista/Ashbury Heights



Not Provided
1559 Masonic Avenue
Piedmont Street
2,200
4/2, 1 car parking
\$8,000
\$3.64
\$43.64
Summer, 2015





Comp #6-I: Lower Pacific Heights



Listing Agent:
Address:
Cross Streets:
SF:
Layout:
Monthly Rent
Rent/Foot/Mo
Annual Rent/Foot:
Availability Date:

Paseo Properties
2721 Pine Street
Divisadero Street
1,346
2/2, 2 car parking
\$5,200
\$3.86
\$46.36
Summer, 2015

SINGLE FAMILY MARKET ANALYSIS

	Subject-A	Sale 1-B	Sale 2-C	Sale 3-D			
APN	0803-023	1125-006	0865-012	1198-036			
Photograph							
Address	722 Steiner Street	1125 Broderick Street	52 Pierce Street	1631 Grove Street			
Sales Price	\$3,100,000	\$3,500,000	\$3,450,000	\$3,300,000			
Sales Price / Square Foot	\$729	\$852	\$1,327	\$955			
Item	Description	Description	Adjust.	Description	Adjust.	Description	Adjust.
Date of Sale	06/03/14	07/09/15		12/02/14		08/03/15	
Neighborhood	Alamo Square	Anza Vista		Hayes Valley		North Panhandle	
Proximity to Subject	--	0.70 miles		0.50 miles		0.70 miles	
Land Area	2,286	2,495	(8,000)	2,278	0	3,436	(46,000)
View Type	City Lights	City Lights		Neighborhood	\$69,000	Neighborhood	\$66,000
Year Built	1898	1907		1900		1910	
Condition Type	Good	Good/Updates	(\$175,000)	Good/Updates	(\$173,000)	Good/Updates	(\$165,000)
Traffic	Non-Busy Street	Non-Busy Street		Dead End Street	(\$104,000)	Non-Busy Street	
Building Area	4,255	4,110	51,000	2,600	579,000	3,455	280,000
Total Number of Rooms	13	18		7		9	
Bedroom Count	5	6		5		4	
Bath Count	5.5	3.5	\$80,000	2.5	\$120,000	3.5	\$80,000
Number of Stoires	3	3		3		2	
Parking Type/Count	1 Car Garage	2 Car Garage	(\$50,000)	2 Car Garage	(\$50,000)	2 Car Garage	(\$50,000)
Bonus Living Area	Included in GLA/In Law Unit	Similar To Subject		Au Pair Unit	(\$300,000)	Incl. In GLA	
Other Amenities	None	None		None		None	
Net Adjustments			(\$102,000)		\$141,000		\$165,000
Indicated Value	\$3,400,000	\$3,398,000		\$3,591,000		\$3,465,000	
Adjust. \$ Per Sq. Ft.	\$799	\$799		\$844		\$814	

Value Range:	Low	High		
	\$3,398,000	\$3,591,000	VALUE CONCLUSION:	\$3,400,000
Adjust. \$ Per Sq. Ft.	\$799	\$844		\$799

REMARKS: The subject's property features were based on assessment records, listing data & recent building plans/permits from DBI.

Adjustments are made to the comparables. (Rounded to the nearest \$1,000.)

*Lot Area adj. based on per square foot of	\$ 40	over a % variance of	0%
*GLA adjustment based on per square foot of	\$ 350	over a % variance of	0%
*Bathroom variance adjustment based on	\$ 40,000	per bath variance.	
*Garage parking space adjustment based on	\$ 50,000	per space variance.	

Other types of adjustments as noted below:

View adj. for Comps #2 and 3 warranted for their inferior view compared to the subject's superior city lights view. Adj. at 2% of the sales price.

Traffic adj. warranted for Comp #2's superior location attributes compared to the subject. Adj. at 3% of the sales price.

All comps featured newer updates to the dwelling compared to the subject. Comps #1, 2 & 3 were adj. at 5% of the sales price to account for these updates.

Bonus living area adj. for Comp #2's Au Pair Unit with kitchen not included in the main building area. Adj. at 300,000.

Although all comparables were given consideration in the value conclusion, Comp #1 was weighted more than the other comps due to its similar GLA range to the subject as well as its recent sale date to the valuation date.

MARKET VALUE AS OF 7/1/2015:

LAND	\$2,040,000
IMPROVEMENTS	\$1,360,000
TOTAL	\$3,400,000
Market Value / Foot	\$799

ASSESSED VALUE

LAND	\$2,213,356
IMPROVEMENTS	\$963,581
TOTAL	\$3,176,937
Assessed Value / Foot	\$747

Map of Subject Property, Comparable Sales and Rental Comparable Listings



A	Subject Property	722 Steiner Street
B	Sale Comp #1	1125 Broderick Street
C	Sale Comp #2	52 Pierce Street
D	Sale Comp #3	1631 Grove Street
E	Rental Comp #1	815 Haight Street
F	Rental Comp #2	221 Central Avenue
G	Rental Comp #3	56 Mars Street
H	Rental Comp #4	1559 Masonic Avenue
I	Rental Comp #5	2721 Pine Street

EXHIBIT D: MILLS ACT APPLICATION

MILLS ACT HISTORICAL PROPERTY CONTRACT

Application Checklist:

Applicant should complete this checklist and submit along with the application to ensure that all necessary materials have been provided. Saying "No" to any of the following questions may nullify the timelines established in this application.

1 Mills Act Application	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Has each property owner signed? Has each signature been notarized?	
2 High Property Value Exemption Form & Historic Structure Report	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> N/A <input type="checkbox"/>
Required for Residential properties with an assessed value over \$3,000,000 and Commercial/Industrial properties with an assessed value over \$5,000,000. Have you included a copy of the Historic Structures Report completed by a qualified consultant?	
3 Draft Mills Act Historical Property Contract	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Are you using the Planning Department's standard "Historical Property Contract?" Have all owners signed and dated the contract? Have all signatures been notarized?	
4 Notary Acknowledgement Form	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Is the Acknowledgement Form complete? Do the signatures match the names and capacities of signers?	
5 Draft Rehabilitation/Restoration/Maintenance Plan	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Have you identified and completed the Rehabilitation, Restoration, and Maintenance Plan organized by contract year, including all supporting documentation related to the scopes of work?	
6 Photographic Documentation	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Have you provided both interior and exterior images (either digital, printed, or on a CD)? Are the images properly labeled?	
7 Site Plan	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Does your site plan show all buildings on the property including lot boundary lines, street name(s), north arrow and dimensions?	
8 Tax Bill	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Did you include a copy of your most recent tax bill?	
9 Rental Income Information	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> N/A
Did you include information regarding any rental income on the property, including anticipated annual expenses, such as utilities, garage, insurance, building maintenance, etc.?	
10 Payment	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Did you include a check payable to the San Francisco Planning Department? Current application fees can be found on the Planning Department Fee Schedule under Preservation Applications.	
11 Recordation Requirements	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
A Board of Supervisors approved and fully executed Mills Act Historical Property contract must be recorded with the Assessor-Recorder. The contract must be <u>accompanied</u> by the following in order to meet recording requirements: - All approvals, signatures, recordation attachments - Fee: Check payable to the Office of the Assessor-Recorder" in the appropriate recording fee amount. Please visit www.sfassessor.org for an up-to-date fee schedule for property contracts. - Preliminary Change of Ownership Report (PCOR). Please visit www.sfassessor.org for an up-to-date PCOR (see example on page 20).	

APPLICATION FOR Mills Act Historical Property Contract

Applications must be submitted in both hard copy and digital copy form to the Planning Department at 1650 Mission St., Suite 400 by May 1st in order to comply with the timelines established in the Application Guide. Please submit only the Application and required documents.

1. Owner/Applicant Information (If more than three owners, attach additional sheets as necessary.)

PROPERTY OWNER 1 NAME: TRUST OF COME LAGUE AND CHARLENE LI	TELEPHONE: (650) 218 5207
PROPERTY OWNER 1 ADDRESS: 722 STEMMER ST, SAN FRANCISCO, CA 94117	EMAIL: Come @ Lague.net
PROPERTY OWNER 2 NAME:	TELEPHONE: ()
PROPERTY OWNER 2 ADDRESS:	EMAIL:
PROPERTY OWNER 3 NAME:	TELEPHONE: ()
PROPERTY OWNER 3 ADDRESS:	EMAIL:

2. Subject Property Information

PROPERTY ADDRESS: 722 STEMMER ST., SAN FRANCISCO, CA 94117	ZIP CODE: 94117
PROPERTY PURCHASE DATE: 6/3/14	ASSESSOR BLOCK/LOT(S): 0803/023
MOST RECENT ASSESSED VALUE: \$3,093,000	ZONING DISTRICT: RH-2

Are taxes on all property owned within the City and County of San Francisco paid to date? YES NO

Is the entire property owner-occupied? YES NO
If No, please provide an approximate square footage for owner-occupied areas vs. rental income (non-owner-occupied areas) on a separate sheet of paper.

Do you own other property in the City and County of San Francisco? YES NO
If Yes, please list the addresses for all other property owned within the City of San Francisco on a separate sheet of paper.

Are there any outstanding enforcement cases on the property from the San Francisco Planning Department or the Department of Building Inspection? YES NO
If Yes, all outstanding enforcement cases must be abated and closed for eligibility for the Mills Act.

I/we am/are the present owner(s) of the property described above and hereby apply for an historical property contract. By signing below, I affirm that all information provided in this application is true and correct. I further swear and affirm that false information will be subject to penalty and revocation of the Mills Act Contract.

Owner Signature: TRUSTEE Date: 4/28/15

Owner Signature: TRUSTEE Date: 4/28/15

Owner Signature: _____ Date: _____

3. Property Value Eligibility:

Choose one of the following options:

The property is a Residential Building valued at less than \$3,000,000.

YES NO

The property is a Commercial/Industrial Building valued at less than \$5,000,000.

YES NO

*If the property value exceeds these options, please complete the following: Application of Exemption.

Application for Exemption from Property Tax Valuation

If answered "no" to either question above please explain on a separate sheet of paper, how the property meets the following two criteria and why it should be exempt from the property tax valuations.

1. The site, building, or object, or structure is a particularly significant resource and represents an exceptional example of an architectural style, the work of a master, or is associated with the lives of significant persons or events important to local or natural history; or

2. Granting the exemption will assist in the preservation of a site, building, or object, or structure that would otherwise be in danger of demolition, substantial alteration, or disrepair. (A Historic Structures Report, completed by a qualified historic preservation consultant, must be submitted in order to meet this requirement.)

SEE ATTACHED HSR PREPARED BY GARAVAGLIA ARCHITECTURE, INC.

4. Property Tax Bill

All property owners are required to attach a copy of their recent property tax bill.

PROPERTY OWNER NAMES:

TRUST OF COME LAGUE AND CHARLONE LI DATED 9/23/02

MOST RECENT ASSESSED PROPERTY VALUE:

\$3,093,000

PROPERTY ADDRESS:

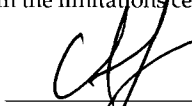
722 STEWART ST., SAN FRANCISCO, CA 94117

5. Other Information

All property owners are required to attach a copy of all other information as outlined in the checklist on page 7 of this application.

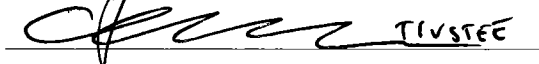
By signing below, I/we acknowledge that I/we am/are the owner(s) of the structure referenced above and by applying for exemption from the limitations certify, under the penalty of perjury, that the information attached and provided is accurate.

Owner Signature:

 TRUSTEE

Date: 4/28/15

Owner Signature:

 TRUSTEE

Date: 4/28/15

Owner Signature:

Date:

5. Rehabilitation/Restoration & Maintenance Plan

A 10 Year Rehabilitation/Restoration Plan has been submitted detailing work to be performed on the subject property	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
A 10 Year Maintenance Plan has been submitted detailing work to be performed on the subject property	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Proposed work will meet the <i>Secretary of the Interior's Standards for the Treatment of Historic Properties</i> and/or the California Historic Building Code.	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Property owner will ensure that a portion of the Mills Act tax savings will be used to finance the preservation, rehabilitation, and maintenance of the property	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>

Use this form to outline your rehabilitation/restoration plan. Copy this page as necessary to include all items that apply to your property. Begin by listing recently completed rehabilitation work (if applicable) and continue with work you propose to complete within the next ten years, followed by your proposed maintenance work. Arranging all scopes of work in order of priority.

Please note that *all applicable Codes and Guidelines apply to all work*, including the Planning Code and Building Code. If components of the proposed Plan require approvals by the Historic Preservation Commission, Planning Commission, Zoning Administrator, or any other government body, these **approvals must be secured prior to applying for a Mills Act Historical Property Contract**. This plan will be included along with any other supporting documents as part of the Mills Act Historical Property contract.

# ____ (Provide a scope number)	BUILDING FEATURE:
Rehab/Restoration <input type="checkbox"/>	Maintenance <input type="checkbox"/> Completed <input type="checkbox"/> Proposed <input type="checkbox"/>
CONTRACT YEAR FOR WORK COMPLETION:	
TOTAL COST (rounded to nearest dollar):	
DESCRIPTION OF WORK:	
<p>SEE ATTACHED EXHIBIT A</p>	

Draft Rehabilitation/Restoration/Maintenance Plan (Continued)

# ____ (Provide a scope number)	BUILDING FEATURE:
Rehab/Restoration <input type="checkbox"/>	Maintenance <input type="checkbox"/> Completed <input type="checkbox"/> Proposed <input type="checkbox"/>
CONTRACT YEAR WORK COMPLETION:	
TOTAL COST (rounded to nearest dollar):	
DESCRIPTION OF WORK:	

# ____ (Provide a scope number)	BUILDING FEATURE:
Rehab/Restoration <input type="checkbox"/>	Maintenance <input type="checkbox"/> Completed <input type="checkbox"/> Proposed <input type="checkbox"/>
CONTRACT YEAR WORK COMPLETION:	
TOTAL COST (rounded to nearest dollar):	
DESCRIPTION OF WORK:	

# ____ (Provide a scope number)	BUILDING FEATURE:
Rehab/Restoration <input type="checkbox"/>	Maintenance <input type="checkbox"/> Completed <input type="checkbox"/> Proposed <input type="checkbox"/>
CONTRACT YEAR WORK COMPLETION:	
TOTAL COST (rounded to nearest dollar):	
DESCRIPTION OF WORK:	

Scope #1:



Scope #2:



Scope #3:



Corroded downspout

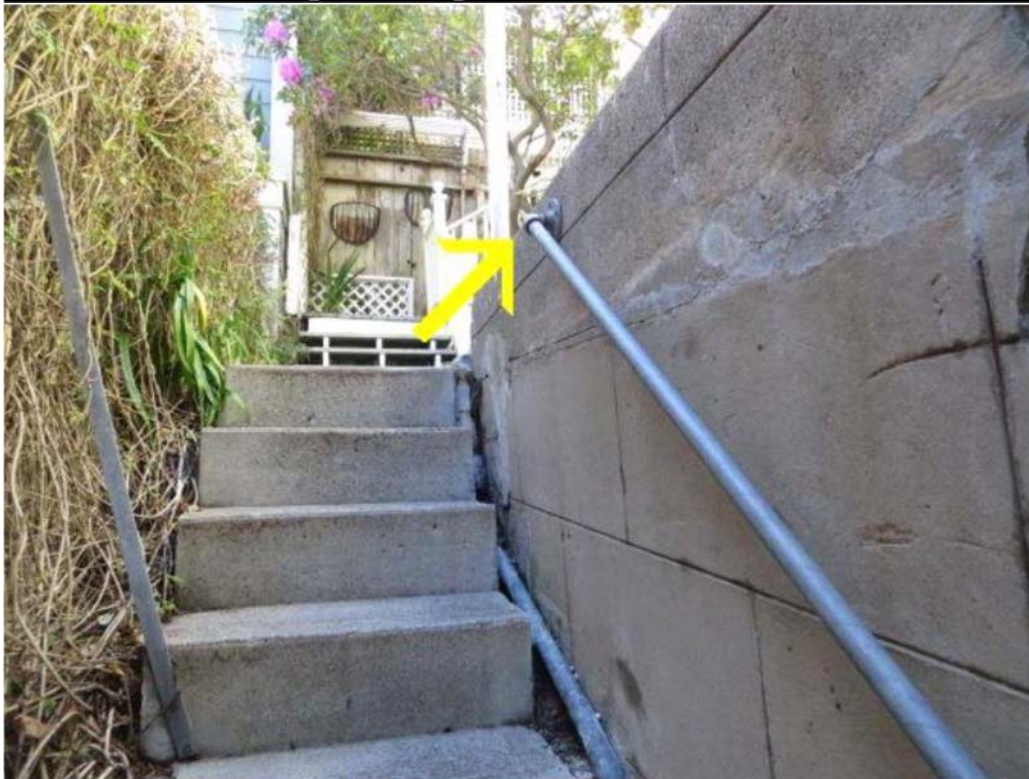
Scope #4:



Scope #5:



Cracked and leaning retaining wall



Handrail not full length of stairs

Scope #6:



Rehabilitation & Maintenance Plan - 722 Steiner St

Rehabilitation/Restoration

Scope #1 - Seismic Upgrades	\$ 100,000
Scope #2 - Remove Planter Deck & Repair Siding	\$ 3,500
Scope #3 - Repair to Downspout	\$ 1,500
Scope #4 - Roof repair turret spindle	\$ 5,000
Scope #5 - Repair to Retaining Wall	\$ 50,000
Scope #6 - Repair Front Door	\$ 1,900
Scope #7 - Exterior Paint	\$ 60,435
Total Above	<u>\$ 222,335</u>

Maintenance (Cost Over 10 Years)

Scope #8 - Maintain Windows and Doors @ \$2k/annum	\$ 20,000
Scope #9 - Maintain Downspouts @ \$500/annum	\$ 5,000
Scope #10 - Maintain Wood Siding & Trim @ \$2.5k/annum	\$ 25,000
Scope #11 - Replace Roof	\$ 38,000
Total Above	<u>\$ 88,000</u>
Annual Cost (/10)	\$ 8,800

7. Notary Acknowledgment Form

The notarized signature of the majority representative owner or owners, as established by deed or contract, of the subject property or properties is required for the filing of this application. (Additional sheets may be attached.)

State of California

County of: San Francisco

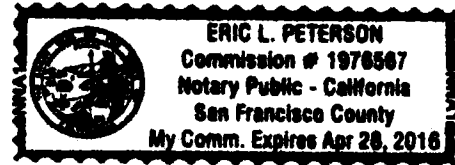
On: April 28, 2015 before me, Eric L. Peterson
DATE INSERT NAME OF THE OFFICER

NOTARY PUBLIC personally appeared: Charlene Li and Come Laguna
NAME(S) OF SIGNER(S)

who proved to me on the basis of satisfactory evidence to be the person(s) who name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



[Handwritten Signature]
SIGNATURE

(PLACE NOTARY SEAL ABOVE)

EXHIBIT E:

HISTORIC STRUCTURE REPORT



722 Steiner Street San Francisco, CA Historic Structure Report

Prepared for
Côme Lague
San Francisco, CA



Prepared by
Garavaglia Architecture, Inc
May 29, 2015

Innovating Tradition

EXECUTIVE SUMMARY

722 Steiner Street is an instantly recognizable part of San Francisco's historical and architectural heritage. As one of the "Seven Sisters" of Alamo Square, this house has been shown in countless motion pictures and television commercials and is as recognizable a symbol of the City of San Francisco as Alcatraz and the Golden Gate Bridge. Constructed in 1892 by builder Matthew Kavanagh, the house was a single-family residence for its first years. Eventually, as the neighborhood declined, multiple tenants rented the house for short amounts of time, leading to considerable deterioration. Fortunately, due to a commitment to preserving the area both by the city and area activists, the house was saved from demolition and cared for by conscientious stewards. Garavaglia Architecture, Inc. was retained to complete a Historic Structure Report (HSR) in support of a Mills Act application.

The property tax savings from the Mills Act contract will enable the property owners to preserve and rehabilitate the historic structure, which would otherwise be in danger of demolition, deterioration, or abandonment.

EXISTING CONDITIONS

The exterior is in good to fair condition. Much of the deterioration observed is related to the age of the building materials, some of which have reached, or even exceeded, their reasonable service life. The following condition items were observed:

- Isolated locations of wood rot at the ornamentation, windows, and doors
- Corroded and damaged downspout along north (Grove Street) elevation
- Cracking and displacement of retaining wall at rear (east) elevation
- Loose and flaking paint throughout
- Leak in roof at turret spindle

The interior of 722 Steiner was recently renovated and, as such, is in excellent condition. Much of the original historic fabric on the upper floors had been removed or damaged in previous years, resulting in a loss of integrity at those levels.

PROPOSED RECOMMENDATIONS

While 722 Steiner Street is in overall good condition, a number of recommendations are proposed for the exterior rehabilitation of the building, as well as to address concerns such as leaks. These recommendations will be completed in accordance with the *Secretary of the Interior's Standards for Rehabilitation*, as well as the relevant *Preservation Briefs*, as issued by the National Park Service.



Chapter 1

INTRODUCTION

PROJECT DESCRIPTION

Garavaglia Architecture, Inc. was contracted by Côme Lague (Client) in April of 2015 to prepare a Historic Structure Report (HSR) for the single-family residence located at 722 Steiner Street. This report has been requested in support of a Mills Act application for exterior restoration work at the building. 722 Steiner Street is eligible for the Mills Act Contract Program as a “qualified historic property” because it is a contributor to the Alamo Square Historic District, a City Landmark District designated pursuant to Article 10 of the Planning Code.

PROJECT LOCATION

The subject property (APN Number 0803-023) is located at the northeast corner of Steiner and Grove Streets, directly across from Alamo Square Park (see Figures 1 through 3). The area is often considered part of the Western Addition, Fillmore, Lower Haight, and Hayes Valley sections of San Francisco. The surrounding area is residential in nature. 722 Steiner Street is part of a row of seven Queen Anne and Victorian-style homes known as the “Seven Sisters” or, more popularly, the “Painted Ladies.” Beyond these homes are other single-family residences as well as multi-floor apartment buildings.

722 Steiner Street is located within an RH-2 (Residential House—Two Family) Zoning District, and a 40-X Height and Bulk District.



Figure 1. Aerial view of Alamo Square and vicinity, with 722 Steiner Street highlighted. (Image provided in Google Earth, 2015.)

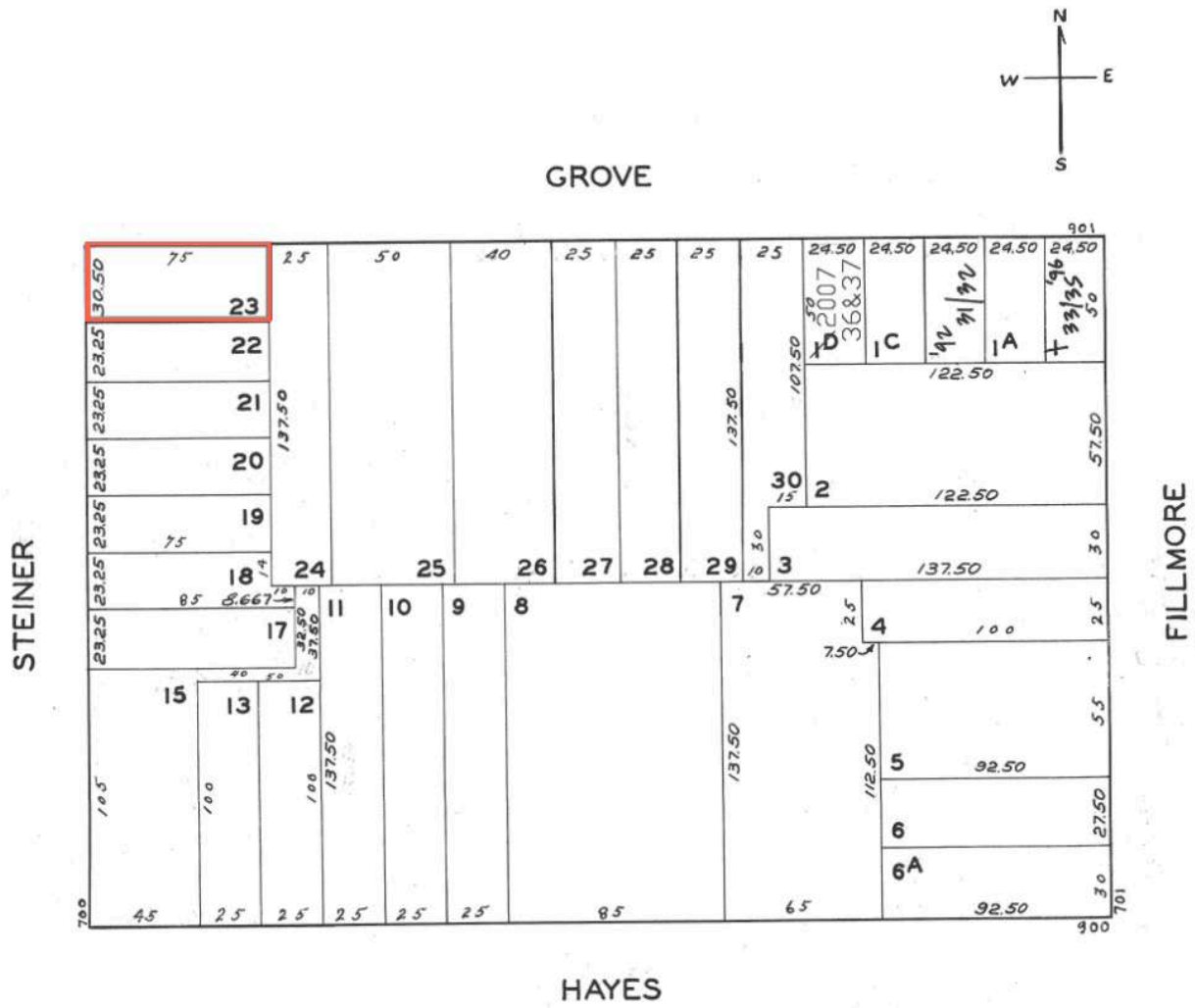


Figure 2. Assessor's Block Map for 722 Steiner Street. (Provided by San Francisco Planning Department.)

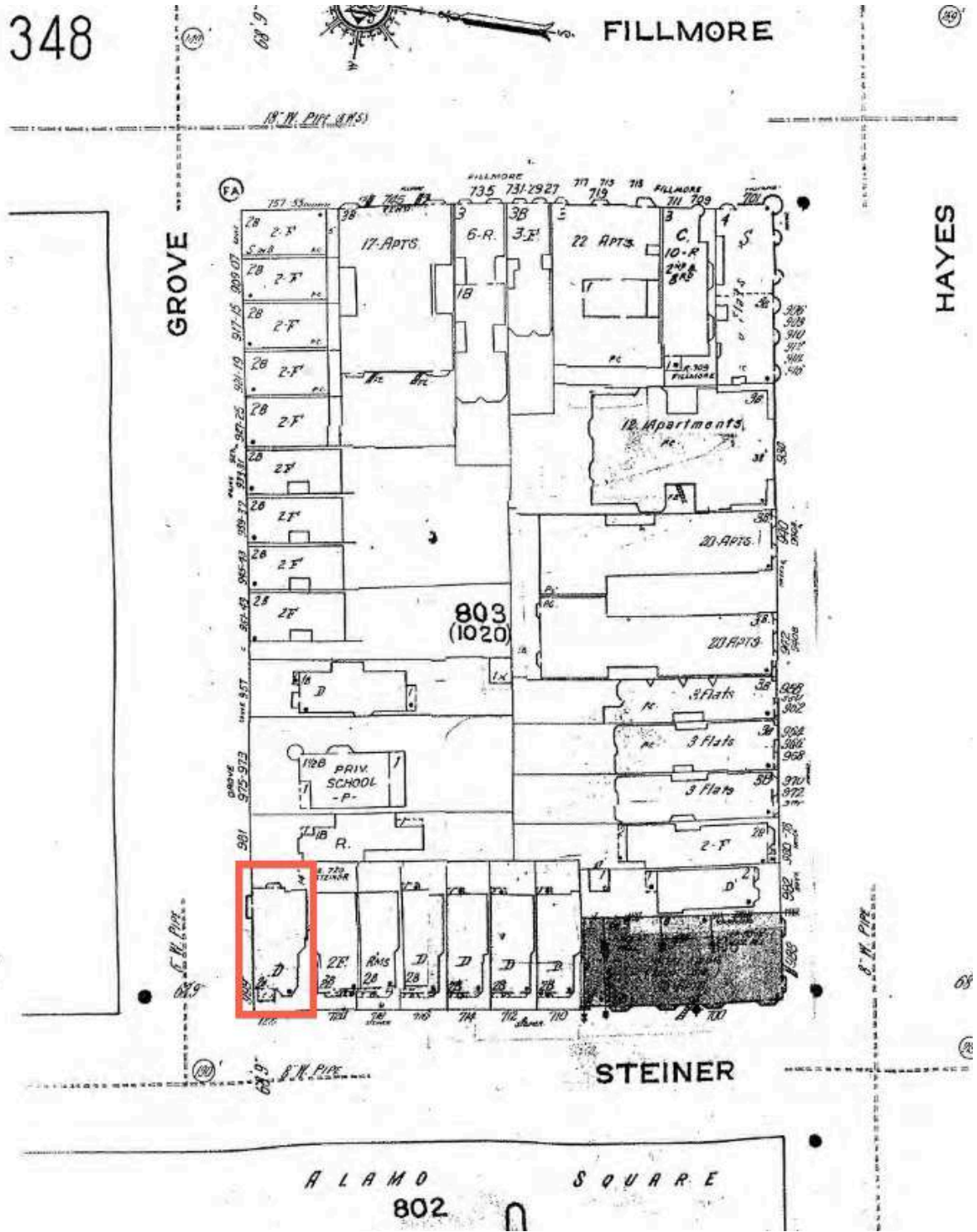


Figure 3. Sanborn Map, ca. 1995, with 722 Steiner Street highlighted. (Provided by San Francisco Planning Department.)

PROJECT APPROACH

Goals

The goals of this HSR are to review the historical significance of 722 Steiner Street, to assess the conditions of the building's exterior, including any age-based deterioration, and to provide recommendations for a program of maintenance and repair for the building, in compliance with the *Secretary of the Interior's Standards for Rehabilitation*.

Methodology

Garavaglia Architecture, Inc. staff conducted site visits on April 14 and April 23, 2015, to review existing conditions at the interior and exterior, and to identify character-defining features. During these visits, staff documented the building's configuration and architectural elements with photographs and field notes. The Client provided building plans for proposed construction, as well as additional documentation, prior to the initial site visit.

Garavaglia Architecture, Inc. also conducted additional archival research on the subject property and surrounding area. The following repositories/collections were consulted to complete the research process (See References section for a complete list of resources):

- Sanborn Fire Insurance Maps
- San Francisco History Center, San Francisco Public Library
- Office of the Assessor-Recorder, City & County of San Francisco
- Department of Building Inspection, City & County of San Francisco
- The California Digital Newspaper Collection and Internet Archive
- Online Archive of California
- United States Census Bureau, 1910–1940 reports, via www.ancestry.com

SIGNIFICANCE SUMMARY

722 Steiner Street is a Historic Resource as determined by the City & County of San Francisco. It is located within the Alamo Square Historic District, as designated in 1984. Prior to the creation of the historic district, it was listed as part of the Painted Ladies of Alamo Square in *Here Today: San Francisco's Architectural Heritage* (1968), prepared by the Junior League of San Francisco. *The Board of Supervisors as an officially recognized architectural survey adopted Here Today*. In 1976, it was listed as a Category 4 building in the Department of City Planning *Architectural Survey*, indicating a high level of architectural significance (including design features, the urban design context, and overall environmental significance).

The building remains a significant contributor to the Alamo Square Historic District due to its high level of integrity relative to its period of significance (1892–1929). As one of the famed "Seven Sisters" designed and built by Matthew Kavanagh, 722 Steiner Street is an exceptional example of the Queen Anne style in San Francisco.

Chapter 2

CONTEXT AND CONSTRUCTION HISTORY

HISTORIC BACKGROUND

Alamo Square

The area that is now Alamo Square Park and the surrounding area was originally part of the Western Addition of San Francisco. The name refers to the area between the original surveyed boundaries of the city, which ended between Larkin and Van Ness Streets, and Divisadero Street. The Van Ness Ordinance of 1855 cleared title to the land (which had been owned by others), extended the standard grid pattern of streets, and set aside a number of parklets and squares.¹

The following year, the city set aside land for a public park bound by Hayes, Steiner, Folsom, and Scott Streets, naming it Alamo Square. Settlement began around 1869. Due to the views, weather, and accessibility from the newly constructed McAllister and Hayes Streets cable cars, more residents moved westward.² Most of these newcomers were professionals who had commissioned architects to design their own single-family residences. Eventually, the park and the surrounding neighborhood became a very desirable place to live for San Francisco's growing professional class.

The area was saved from destruction in the 1906 earthquake and fires, as it was just outside of the "burned district." A photograph taken the day after the earthquake shows 722 Steiner Street in the background as San Franciscans flee from the conflagrations that consumed downtown (see Figure 4). The area became much busier than it was before the earthquake, as Fillmore Street became the temporary commercial district. By the 1920s through World War II, many of the residents of Alamo Square were German-Americans, Italians, or Jewish families.³

¹ The Junior League of San Francisco, Inc., *Here Today: San Francisco's Architectural Heritage*. (San Francisco: Chronicle Books, 1973), 112.

² Anne Bloomfield, "Alamo Square Historic District: Prepared for the San Francisco Landmarks Preservation Advisory Board" (April 1984): 1.

³ Jeanne Alexander, "History of Alamo Square," San Francisco Neighborhood Park Council, Parks Report 42 (Fall 2007): 1.

In the 1950s, as much of San Francisco's professional class moved to the suburbs, many of the older homes were divided into smaller apartments and rooming houses. Absentee owners failed to maintain the homes, many of which fell into ruin. The demographics of the area changed, as African-Americans and others displaced by the redevelopment of the Fillmore district moved into the neighborhood. The late 1950s and early 1960s saw an increase in crime. A group of concerned citizens started the Alamo Square Neighborhood Association.⁴ This group urged city leaders to increase patrols in the area, and hosted park clean-ups.

By the 1970s, Alamo Square's fortunes began to change. Young professionals, some of whom were gay men, moved into the area, attracted to the large homes with their historic ornamentation still intact. This early gentrification led to an increased interest in the neighborhood, the park, and the surrounding historic homes. In 1984, the city, in part spurred by the work of the Alamo Square Neighborhood Association, designated Alamo Square a San Francisco Historic District.⁵ Today, Alamo Square and its associated neighborhoods—Hayes Valley, the Lower Haight, and the Western Addition—are some of San Francisco's most sought-after neighborhoods.



Figure 4. Alamo Square, view to the east and Steiner Street: This photo was taken on April 19, 1906, as the post-earthquake fires devastated the city. 722 Steiner is visible at the far left edge of the photo.

Matthew Kavanagh and the Painted Ladies

Matthew Kavanagh was a builder-carpenter of Irish ancestry. Born in 1845 in County Wexford, Ireland, he immigrated to San Francisco in 1869.⁶ He began work as a carpenter immediately upon his arrival. Eventually, he became prominent within the Irish immigrant community, often chairing and hosting events for Irish benevolent associations.⁷ He sold the home at Steiner Street in 1900. The details of the last years of his life are not well documented. Matthew

⁴ Ibid.

⁵ Ibid.

⁶ "Deaths," *San Francisco Call*, January 6, 1912.

⁷ "Irish Night," *San Francisco Call*, March 9, 1897. At least one of these events was hosted at the Kavanagh home on 722 Steiner Street.

Kavanagh died in San Francisco in 1912.⁸

Painted Ladies

While Matthew Kavanagh developed a number of lots in San Francisco, and even in the vicinity of Alamo Square, he is most known for the seven homes he designed on Steiner Street between Grove and Hayes Streets, immediately facing Alamo Square. The six homes to the south of 722 Steiner Street are identical in floor plan, and only minor alterations were made to each building's exterior to give them individuality.

For his own home just to the north of the six identical buildings, Kavanagh modified the Painted Ladies format somewhat: this house was originally larger than the others along Steiner Street. Whereas the six houses to the south are identical in floor plan, the home at the end of the block features an additional bay. This could have been intended to provide a walkway between 720 Steiner and the subject property. Alternately, it may have been intended to provide the Kavanagh family privacy that the other residents did not have.

SIGNIFICANCE STATEMENT

The statement of significance for the Alamo Square Historic District declares:

The Alamo Square Historic District is significant as a continuum of distinguished residential architecture by distinguished architects spanning the period from the 1870s to the 1920s. The towered Westerfeld House, the renowned "Postcard Row" with its background of the downtown skyline, and the neighboring streetscapes are as identified worldwide with San Francisco as the cable cars and Coit Tower. With a variety of architectural styles, the District is unified in its residential character, relatively small scale, construction type, materials (principally wood), intense ornamentation (especially at entry and cornice) and use of basements and retaining walls to adjust for hillside sites. Boundaries include the park, its edges, the nearby buildings rated highest on the city's architectural survey, and infill structures for rational planning. Most of the original owner-residents were designed by architects, including a virtual cross-section of the city's better professionals. The District has always housed a varied ethnic group. With a high degree of integrity to its original designs, the District clearly serves as a visual reminder of how businessmen lived two to four generations ago.⁹

The 1976 architectural survey undertaken by the Department of City Planning deemed the building as a four (on a scale of one to five, with five being the finest example of San Francisco Architecture).

Here Today, prepared by the Junior League of San Francisco, Inc., includes the entire block of Steiner Street between Hayes and Grove Streets, but focuses primarily on the six homes at 710–720 Steiner.

According to the San Francisco Planning Department, the period of significance for the district is 1870–1929. For 722 Steiner Street, the period of significance can be adjusted from 1892–1929, reflecting its year of construction.

⁸ "Deaths," *San Francisco Call*, January 6, 1912.

⁹ Bloomfield, "Alamo Square Historic District," 1.

As a mostly intact, notable example of the Queen Ann style, and as a part of Matthew Kavanagh's famous row of "Painted Ladies," 722 Steiner Street remains a strong contributor to the Alamo Square Historic District.

CONSTRUCTION CHRONOLOGY

The information within this construction chronology was developed from Department of Building Inspection (DBI) records for the property. Not all of the alterations were legally permitted and, as such, were not recorded.

Date	Event
1892	Initial construction of house
1922	Installation of garage, with door along Grove Street
1973	Legalization of basement apartment with code-compliant plumbing and electrical work
1976	Repairs to comply with property conservation report
1978	Electrical and plumbing work
1987	Installation of four new skylights at third-floor level
1990	Repair program consisting of repairs to bathroom, exterior gutters, cracked chimney, and broken windows, plastering of walls and ceilings
2001	Repainting of exterior: While this permit was issued in 2001, work did not begin until 2005.
2005	Installation of new composite shingle roofing system
2014–2015	Renovation of interior

OWNERSHIP HISTORY

The ownership history of 722 Steiner Street reflects the changing demographics and fortunes of Alamo Square. The original owner, Matthew Kavanagh, lived in the home for eight years after he constructed it. Little is known of Kavanagh's life within the house.

The following owner, the Klopper family, was a German-American family. Frederick Klopper, who was born in Germany, was a leather dealer.¹⁰ His wife, Anna, of German ancestry but born in Iowa, was a homemaker.¹¹ The Kloppers were active in the German-American community in San Francisco. Frederick often hosted meetings of the Germania Club at the house. Anna's obituary noted that she was an active member of "Christliche Muetter Vereia," an organization for Catholic German women.¹² Their four children owned the house after Anna's death in 1912 and Frederick's in 1916. Several of Frederick Klopper's adult children lived in the home, even as

¹⁰ *San Francisco City Directory*, 1898. Frederick Klopper's office was located at 209 Mason Street.

¹¹ United States Census Bureau, 1900 Census.

¹² "Deaths," *San Francisco Call*, March 28, 1912.

they had families of their own.¹³

Through most of the 1920s and 1930s, William and Florence Hall owned the home. Perhaps because of the rising popularity of the automobile, the garage along Grove Street was installed early in their ownership. It is evident that they had at least one boarder, Jacob Rosenthal, who was a Russian immigrant.¹⁴ It is possible that the Halls had additional tenants.

From 1938 until 1963, the ownership of 722 Steiner Street changed rapidly. Little is known about the owners during these years.¹⁵ Indeed, as no permitted work was completed at this time, little is known about the house during this time. According to an oral history of Michael Shannon (owner from 1973–2014), several of the previous landlords were African-American.¹⁶

In 1963, William W. Wolf and Fernando Zapien purchased the building. “Bill,” as Mr. Wolf was known, was active in the community. It was under his ownership that the stained glass window at the parlor and stained-glass skylight above the staircase were installed.¹⁷ Mr. Wolf and Mr. Zapien were part of the first wave of gentrification in Alamo Square. After they moved, the house was briefly owned by others, about whom little is known.

Michael Shannon and his partner, Jim Vogeney, purchased the house in 1976. According to Mr. Shannon, the house had stood vacant for a few years, which led to vandalism, including an attempt to remove the staircase from the house. Despite some neighbors’ protests against the “infiltration” of white gay men into what was known as an African-American community, Mr. Shannon persevered and restored the house.¹⁸ It was also under his ownership that the house became a set for several movies. A photograph taken of the house as part of the 1976–1978 survey that the Department of City Planning (as the Planning Department was known then) conducted on historic homes in San Francisco shows 722 Steiner Street. At that time, the house looked much as it does today (see Figure 5).

¹³ *San Francisco City Directory*, 1913.

¹⁴ 1930 Census.

¹⁵ *San Francisco City Directory*, 1933.

¹⁶ Peter Toscani, *The Role of Gay Men as Pioneer Gentrifiers in Alamo Square* (Submitted as Master’s Thesis in Geography, San Francisco State University, 1997), 228–232.

¹⁷ *Ibid.*

¹⁸ *Ibid.*



Figure 5. 722 Steiner Street, ca. 1976. In this photo, the portico has been closed in, and the exterior appears similar to how it looks today. The gate spanning the walkway to the south appears to be constructed of horizontal wood siding. (Photograph from San Francisco Planning Department, April 2015.)

Date	Owner	Occupation
1892–1900	Matthew and Catherine Kavanagh	Carpenter, builder, developer
1900–1916	Frederick and Anna Klopper	Leather dealer/tanner
1916–1917	Estate of Frederick Klopper	
1917–1922	Marie Bette, Herman J. Klopper, Frederick M. Klopper (Jr.), Louisa Schnebel/Schnobel/Schnabel	
1922–1938	William L. and E. F. (Florence) Hall	William Hall was an accountant, and Florence was a public schoolteacher. They had a tenant, Jacob Rosenthal, who was also taught in the public schools.

722 STEINER STREET, SAN FRANCISCO
 Historic Structure Report

1938–1941	Helen E. Petrakis/ E. E. and J. K. (James) Petrakis	James Petrakis was a cook. He worked at several different restaurants during his time at 722 Steiner Street. It appears that their adult daughter Helen lived with them as well.
1941–1942	W. M. J. and Ethel Carrol	Unknown
1942–1952	W. J. Carrol	Unknown
1952–1957	Jewell H. Edwards	Mr. Edwards held multiple jobs during his time at 722 Steiner Street, including as a lab technician and a factory worker.
1957–1962	William C. and Lucy Calvillo	Plasterer
1962–1963	Joseph H. and Dorothy A. Flayer	Joseph was a shipping clerk, while Dorothy (nee Kintner) was a bank teller. They moved frequently.
1963–1971	William W. Wolf and R. Fernando Zapien	Mr. Wolf was an upholsterer; Mr. Zapien was a hairdresser.
1971–1973	Ruby M. Patton	Unknown
1973–1974	Robert L. Buckter and Guerino B. Iezza	Mr. Buckter was a painter. Mr. Iezza's job is not known.
1974–1976	Stanley E. O'Dell and Robert P. Anderson	Unknown
1976–2014	Michael Shannon and Jim Vogeney	Mr. Shannon was a furniture designer, while Dr. Vogeney was a dentist.
2014–present	Côme Lague and Charlene Li	Technology entrepreneurs

Chapter 3

ARCHITECTURAL EVALUATIONS

GENERAL DESCRIPTION

Site

722 Steiner Street sits on an eastward-sloping corner lot, at the intersection of Grove and Steiner Streets. There is a small front yard with a decorative wrought-iron gate fronting Steiner Street, and an elevated gated rear yard accessed via a concrete staircase at Grove Street. There is a small tree at the Steiner Street facade in the front yard and two small bushes in the rear yard. Entry to the house is via an L-shaped set of terrazzo steps along Steiner Street; access is available through the rear to a deck. A narrow pathway between 722 Steiner and 720 Steiner provides access to the rear of the house. The house is detached completely from its neighbors. There is a concrete retaining wall at the eastern lot line.

Exterior

The house is two stories tall, with a finished attic and raised basement, topped with a contemporary asphalt-composite shingle roof. The building sits on a concrete foundation, which has been stylized to resemble masonry along the Steiner Street elevation (see Figure 6). The fenestration consists primarily of one-over-one double-hung wood windows, with several historic stained-glass windows; some of the double-hung windows have the original wavy plate glass.

The wood siding along the first floor is horizontal clapboard siding. The second floor features imbricated (fish scale) shingles. The entire exterior, including the concrete foundation, is painted a pale moss green, with burgundy, cream, and gold accents. Immediately under the roof, the fascia around the perimeter of the building features a vine motif, and is topped by profiled projecting eaves. Profiled wood fascias painted cream delineate each floor level, with a simple band between the basement and first floor and more ornate projecting banding between the first and second floors (see Figure 7).



Figure 6. Detail of northwest corner of 722 Steiner Street. (Photograph by Garavaglia Architecture, Inc., April 2015.)



Figure 7. Detail of northwest corner of house at second floor: Note the fishscale shingles and fascia featuring vine motif and articulated eaves. (Photograph by Garavaglia Architecture, Inc., April 2015.)

West (Steiner Street) Facade

The west (Steiner Street) elevation is accessed via an L-shaped stairway to the entrance portico entrance. The portico has been enclosed (see Figures 8 and 9). The portico features fixed single-lite wood windows with single-lite transoms, and a multi-lite stained-glass entrance door with a stained-glass transom with the building's address number. The staircase leading up to the portico has been finished with terrazzo, and features a wrought-iron railing. A decorative wood balustrade sits over the portico, and can be accessed via a second-floor window. The entrance portico and the first-floor portion of the five-sided bay are topped with carved swag paneling, each with a sunburst pediment (see Figure 10).



Figure 8. Overall view of west (Steiner Street) elevation. (Photograph by Garavaglia Architecture, Inc., April 2015.)



Figure 9. Detail of main entry along Steiner Street, with detail of steps and entrance portico. (Photograph by Garavaglia Architecture, Inc., April 2015.)



Figure 10. Detail of balustrade over entrance portico. (Photograph by Garavaglia Architecture, Inc., April 2015.)

A rectangular stained-glass window is located between the front entrance and the bay on the first floor, and is framed by decorative trim. All other windows at this facade are one-over-one wood double-hung assemblies. The windows along this elevation are framed by cream-colored wood colonnettes on either side, with carved rectangular panels below.

North (Grove Street) Facade

The north elevation features a garage with a non-historic retractable door at the basement level. A squared bay at the first and second floors at the east end of this facade is topped by a front-facing gable with a spindle. The windows at this bay are framed by cream-colored wood colonnettes on either side, with carved rectangular panels below. The first floor of the bay is topped with carved swag paneling. The roof level features two front-facing gabled dormers, each with a window framed by decorative paneling (see Figure 11).



Figure 11. View of north (Grove Street) elevation, showing gabled dormers and fenestration. (Photograph by Garavaglia Architecture, Inc., May 2015.)

Fenestration along Grove Street consists of two stained-glass windows at the first and second floors, four single-lite non-historic casement windows (two at the attic level and two at the basement), and one window / skylight integrated into the roof. The remaining windows at this elevation are one-over-one wood double-hung assemblies.

East Facade

The east elevation is fronted by the rear yard, which is accessible via a non-historic entrance gate at the northeast corner of the lot (see Figure 12). The entry leads up a flight of non-historic concrete stairs to the rear yard. The east elevation is also accessible via a pathway between 722 and 720 Steiner Street. The basement, first, and second floors along this elevation are clad with horizontal wood siding (see Figure 13).



Figure 12. View of entrance gate and stairs to rear (east) elevation. (Photograph by Garavaglia Architecture, Inc., April 2015.)



Figure 13. Partial view of the east (rear) elevation. (Photograph by Garavaglia Architecture, Inc., May 2015.)

This facade features a squared bay at the second floor, which is supported by carved wood brackets. The windows in the squared bay are framed by cream-colored wood colonnettes on

either side, with carved rectangular panels below. The windows along this elevation are all one-over-one wood double-hung units, with the exception of a non-historic fixed single-lite window at the basement level, which is flanked by two non-historic single-lite casement windows at the north end of the facade, as well as two single-lite skylights in line with the roof. A NanaWall paneled glazing system is located at the first floor at the south portion of the facade.

South Facade

The south facade, which is separated from 720 Steiner Street by a narrow pathway, is the least visible elevation.

Roof

The roof is a complex gable/hip/turret design, which is typical of Queen Anne architecture. The entire roof is clad with dark gray asphalt-composite shingles, which were installed in 2006. The turret roof at Steiner Street and the two gabled dormers at the Grove Street elevation are topped with wood spindles (see Figure 14). Two brick chimneys, featuring profiled sheet metal caps, top the south-facing portion of the roof (see Figure 15).



Figure 14. Detail of turret roof and spindle. (Photograph by Garavaglia Architecture, Inc., April 2015.)



Figure 15. Detail of chimneys at south end of roof. (Photograph by Garavaglia Architecture, Inc., April 2015.)

ASSESSMENT OF EXTERIOR FEATURES

Evaluation of Integrity

Integrity is the measure by which properties are evaluated. To retain integrity, a property must have most of the seven aspects of integrity as defined by the National Register Criteria for Evaluation. The seven aspects of integrity are quoted as follows:

- Location—Location is the place where the historic property was constructed or the place where the historic event occurred.
- Design—Design is the combination of elements that create the form, plan, space, structure, and style of a property.
- Setting—Setting is the physical environment of the historic property.
- Materials—Materials are the physical elements that were combined or deposited during a particular period of time and in a particular pattern or configuration form a historic property.
- Workmanship—Workmanship is the physical evidence of the crafts of a particular culture or people during any given period in history or prehistory.

- Feeling—Feeling is a property's expression of the aesthetic or historic sense of a particular period of time.
- Association—Association is the direct link between an important historic event or person and a historic property.

According to the Office of Historic Preservation's Technical Assistance Series Bulletin #6:

Integrity is the authenticity of an historical resource's physical identity evidenced by the survival of characteristics that existed during the resource's period of significance. Historical resources eligible for listing in the California Register must meet one of the criteria of significance described above and retain enough of their historic character or appearance to be recognizable as historical resources and to convey the reasons for their significance. It is possible that historical resources may not retain sufficient integrity to meet the criteria for listing in the National Register, but they may still be eligible for listing in the California Register.¹⁹

In general, the exterior of 722 Steiner Street retains a very high degree of integrity relative to its period of significance (1892–1929) in the following areas:

- Location—722 Steiner Street remains on its original site and maintains the same relationship with its immediate context (Alamo Square Park and surrounding buildings).
- Design—The exterior has remained mostly intact, with the exception of the removal of the original stained-glass doors during the 1970s, as well as the enclosing of the entrance portico. This is important, as other buildings in Alamo Square had their exteriors altered by landlords unwilling to maintain such ornamented facades.
- Setting—The setting around 722 Steiner Street remains today as it has for the last century. The house's relationship with neighboring buildings and proximity to Alamo Square Park remains virtually unaltered since the end of the period of significance.
- Materials—The materials used at 722 Steiner Street's exterior appear to be original to the building. Some, such as the roof, were changed due to deterioration. Some, such as the closing in of the portico, may be unoriginal to the building, but are period-appropriate. In general, most of the materials along the exterior date to the period of significance.
- Feeling—From the exterior, the building appears almost exactly as it did shortly after it was constructed in 1892.
- Workmanship—The quality of construction and quality of materials are evident in the overall good condition of the building in spite of its many owners and periods of vacancy and disrepair.

¹⁹ Office of Historic Preservation, Department of Parks and Recreation, *California Register and National Register: A Comparison*, Technical Assistance Series No. 6, ohp.parks.ca.gov/pages/1069/files/technical_assistance_bulletin_6_2011_update.pdf, last accessed May 27, 2015.

- Association—722 Steiner remains associated with its period of significance from both an architectural and historical level.

CHARACTER-DEFINING FEATURES AND FINISHES

Assessment of various features is done according to a prioritized evaluation system. Once the character defining features have been identified, each is assigned a priority rating to create a sense of the relative historical importance of these spaces and features. A rating scale of “Premier-Important-Contributing-Non-Contributing” is used. In general, this system allows for the analysis of the structure as a whole to guide what types of work should be done, and where such work could be completed with the least damage to the historic integrity of the resource.

The character-defining features of the entire Alamo Square Historic District, as determined by the San Francisco Planning Department, are as follows:

- Small-scale residences with typical building heights of two to three stories
- Principally wood buildings
- Intense ornamentation (especially at entry and cornice)
- The use of basements and retaining walls to adjust for hillside sites

General Description of Character-Defining Features

Premier

A premier rating is given to those features that are directly associated with the identified period or periods of significance and whose contribution to the interpretation and communication of a historic resource is of primary importance. If these features are removed, the historic integrity of the resource is highly compromised. Depending on the size, scale, and relationship of these items with the period of significance, historic integrity could be lost altogether. For these reasons, when developing mitigation plans for project-related work, all elements labeled, “premier” should not be altered in any fashion and should be protected to the highest degree whenever possible. Failing to do so could result in significant impacts to the resource.

Premier Features

- Original exterior stained-glass windows at the Grove Street (north) facade
- Double-hung wood windows with ogee lugs
- Queen Anne-style facade ornamentation
- Bay windows along Steiner, Grove, and rear elevations
- Roof profile, with dormers and turret roof

Important

Features given a rating of important are also directly associated with the identified period or periods of significance and they also inform the interpretation and communication of the historic resource. These elements differ from premier elements because they embody, to a lesser degree, historic aspects of the resource. Sometimes they are secondary decorative elements, which if removed or altered would affect the space, but still allow the historic nature of the space to be discerned, even if in a more limited way. Other times they are associated with lesser aspects of the period of significance or are not documented to the original construction.

Important Features

- Chimneys
- Fish scale shingles at second floor

Contributing

Contributing elements augment the interpretation of historic significance but do not hold a high level of historic value themselves. They could be items that have been previously compromised, modern replacements for original items, been installed after the period of significance but are still of a high artistic or cultural value, still available for replacement in kind, or simply related to the period of significance but not of primary historic importance. The loss of contributing elements lessens the overall level of integrity of the historic resource but not to a level where its interpretation of significance or historical importance is severely compromised.

Contributing Features

- Non-original exterior doors and windows

Non-Contributing

These elements are typically from outside the period of significance, are of poor quality, are still commercially available or are not related to the period of significance or any figures or events associated with the historic interpretation of the resource. When possible, all alterations and modifications should be undertaken with designs that only effect non-contributing elements, or that limit their disruptions to mostly non-contributing elements. Such designs will retain the maximum level of historic integrity and result in the least amount of damage and disruption to the resource as a whole.

Non-Contributing Features

- Composite shingle roof
- Skylights at attic level
- Terrazzo flooring at exterior steps and porch
- Glassed-in sections of porch
- Garage along Grove Street
- Rear deck
- Gate at south walkway

Chapter 4

EXISTING CONDITIONS

SITE

The rear retaining wall exhibits significant cracking and displacement (see Figure 16). The riser heights/tread depths on the concrete stairs are inconsistent in height and variance. The safety handrail does not extend the full length of the stairway (see Figure 17).



Figure 16. Cracked retaining wall along east property line. (Photograph by Garavaglia Architecture, Inc., April 2015.)



Figure 17. Detail of handrail. (Photograph provided by Côme Lague, April 2015.)

EXTERIOR

Building Envelope

The exterior paint is peeling in some locations, which is typical of painted wood buildings of this age. At isolated locations, splitting wood was observed (see Figures 18 through 20).



Figure 18. Peeling paint at perimeter fascia. (Photograph by Garavaglia Architecture, Inc., April 2015.)



Figure 19. Peeling paint at basement level. (Photograph by Garavaglia Architecture, Inc., April 2015.)



Figure 20. Peeling paint and splitting wood at west elevation. (Photograph by Garavaglia Architecture, Inc., April 2015.)

Roofs and Drainage

At the time of the site visits, the condition of the roof was not fully ascertained; from initial reviews, however, the roof appears to be in good to fair condition. The current roof was installed in 2005. A leak has been reported at the turret roof, near the southwest turret spindle (see Figure 21).

The downspout at the northwest corner of the house (facing Grove Street) is corroded and damaged (see Figure 22).



Figure 21. Peeling paint at perimeter fascia. (Photograph by Garavaglia Architecture, Inc., April 2015.)



Figure 22. Corroded downspout along north elevation. (Photograph by Garavaglia Architecture, Inc., April 2015.)

Windows & Doors

The original double-hung windows at the upper floors appear to be in good working condition, and were recently refurbished. One window at the basement level appears to exhibit rotting at the wood (see Figure 23).

The stained glass door at the entrance portico exhibits a small section of dry rot (see Figure 24).



Figure 23. Rotted wood at basement window. (Photograph by Garavaglia Architecture, Inc., April 2015.)



Figure 24. Rotted wood at entrance portico door. (Photograph provided by Côme Lague, April 2015.)

TREATMENT SELECTION

According to the National Park Service, the Secretary of the Interior's Standards are neither technical nor prescriptive, but are intended to promote responsible preservation practices that help protect our irreplaceable cultural resources. They cannot, in and of themselves, be used to make essential decisions about which features of the historic building should be saved and which can be changed. However, once a treatment is selected, the Standards provide philosophical consistency to the work.²⁰

The four treatment approaches are Preservation, Rehabilitation, Restoration, and Reconstruction, outlined below in hierarchical order and explained:

The first treatment, *Preservation*, places a high premium on the retention of all historic fabric through conservation, maintenance and repair. It reflects a building's continuum over time, through successive occupancies, and the respectful changes and alterations that are made.

Rehabilitation, the second treatment, emphasizes the retention and repair of historic materials, but more latitude is provided for replacement because it is assumed the property is more deteriorated prior to work. (Both Preservation and Rehabilitation standards focus attention on the preservation of those materials, features, finishes, spaces, and spatial relationships that, together, give a property its historic character.)

Restoration, the third treatment, focuses on the retention of materials from the most significant time in a property's history, while permitting the removal of materials from other periods.

²⁰ National Park Service, "The Treatment of Historic Properties," NPS Technical Preservation Services website, <http://www.nps.gov/tps/standards.htm>, last accessed May 26, 2015.

Reconstruction, the fourth treatment, establishes limited opportunities to re-create a non-surviving site, landscape, building, structure, or object in all new materials.²¹

Rehabilitation is the recommended treatment for the exterior repair program at 722 Steiner Street. The recommendations described below will be completed in compliance with these regulations.

Rehabilitation

Rehabilitation is defined as the act or process of making possible a compatible use for a property through repair, alterations, and additions while preserving those portions or features which convey its historical, cultural, or architectural values.

As stated in the definition, the treatment "rehabilitation" assumes that at least some repair or alteration of the historic building will be needed in order to provide for an efficient contemporary use; however, these repairs and alterations must not damage or destroy materials, features, or finishes that are important in defining the building's historic character.

The following are the Secretary of the Interior's Standards for Rehabilitation:²²

1. A property will be used as it was historically or be given a new use that requires minimal change to its distinctive materials, features, spaces, and spatial relationships.
2. The historic character of a property will be retained and preserved. The removal of distinctive materials or alteration of features, spaces, and spatial relationships that characterize a property will be avoided.
3. Each property will be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or elements from other historic properties, will not be undertaken.
4. Changes to a property that have acquired historic significance in their own right will be retained and preserved.
5. Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a property will be preserved.
6. Deteriorated historic features will be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature will match the old in design, color, texture, and, where possible, materials. Replacement of missing features will be substantiated by documentary and physical evidence.
7. Chemical or physical treatments, if appropriate, will be undertaken using the gentlest means possible. Treatments that cause damage to historic materials will not be used.

²¹ Ibid.

²² This section is quoted from National Park Service, "Rehabilitation as a Treatment," NPS Technical Preservation Services website, <http://www.nps.gov/tps/standards/four-treatments/treatment-rehabilitation.htm>, last accessed March 6, 2015.

8. Archeological resources will be protected and preserved in place. If such resources must be disturbed, mitigation measures will be undertaken.
9. New additions, exterior alterations, or related new construction will not destroy historic materials, features, and spatial relationships that characterize the property. The new work will be differentiated from the old and will be compatible with the historic materials, features, size, scale and proportion, and massing to protect the integrity of the property and its environment.
10. New additions and adjacent or related new construction will be undertaken in such a manner that, if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

PRIORITIZED RECOMMENDATIONS

Site

A project is underway at 981 Grove Street immediately at the rear of the house to further excavate the garage, which will impact the common retaining wall at the northeast corner of 722 Steiner Street. During that work, the retaining wall should be replaced. The stairs and handrail should also be replaced or removed, with access to the rear still possible via the walkway between 722 and 720 Steiner Street, or the first-floor door to the deck.

Seismic Upgrades

A steel moment frame was recently added to the kitchen/ family room area on the second-floor ceiling, with posts anchored into newly poured footings on the first floor. Shear walls were added at various locations on the second and third floors with hold downs at the first floor foundation. Framing was rebuilt and reinforced on the second and third floors. These upgrades were designed to avoid altering, removing or obscuring character-defining features of the property and to reinforce the structural integrity of the house.

Building Envelope

Wooden Shingles & Siding

Any deteriorated or rotted segments of the exterior, including shingles, sidings, or decorative elements, should be repaired or replaced. Damaged siding should be removed and replaced in kind with the same wood species. Composite materials should be avoided since they inherently have either a highly smooth finish or a very artificial, repetitive grain that will be incompatible with the existing materials.

Painting

Preparation for new paint is very important. Loose paint should be removed to allow for proper adhesion of the new finish. For wood surfaces, gentle scraping and sanding with non-metallic tools is appropriate. Chemical removal systems such as gel-based "Peel Away" allow removal of multiple layers at a time without creating dust or loose debris. Loose paint can be removed with a soft bristle brush, however more complete paint removal requires testing by a trained professional to determine a safe and effective means for removing paint. Pressure washing is not appropriate and may cause more damage to the historic materials than necessary.

Once the paint is removed down to a sound base layer, prepare the remaining paint surface for the application of an appropriate paint system as per the manufacturer's recommendations. The type of paint used should be compatible with that already existing on the building. Many modern paints will not adhere properly to older paint binders. Testing should be done prior to wholesale paint application.

When undertaking paint application, do not touch up limited areas, as this can cause a spotty appearance. Repaint the entire wall surface to a change of material direction or other obvious edge. Window frames and sashes may need more frequent attention, as the type of wood used is often not as resistant to the actions of wind, water, and sunlight. When painting windows, care should be taken to paint the glazing putty with minimal overlap onto the glass.

Roof and Drainage

The existing composition shingles and seal around the turret spindle should be inspected pursuant to the roofing manufacturer's warranty, and any such repairs required should be completed. At this time, the remainder of the roof should be inspected.

The corroded downspout at the northwest corner of the building should be repaired to prevent damage to the Grove Street facade and water leakage on the sidewalk. The repair should be designed to avoid altering, removing, or obscuring character-defining features of the property.

Doors and Windows

The front entrance door has signs of dry rot and should be repaired according to best practices or replaced in kind as necessary.

PRIORITIZATION OF REPAIRS

Short-term (next 6–36 months)

- Perform annual inspections of the windows, rain gutters, siding and shingles, paint, and trim. If any damage or deterioration is found, the extent and nature of the damage should be assessed. Any needed repairs should avoid altering, removing, or obscuring character-defining features of the building. If any elements are determined to be damaged or deteriorated beyond repair, replacements will be made in kind (e.g., wood for wood).

Long-term (5+ years)

- Every five years, the wooden elements of the facade should be inspected, and repainted as necessary. If any damage or deterioration is found, the extent and nature of the damage will be assessed. Any needed repairs must avoid altering, removing, or obscuring previously determined character-defining features of the building. If any elements are determined to be damaged or deteriorated beyond repair, then replacement shall be made in-kind, with new wood elements to match the historic building material.
- Every five years, a licensed roofing contractor should inspect the roof, pursuant to the roofing manufacturer's warranty. Any repairs to the roof, or changes to the materials, should be performed in compliance with the *Secretary of the Interior's Standards for Rehabilitation*.

Chapter 7

SUMMARY

722 Steiner Street is a significant building in the context of the development of San Francisco's western neighborhoods in the late nineteenth and early twentieth centuries. In support of a Mills Act application for the exterior repair of the property, this project was charged with creating a better understanding of the building. The goals of this HSR are:

- To provide a history of the house and its historical context
- To assess the conditions of the building's exterior, including any age-based deterioration
- To develop a list of recommendations for the repair of this historic home

The property tax savings from the Mills Act contract will enable the property owners to preserve and rehabilitate the historic structure, which would otherwise be in danger of demolition, deterioration, or abandonment.

The building remains a significant contributor to the Alamo Square Historic District due to its high level of integrity relative to its period of significance (1892–1929). As one of the famed “Seven Sisters” designed and built by Matthew Kavanagh, 722 Steiner Street is an exceptional example of the Queen Anne style in San Francisco.

HISTORICAL SUMMARY

The neighborhood surrounding Alamo Square became a destination for San Francisco's growing professional class at the turn of the century. These people were drawn to what was then the western edge of the city by clement weather, views, and access to public transportation. Eventually, as urban decline crept across the city, 722 Steiner Street suffered the same ill effects of absentee landlords and disinvestment as other buildings. Fortunately, due to devoted community activists and passionate owners who were willing and able to restore their homes, the Painted Ladies of Steiner Street have been returned to their original glory.

CONDITIONS SUMMARY

722 Steiner Street was constructed almost 125 years ago. During the twentieth century, it

underwent a variety of alterations—not all of which were appropriate. Today, the interior is in excellent condition owing to a recent renovation. The exterior looks mostly as it did in 1892, with only modifications such as a garage along Grove Street and the enclosing of the entrance portico. The Queen Anne design details are intact. That said, however, much of the wood detailing has met or exceeded its reasonable service life. Wood rot was observed, as well as splitting of wood and peeling of paint. Leaks have been reported at the roof level. Deterioration to site features, such as the retaining wall at the rear of the building, was also observed.

RECOMMENDATIONS SUMMARY

An exterior repair program at 722 Steiner Street is necessary to not only address the waterproofing issues at the roof, but also material degradation related to the age of the building. The building is in good condition overall, but requires such repairs as limited wood repair/replacement, repainting, and repairs to the site. With the recommended repair program, 722 Steiner Street can thrive for another 125 years.

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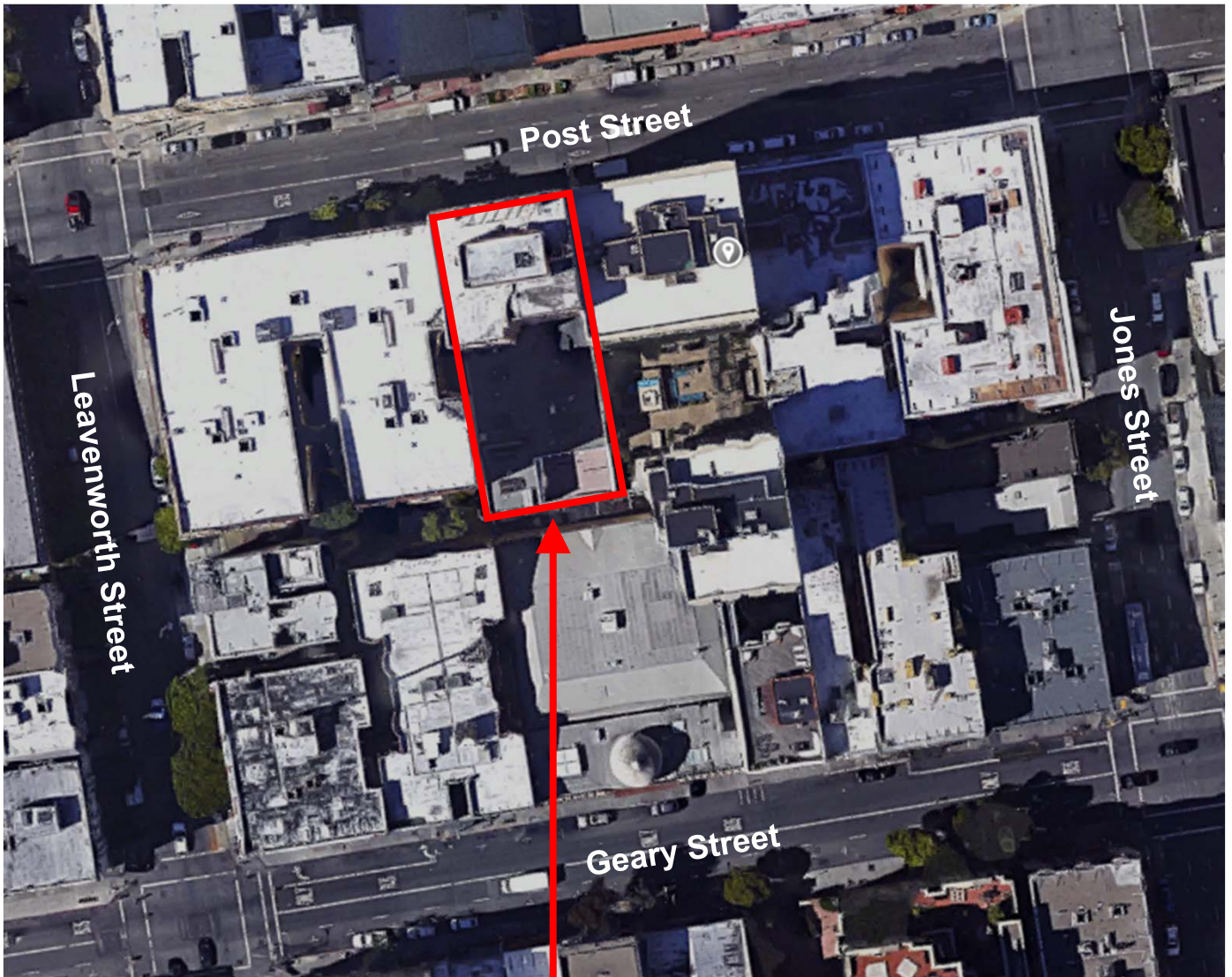
761 POST STREET

Site Photo



Mills Act Historical Property Contract
Case Number 2015-006430MLS
722 Steiner Street

Aerial Photo



SUBJECT PROPERTY



Mills Act Historical Property Contract
Case Number 2015-006430MLS
722 Steiner Street

EXHIBIT A:
DRAFT MILLS ACT HISTORICAL PROPERTY
CONTRACT

Recording Requested by, and
when recorded, send notice to:
Director of Planning
1650 Mission Street
San Francisco, California 94103-2414

**CALIFORNIA MILLS ACT
HISTORIC PROPERTY AGREEMENT
761 Post Street
SAN FRANCISCO, CALIFORNIA**

THIS AGREEMENT is entered into by and between the City and County of San Francisco, a California municipal corporation (“City”) and RLJC San Francisco LP (“Owner(s)”).

RECITALS

Owners are the owners of the property located at 761 Post Street, in San Francisco, California (Block 0304, Lot 015). The building located at 761 Post Street is designated as a contributor to the Lower Nob Hill Apartment Hotel National Register Historic District and is also known as the “Maurice Hotel” (“Historic Property”).

Owners desire to execute a rehabilitation and ongoing maintenance project for the Historic Property. Owners' application calls for the rehabilitation and restoration of the Historic Property according to established preservation standards, which it estimates will cost approximately Two Million Four Hundred Twenty Three Thousand and Thirty Six Dollars (\$2,423,036)]. (See Rehabilitation Plan, Exhibit A.) Owners' application calls for the maintenance of the Historic Property according to established preservation standards, which is estimated will cost approximately Fifty Thousand Dollar (\$ 50,000s) annually (See Maintenance Plan, Exhibit B).

The State of California has adopted the “Mills Act” (California Government Code Sections 50280-50290, and California Revenue & Taxation Code, Article 1.9 [Section 439 et seq.]) authorizing local governments to enter into agreements with property Owners to reduce their property taxes, or to prevent increases in their property taxes, in return for improvement to and maintenance of historic properties. The City has adopted enabling legislation, San Francisco Administrative Code Chapter 71, authorizing it to participate in the Mills Act program.

Owners desire to enter into a Mills Act Agreement (also referred to as a "Historic Property Agreement") with the City to help mitigate its anticipated expenditures to restore and maintain the Historic Property. The City is willing to enter into such Agreement to mitigate these expenditures and to induce Owners to restore and maintain the Historic Property in excellent condition in the future.

NOW, THEREFORE, in consideration of the mutual obligations, covenants, and conditions contained herein, the parties hereto do agree as follows:

1. Application of Mills Act. The benefits, privileges, restrictions and obligations provided for in the Mills Act shall be applied to the Historic Property during the time that this Agreement is in effect commencing from the date of recordation of this Agreement.

2. Rehabilitation of the Historic Property. Owners shall undertake and complete the work set forth in Exhibit A ("Rehabilitation Plan") attached hereto according to certain standards and requirements. Such standards and requirements shall include, but not be limited to: the Secretary of the Interior's Standards for the Treatment of Historic Properties ("Secretary's Standards"); the rules and regulations of the Office of Historic Preservation of the California Department of Parks and Recreation ("OHP Rules and Regulations"); the State Historical Building Code as determined applicable by the City; all applicable building safety standards; and the requirements of the Historic Preservation Commission, the Planning Commission, and the Board of Supervisors, including but not limited to any Certificates of Appropriateness approved under Planning Code Article 10. The Owners shall proceed diligently in applying for any necessary permits for the work and shall apply for such permits not less than six (6) months after recordation of this Agreement, shall commence the work within six (6) months of receipt of necessary permits, and shall complete the work within three (3) years from the date of receipt of permits. Upon written request by the Owners, the Zoning Administrator, at his or her discretion, may grant an extension of the time periods set forth in this paragraph. Owners may apply for an extension by a letter to the Zoning Administrator, and the Zoning Administrator may grant the extension by letter without a hearing. Work shall be deemed complete when the Director of Planning determines that the Historic Property has been rehabilitated in accordance with the standards set forth in this Paragraph. Failure to timely complete the work shall result in cancellation of this Agreement as set forth in Paragraphs 13 and 14 herein.

3. Maintenance. Owners shall maintain the Historic Property during the time this Agreement is in effect in accordance with the standards for maintenance set forth in Exhibit B ("Maintenance Plan"), the Secretary's Standards; the OHP Rules and Regulations; the State Historical Building Code as determined applicable by the City; all applicable building safety standards; and the requirements of the Historic Preservation Commission, the Planning Commission, and the Board of Supervisors, including but not limited to any Certificates of Appropriateness approved under Planning Code Article 10.

4. Damage. Should the Historic Property incur damage from any cause whatsoever, which damages fifty percent (50%) or less of the Historic Property, Owners shall replace and repair the damaged area(s) of the Historic Property. For repairs that do not require a permit, Owners shall commence the repair work within thirty (30) days of incurring the damage and shall diligently prosecute the repair to completion within a reasonable period of time, as determined by the City. Where specialized services are required due to the nature of the work and the historic character of the features damaged, "commence the repair work" within the meaning of this paragraph may include contracting for repair services. For repairs that require a permit(s), Owners shall proceed diligently in applying for any necessary permits for the work and shall apply for such permits not less than sixty (60) days after the damage has been incurred, commence the repair work within one hundred twenty (120) days of receipt of the required permit(s), and shall diligently prosecute the repair to completion within a reasonable period of time, as determined by the City. Upon written request by the Owners, the Zoning Administrator, at his or her discretion, may grant an extension of the time periods set forth in this paragraph. Owners may apply for an extension by a letter to the Zoning Administrator, and the Zoning Administrator may grant the extension by letter without a hearing. All repair work shall comply with the design and standards established for the Historic Property in Exhibits A and B attached hereto and Paragraph 3 herein. In the case of damage to twenty percent (20%) or more of the Historic Property due to a catastrophic event, such as an earthquake, or in the case of damage from any cause whatsoever that destroys more than fifty percent (50%) of the Historic Property, the City and Owners may mutually agree to terminate this Agreement. Upon such termination, Owners shall not be obligated to pay the cancellation fee set forth in Paragraph 14 of this Agreement. Upon such termination, the City shall assess the full value of the Historic Property without regard to any restriction imposed upon the Historic Property by this Agreement and Owners shall pay property taxes to the City based upon the valuation of the Historic Property as of the date of termination.

5. Insurance. Owners shall secure adequate property insurance to meet Owners' repair and replacement obligations under this Agreement and shall submit evidence of such insurance to the City upon request.
6. Inspections. Owners shall permit periodic examination of the exterior and interior of the Historic Property by representatives of the Historic Preservation Commission, the City's Assessor, the Department of Building Inspection, the Planning Department, the Office of Historic Preservation of the California Department of Parks and Recreation, and the State Board of Equalization, upon seventy-two (72) hours advance notice, to monitor Owners' compliance with the terms of this Agreement. Owners shall provide all reasonable information and documentation about the Historic Property demonstrating compliance with this Agreement as requested by any of the above-referenced representatives.
7. Term. This Agreement shall be effective upon the date of its recordation and shall be in effect for a term of ten years from such date ("Initial Term"). As provided in Government Code section 50282, one year shall be added automatically to the Initial Term, on each anniversary date of this Agreement, unless notice of nonrenewal is given as set forth in Paragraph 10 herein.
8. Valuation. Pursuant to Section 439.4 of the California Revenue and Taxation Code, as amended from time to time, this Agreement must have been signed, accepted and recorded on or before the lien date (January 1) for a fiscal year (the following July 1-June 30) for the Historic Property to be valued under the taxation provisions of the Mills Act for that fiscal year.
9. Termination. In the event Owners terminates this Agreement during the Initial Term, Owners shall pay the Cancellation Fee as set forth in Paragraph 15 herein. In addition, the City Assessor shall determine the fair market value of the Historic Property without regard to any restriction imposed on the Historic Property by this Agreement and shall reassess the property taxes payable for the fair market value of the Historic Property as of the date of Termination without regard to any restrictions imposed on the Historic Property by this Agreement. Such reassessment of the property taxes for the Historic Property shall be effective and payable six (6) months from the date of Termination.
10. Notice of Nonrenewal. If in any year after the Initial Term of this Agreement has expired either the Owners or the City desires not to renew this Agreement that party shall serve written notice on the other party in advance of the annual renewal date. Unless the Owners serves written notice to the City at least ninety (90) days prior to the date of renewal or the City serves written notice to the Owners sixty (60) days prior to the date of renewal, one year shall be automatically added to the term of the Agreement. The Board of Supervisors shall make the City's determination that this Agreement shall not be renewed and shall send a notice of nonrenewal to the Owners. Upon receipt by the Owners of a notice of nonrenewal from the City, Owners may make a written protest. At any time prior to the renewal date, City may withdraw its notice of nonrenewal. If in any year after the expiration of the Initial Term of the Agreement, either party serves notice of nonrenewal of this Agreement, this Agreement shall remain in effect for the balance of the period remaining since the execution of the last renewal of the Agreement.
11. Payment of Fees. Within one month of the execution of this Agreement, City shall tender to Owners a written accounting of its reasonable costs related to the preparation and approval of the Agreement as provided for in Government Code Section 50281.1 and San Francisco Administrative Code Section 71.6. Owners shall promptly pay the requested amount within forty-five (45) days of receipt.
12. Default. An event of default under this Agreement may be any one of the following:

- (a) Owners' failure to timely complete the rehabilitation work set forth in Exhibit A in accordance with the standards set forth in Paragraph 2 herein;
- (b) Owners' failure to maintain the Historic Property in accordance with the requirements of Paragraph 3 herein;
- (c) Owners' failure to repair any damage to the Historic Property in a timely manner as provided in Paragraph 4 herein;
- (d) Owners' failure to allow any inspections as provided in Paragraph 6 herein;
- (e) Owners' termination of this Agreement during the Initial Term;
- (f) Owners' failure to pay any fees requested by the City as provided in Paragraph 11 herein;
- (g) Owners' failure to maintain adequate insurance for the replacement cost of the Historic Property; or
- (h) Owners' failure to comply with any other provision of this Agreement.

An event of default shall result in cancellation of this Agreement as set forth in Paragraphs 13 and 14 herein and payment of the cancellation fee and all property taxes due upon the Assessor's determination of the full value of the Historic Property as set forth in Paragraph 14 herein. In order to determine whether an event of default has occurred, the Board of Supervisors shall conduct a public hearing as set forth in Paragraph 13 herein prior to cancellation of this Agreement.

13. Cancellation. As provided for in Government Code Section 50284, City may initiate proceedings to cancel this Agreement if it makes a reasonable determination that Owners have breached any condition or covenant contained in this Agreement, has defaulted as provided in Paragraph 12 herein, or has allowed the Historic Property to deteriorate such that the safety and integrity of the Historic Property is threatened or it would no longer meet the standards for a Qualified Historic Property. In order to cancel this Agreement, City shall provide notice to the Owners and to the public and conduct a public hearing before the Board of Supervisors as provided for in Government Code Section 50285. The Board of Supervisors shall determine whether this Agreement should be cancelled.

14. Cancellation Fee. If the City cancels this Agreement as set forth in Paragraph 13 above, Owners shall pay a cancellation fee of twelve and one-half percent (12.5%) of the fair market value of the Historic Property at the time of cancellation. The City Assessor shall determine fair market value of the Historic Property without regard to any restriction imposed on the Historic Property by this Agreement. The cancellation fee shall be paid to the City Tax Collector at such time and in such manner as the City shall prescribe. As of the date of cancellation, the Owners shall pay property taxes to the City without regard to any restriction imposed on the Historic Property by this Agreement and based upon the Assessor's determination of the fair market value of the Historic Property as of the date of cancellation.

15. Enforcement of Agreement. In lieu of the above provision to cancel the Agreement, the City may bring an action to specifically enforce or to enjoin any breach of any condition or covenant of this Agreement. Should the City determine that the Owners has breached this Agreement, the City shall give the Owners written notice by registered or certified mail setting forth the grounds for the breach. If the Owners do not correct the breach, or if it does not undertake and diligently pursue corrective action, to the reasonable satisfaction of the City within thirty (30) days from the date of receipt of the notice, then the City may, without further notice, initiate default procedures under this Agreement as set forth in Paragraph 13 and bring any action necessary to enforce the obligations of the Owners set forth in this Agreement. The City does not waive any claim of default by the Owners if it does not enforce or cancel this Agreement.

16. Indemnification. The Owners shall indemnify, defend, and hold harmless the City and all of its boards, commissions, departments, agencies, agents and employees (individually and collectively, the “City”) from and against any and all liabilities, losses, costs, claims, judgments, settlements, damages, liens, fines, penalties and expenses incurred in connection with or arising in whole or in part from: (a) any accident, injury to or death of a person, loss of or damage to property occurring in or about the Historic Property; (b) the use or occupancy of the Historic Property by the Owners, their Agents or Invitees; (c) the condition of the Historic Property; (d) any construction or other work undertaken by Owners on the Historic Property; or (e) any claims by unit or interval Owners for property tax reductions in excess those provided for under this Agreement. This indemnification shall include, without limitation, reasonable fees for attorneys, consultants, and experts and related costs that may be incurred by the City and all indemnified parties specified in this Paragraph and the City’s cost of investigating any claim. In addition to Owners' obligation to indemnify City, Owners specifically acknowledge and agree that they have an immediate and independent obligation to defend City from any claim that actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false, or fraudulent, which obligation arises at the time such claim is tendered to Owners by City, and continues at all times thereafter. The Owners' obligations under this Paragraph shall survive termination of this Agreement.

17. Eminent Domain. In the event that a public agency acquires the Historic Property in whole or part by eminent domain or other similar action, this Agreement shall be cancelled and no cancellation fee imposed as provided by Government Code Section 50288.

18. Binding on Successors and Assigns. The covenants, benefits, restrictions, and obligations contained in this Agreement shall be deemed to run with the land and shall be binding upon and inure to the benefit of all successors and assigns in interest of the Owners.

19. Legal Fees. In the event that either the City or the Owners fail to perform any of their obligations under this Agreement or in the event a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the prevailing party may recover all costs and expenses incurred in enforcing or establishing its rights hereunder, including reasonable attorneys’ fees, in addition to court costs and any other relief ordered by a court of competent jurisdiction. Reasonable attorneys fees of the City’s Office of the City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney.

20. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

21. Recordation. Within 20 days from the date of execution of this Agreement, the City shall cause this Agreement to be recorded with the Office of the Recorder of the City and County of San Francisco.

22. Amendments. This Agreement may be amended in whole or in part only by a written recorded instrument executed by the parties hereto in the same manner as this Agreement.

23. No Implied Waiver. No failure by the City to insist on the strict performance of any obligation of the Owners under this Agreement or to exercise any right, power, or remedy arising out of a breach hereof shall constitute a waiver of such breach or of the City’s right to demand strict compliance with any terms of this Agreement.

24. Authority. If the Owners sign as a corporation or a partnership, each of the persons executing this Agreement on behalf of the Owners does hereby covenant and warrant that such

entity is a duly authorized and existing entity, that such entity has and is qualified to do business in California, that the Owner has full right and authority to enter into this Agreement, and that each and all of the persons signing on behalf of the Owners are authorized to do so.

25. Severability. If any provision of this Agreement is determined to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each other provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

26. Tropical Hardwood Ban. The City urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood or tropical hardwood product.

27. Charter Provisions. This Agreement is governed by and subject to the provisions of the Charter of the City.

28. Signatures. This Agreement may be signed and dated in parts

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as follows:

CITY AND COUNTY OF SAN FRANCISCO:

By: _____
Phil Ting
Assessor-Recorder

DATE: _____

By: _____
John Rahaim
Director of Planning

DATE: _____

APPROVED AS TO FORM:
DENNIS J. HERRERA
CITY ATTORNEY

By: _____
[NAME]
Deputy City Attorney

DATE: _____

OWNERS

By: _____
[NAME], Owner

DATE: _____

[IF MORE THAN ONE OWNER, ADD ADDITIONAL SIGNATURE LINES. ALL OWNERS MUST SIGN AGREEMENT.]

OWNER(S)' SIGNATURE(S) MUST BE NOTARIZED.
ATTACH PUBLIC NOTARY FORMS HERE.

1. Application of Mills Act.

The benefits, privileges, restrictions and obligations provided for in the Mills Act shall be applied to the Historic Property during the time that this Agreement is in effect commencing from the date of recordation of this Agreement.

2. Rehabilitation of the Historic Property.

Owners shall undertake and complete the work set forth in Exhibit A ("Rehabilitation Plan") attached hereto according to certain standards and requirements. Such standards and requirements shall include, but not be limited to: the Secretary of the Interior's Standards for the Treatment of Historic Properties ("Secretary's Standards"); the rules and regulations of the Office of Historic Preservation of the California Department of Parks and Recreation ("OHP Rules and Regulations"); the State Historical Building Code as determined applicable by the City; all applicable building safety standards; and the requirements of the Historic Preservation Commission, the Planning Commission, and the Board of Supervisors, including but not limited to any Certificates of Appropriateness approved under Planning Code Article 10. The Owners shall proceed diligently in applying for any necessary permits for the work and shall apply for such permits not less than six (6) months after recordation of this Agreement, shall commence the work within six (6) months of receipt of necessary permits, and shall complete the work within three (3) years from the date of receipt of permits. Upon written request by the Owners, the Zoning Administrator, at his or her discretion, may grant an extension of the time periods set forth in this paragraph. Owners may apply for an extension by a letter to the Zoning Administrator, and the Zoning Administrator may grant the extension by letter without a hearing. Work shall be deemed complete when the Director of Planning determines that the Historic Property has been rehabilitated in accordance with the standards set forth in this Paragraph. Failure to timely complete the work shall result in cancellation of this Agreement as set forth in Paragraphs 13 and 14 herein.

3. Maintenance.

Owners shall maintain the Historic Property during the time this Agreement is in effect in accordance with the standards for maintenance set forth in Exhibit B ("Maintenance Plan"), the Secretary's Standards; the OHP Rules and Regulations; the State Historical Building Code as determined applicable by the City; all applicable building safety standards; and the requirements of the Historic Preservation Commission, the Planning Commission, and the Board of Supervisors, including but not limited to any Certificates of Appropriateness approved under Planning Code Article 10.

4. Damage.

Should the Historic Property incur damage from any cause whatsoever, which damages fifty percent (50%) or less of the Historic Property, Owners shall replace and repair the damaged area(s) of the Historic Property. For repairs that do not require a permit, Owners shall commence the repair work within thirty (30) days of incurring the damage and shall diligently prosecute the repair to completion within a reasonable period of time, as determined by the City. Where specialized services are required due to the nature of the work and the historic character of the features damaged, "commence the repair work" within the meaning of this paragraph may include contracting for repair services. For repairs that require a permit(s), Owners shall proceed diligently in applying for any necessary permits for the work and shall apply for such permits not less than sixty (60) days after the damage has been incurred, commence the repair work within one hundred twenty (120) days of receipt of the required permit(s), and shall diligently prosecute the repair to completion within a reasonable period of time, as determined by the City. Upon written request by the Owners, the Zoning Administrator, at his or her discretion, may grant an extension of the time periods set forth in this paragraph. Owners may apply for an extension by a letter to the Zoning Administrator, and the Zoning Administrator may grant the extension by letter without a hearing. All repair work shall comply with the design and standards established for the Historic Property in Exhibits A and B attached hereto and Paragraph 3 herein. In the case of damage to twenty percent (20%) or more of the Historic Property due to a catastrophic event, such as an earthquake, or in the case of damage from any cause whatsoever that destroys more than fifty percent (50%) of the Historic Property, the City and Owners may mutually agree to terminate this Agreement. Upon such termination, Owners shall not be obligated to pay the cancellation fee set forth in Paragraph 14 of this Agreement. Upon such termination, the City shall assess the full value of the Historic Property without regard to any restriction imposed upon the Historic Property by this Agreement and Owners shall pay property taxes to the City based upon the valuation of the Historic Property as of the date of termination.

5. Insurance.

Owners shall secure adequate property insurance to meet Owners' repair and replacement obligations under this Agreement and shall submit evidence of such insurance to the City upon request.

EXHIBIT B:
DRAFT REHABILITATION AND MAINTENANCE PLAN

761 POST STREET, SAN FRANCISCO
Rehabilitation and Maintenance Plan

Item #1: Seismic Improvements
Rehabilitation: Completed
Contract Year Work Completion: 2014
Total Cost: \$1,199,755
Scope of Work:
<p>New shear walls were constructed from the building's foundation to the third floor. These newly constructed walls are visible at the basement level.</p> <p>At the face of the building, the historic plaster was removed and documented to facilitate construction of the new shear walls. After completion of the new walls, the plaster was restored where possible. At isolated locations where the plaster was too deteriorated to be returned to its original location, new plaster, utilizing molds of the original plaster, was installed.</p>

Item #2: Roofing Replacement
Rehabilitation: Completed
Contract Year Work Completion: 2015
Total Cost: \$600,000
Scope of Work:
<p>Removal of existing roofing systems at all roof levels down to the existing substrate, followed by the installation of ten (10) new roof drains and new overflow roof drains. Work shall include installation of new drain leaders and connection of new drains to existing drainage system.</p> <p>A new PVC roofing system shall be installed, including: new insulation and membrane, new surface-mounted galvanized steel counter-flashing at the parapet walls and elevator bulkhead, and flashing of all roofing penetrations.</p> <p>Along the inboard (roof side) of the parapet, a repair program shall include the examination/sounding out, followed by the repair of all cracks or spalls. Work at these locations shall follow the relevant procedures described in Items 1 and 2 above. Parapet work shall be completed in accordance with <i>Preservation Brief 15: Preservation of Historic Concrete</i>, issued by the National Park Service.</p>

Item #3: Concrete Repair/Restoration – Post Street Elevation
Rehabilitation: In Progress
Contract Year Work Completion: 2015
Total Cost: \$108,281
Scope of Work:
<p>At spalls: the examination/sounding out of all reinforced concrete along the north (Post Street) elevation, followed by the marking of all cracks, spalls, and other defects; cleaning of all exposed reinforcing bar (rebar) with a wire brush to remove corrosion and dust, followed by coating with a corrosion-resistant coating (“RustDestroyer,” manufactured by Advanced Protective Products, or approved equal). In locations where rebar is no longer sound, new rebar should be installed. New stainless steel pin sets to be anchored into sound concrete, followed by installation of wire matrix system where necessary. After necessary rebar repair/replacement and pin/wire system installation, application of appropriate concrete repair mortar.</p> <p>The newly repaired concrete should be repainted throughout with a breathable coating suitable for use on historic concrete.</p> <p>At cracks: the cutting of all cracks down to sound concrete, followed by cleaning with compressed air and wire brush. All prepared cracks should be sealed with epoxy, and allowed to cure.</p> <p>Ornamental concrete: where ornamental concrete segments are damaged past the point of repair, segments should be replaced, utilizing molds prepared from other sound sections. All replacement segments should match the existing in color, size, texture, and profile.</p> <p>All work within this scope shall be completed in accordance with <i>Preservation Brief 15: Preservation of Historic Concrete</i>, issued by the National Park Service.</p>

Item #4: Concrete Repair/Restoration – Off-Street Elevations
Rehabilitation: Proposed
Contract Year Work Completion: 2016
Total Cost: \$90,000
Scope of Work:
<p>At spalls: the examination/sounding out of all reinforced concrete along the north (Post Street) elevation, followed by the marking of all cracks, spalls, and other defects; cleaning of all exposed reinforcing bar (rebar) with a wire brush to remove corrosion and dust, followed by coating with a corrosion-resistant coating (“RustDestroyer,” manufactured by Advanced Protective Products, or approved equal). In locations where rebar is no longer sound, new rebar should be installed. New stainless steel pin sets to be anchored into sound concrete, followed by installation of wire matrix system where necessary. After necessary rebar repair/replacement and pin/wire system installation, application of appropriate concrete repair mortar.</p> <p>At cracks: the cutting of all cracks down to sound concrete, followed by cleaning with compressed air and wire brush. All prepared cracks should be sealed with epoxy, and allowed to cure.</p> <p>The newly repaired concrete should be repainted throughout with a breathable coating suitable for use on historic concrete.</p> <p>All work within this scope shall be completed in accordance with <i>Preservation Brief 15: Preservation of Historic Concrete</i>, issued by the National Park Service.</p>

Item #5: Window Rehabilitation at Wood Windows
Rehabilitation: Proposed
Contract Year Work Completion: 2016
Total Cost: \$150,000
Scope of Work:
<p>Examination of all existing wood window units along the north (Post Street) elevation, followed by removal of broken frames or sash. Removal of existing fixed and operable lower panels, followed by cleaning of sill tracks and caulking of window corners. Where necessary, weeps shall be enlarged or added. All existing holes and fasteners shall be sealed. All rollers and tracks shall be repaired/replaced as necessary. All seals and weather stripping shall be replaced. The windows shall maintain a 4-inch maximum window opening. The newly refurbished windows shall be scraped, primed, and painted, with any broken panes repaired and new glazing compound applied throughout. All window perimeter joints should be caulked.</p> <p>If wood window assemblies are determined to be so deteriorated that rehabilitation is not feasible, replacement in-kind is acceptable. New window units should match original in operation, size, hardware, and finish. Windows that are replaced should be documented.</p> <p>All work within this scope shall be completed in accordance with <i>Preservation Brief 9: The Repair of Historic Wood Windows</i>, issued by the National Park Service. In the event that windows are replaced, the work shall be completed in accordance with <i>Window Replacement Standards</i>, issued by the San Francisco Planning Department.</p>

Item #6: Window Replacement at Aluminum Windows
Rehabilitation: Proposed
Contract Year Work Completion: 2016
Total Cost: \$225,000
Scope of Work:
Removal of all existing aluminum windows along off-street elevations, followed by cleaning of all recesses left by removal, as well as sealing of all holes. New aluminum windows shall be installed with new seals and weather stripping, and shall have a 4-inch maximum window opening. All window perimeters should be sealed with backer rod, and caulked.

Item #7: Window Rehabilitation at Steel Casement Windows
Maintenance: Proposed
Contract Year Work Completion: 2016
Total Cost: \$50,000
Scope of Work:
Examination of all existing steel casement windows at ground floor and fire stairs, followed by repair/replacement of broken or corroded frames. All broken panes should be replaced in-kind. All hardware should be inspected for operability, and repaired; if replacement is necessary, hardware should be replaced in-kind. All windows should be scraped, primed, and painted, with new glazing compound applied throughout. All window perimeters should be sealed with a backer rod, and caulked.
All work within this scope shall be completed in accordance with <i>Preservation Brief 13: Repair and Thermal Upgrading of Historic Steel Windows</i> , issued by the National Park Service.

761 POST STREET, SAN FRANCISCO
Rehabilitation and Maintenance Plan

Item #8: Inspection of Windows & Doors
Maintenance: Proposed
Contract Year Work Completion: Annually after completion of replacement/refurbishment
Total Cost: \$50,000
Scope of Work:
<p>Examination of all wood, steel, and aluminum windows to ensure operability and that the 4-inch maximum window opening is maintained. As necessary, wood and steel windows should be scraped, primed, and painted, with new perimeter joint caulking.</p> <p>All work within this scope shall be completed in accordance with <i>Preservation Brief 13: Repair and Thermal Upgrading of Historic Steel Windows</i> and <i>Preservation Brief 9: The Repair of Historic Wood Windows</i>, issued by the National Park Service. Where applicable, any replacement shall be completed in accordance with <i>Window Replacement Standards</i>, issued by the San Francisco Planning Department.</p>

Item #9: Inspection of Facade
Maintenance: Proposed
Contract Year Work Completion: Every 5 years after completion of facade repairs
Total Cost: \$50,000
Scope of Work:
<p>All facades (including off-street elevations) should be examined and sounded for new cracks and spalls. New repairs shall follow the relevant features described in Items 1 and 2 above.</p> <p>All work within this scope shall be completed in accordance with <i>Preservation Brief 15: Preservation of Historic Concrete</i>, issued by the National Park Service.</p>

761 POST STREET, SAN FRANCISCO
Rehabilitation and Maintenance Plan

Item #10: Inspection of Roof
Maintenance: Proposed
Contract Year Work Completion: Every 5 years after completion of roofing replacement, or as needed based on reported leaks
Total Cost: \$10,000
Scope of Work:
<p>The roof should be inspected by a licensed roofing contractor. Work shall include looking for tears and depressions on the roof surface, evidence of water infiltration at the flashing or parapet, or reported leaks. Any repairs to the roof must be completed in accordance with the roofing system warranty.</p>

Item #11: Repainting of Facade
Maintenance: Proposed
Contract Year Work Completion: 2025
Total Cost: \$75,000
Scope of Work:
<p>The entire facade should be repainted every ten years after the initial repainting. Work shall include removal of loose areas of paint, followed by application with a coating system appropriate for historic concrete.</p> <p>All work within this scope shall be completed in accordance with <i>Preservation Brief 15: Preservation of Historic Concrete</i>, issued by the National Park Service.</p>

**EXHIBIT C:
DRAFT MILLS ACT VALUATION PROVIDED BY THE
ASSESSOR-RECORDER'S OFFICE**



761 Post Street
APN 03-0304-015

MILLS ACT VALUATION



APN: 03-0304-015 **SF Landmark:** _____
Property Location: 761 Post Street **Date of Mills Act Application:** 4/28/2015
Applicant's Name: RLJC San Francisco LP **Property Type:** Hotel/SRO
Agt./Tax Rep./Atty: Greg Damico **Date of Sale:** 6/24/2013
Applicant supplied appraisal? No **Sale Price:** \$29,475,000

DATE OF MILLS ACT VALUATION: July 1, 2015

TAXABLE VALUE - THREE WAY VALUE COMPARISON					
FACTORED BASE YEAR VALUE		RESTRICTED MILLS ACT VALUE		CURRENT MARKET VALUE	
Land	\$ 16,906,076	Land	\$17,000,000	Land	\$ 17,000,000
Imps	\$ 13,294,323	Imps	\$38,000,000	Imps	\$32,000,000
Total	\$ 30,200,399	Total	\$55,000,000	Total	\$49,000,000

PROPERTY CHARACTERISTICS

Present Use: Hotel/SRO **Neighborhood:** Downtwn Tenderloin **Number of Stories:** 16
Number of Units: 166 **Year Built:** 1930 **Land Area:** 8,250 sq.ft.
Owner Occupied: No **Building Area:** 57,972 sq.ft. **Zoning:** RC4

CONTENTS

Cover Sheet	Page 2
Subject Interior Photos	Page 3
Restricted Income Valuation	Page 4
Loss of Revenue Calculation	Page 5
Market Analysis	Page 6
Map of Comparable Sales	Page 7

CONCLUSION AND RECOMMENDATIONS

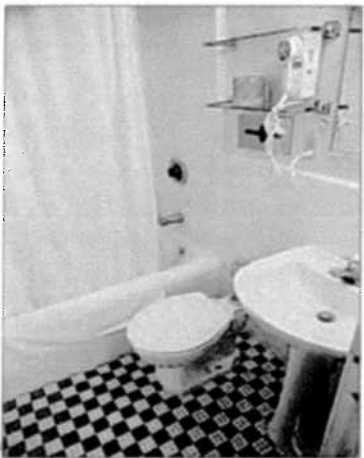
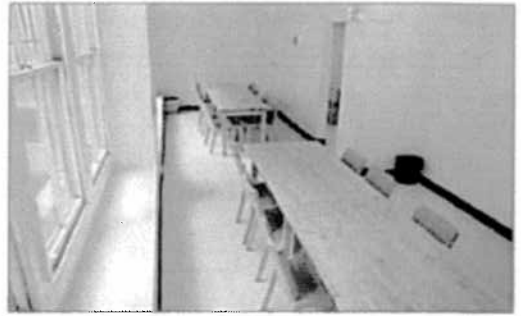
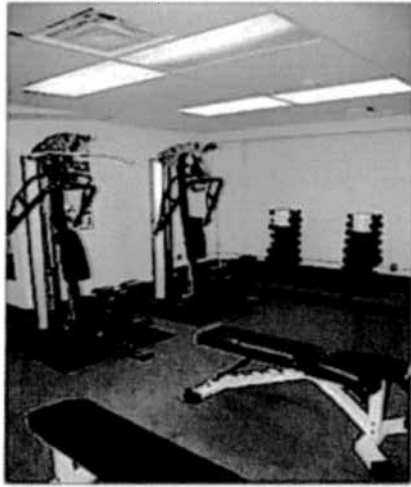
Based on the three-way value comparison, the lowest of the three values is the factored base year value.

The taxable Mills Act value on: July 1, 2015 is \$30,200,399

Appraiser: Lena Surjadi **Date:** 08/21/15

Principal Appraiser: Kimberly Kitano

SUBJECT INTERIOR PHOTOS



RESTRICTED INCOME APPROACH

APN 0580-013
761 Post Street
Restricted Mills Act Value
Date 7/1/2015

**Non-Owner Occupied
Stabilized**

Number of Rooms:			166
ADR			\$236.25
Occupancy:			84.51%
REVPAR: In 2012 dollars			\$199.65
Effective Annual Gross Room Sales			\$12,097,089
Food and Beverage Income	3.83%	\$463,319	
Telephone Income	0%	\$0	
Parking	4.31%	\$521,385	
Other	1.02%	<u>\$123,390</u>	
Total Gross Revenue			\$13,205,182
Less Expenses			
Department Expenses:			\$4,188,278
Room	25.73%	\$3,112,581	
Food & Beverage	100%	\$463,319	
Parking	90%	\$469,246	
Other	116%	\$143,133	
Undistributed Expenses:			\$2,267,330
Administrative & General	7.32%	\$966,619	
Marketing	4.34%	\$573,105	
Operations and Maintenance	3.34%	\$441,053	
Utilities	2.17%	\$286,552	
Fixed Expenses:			
Insurance	3.65%	\$481,989	\$1,934,559
FF & E Reserve	3.00%	\$396,155	
Business Management/Franchise Fee	8.00%	\$1,056,415	
Total Expenses			\$8,390,167
Net Operating Income			\$4,815,015
Restricted Capitalization Rate			
<u>Rate Components:</u>			
2015 interest rate per State Board of Equalization	4.2500%		
Risk rate (4% owner occupied / 2% all other property types)	2.0000%		
2014 property tax rate *	1.1743%		
Amortization rate for improvements only	1.0000%		8.4243%
Remaining economic life (in years)	40	0.0250	
Improvements constitute % of total property value	40%		
Total Property Value			\$57,156,261
Less FF & E* *Includes leasehold and personal property			
Less Loss of Revenue Until Property Stabilized Occupancy			\$1,700,000
RESTRICTED VALUE			\$55,456,261
			\$55,000,000

* The 2015 property tax rate will be determined in September 2015

LOSS OF REVENUE CALCULATION

<u>Year</u>	<u>Projected Net Operating Income</u>	<u>Stabilized Year Net Operating Income</u>	<u>Total Loss</u>	<u>Discount 11.5% to Present Worth</u>	
2016	* \$2,927,841	\$4,815,015	\$1,887,174	0.896861	1,692,533
				Revenue Loss	1,692,533
				Rounded Revenue Loss	1,700,000

* See Year One Budget submitted in Mills Act

MARKET ANALYSIS

ADDRESS	SALE PRICE	MARKET CONDITIONS	LOCATION	YEAR BUILT	# ROOMS	\$/ROOM	CONDITION	OVERALL ADJUSTMENT	ADJUSTED SP RP ONLY
S 761 Post APN 03-0304-015	6/24/2013 \$29,475,000	Good	Downtown Tenderloin	1930	166		Deferred Maintenance		
1 550-589 Geary APN: 03-0305-013	4/10/2014 \$27,000,000	Similar	Downtown Tenderloin	1913	83	\$301,536	Good	(\$1,972,500)	\$25,027,500
2 403-405 Taylor APN 03-0317-003	4/26/2013 \$71,500,000	Inferior	Downtown Tenderloin	1924	236	\$298,331	Good	(\$1,094,000)	\$70,406,000
3 555 & 545 Post APN: 03-0306-20/22	5/22/2014 * \$49,000,000	Similar	Union Square District	1913	160	\$290,938	Good	(\$2,450,000)	\$46,550,000

RANGE OF \$/ROOM \$290,000 to \$301,000

\$/ROOM	X	# ROOMS	=	ESTIMATED MARKET VALUE
\$295,000	X	166	=	\$48,970,000
			Rounded	\$49,000,000

ADJUSTMENTS:

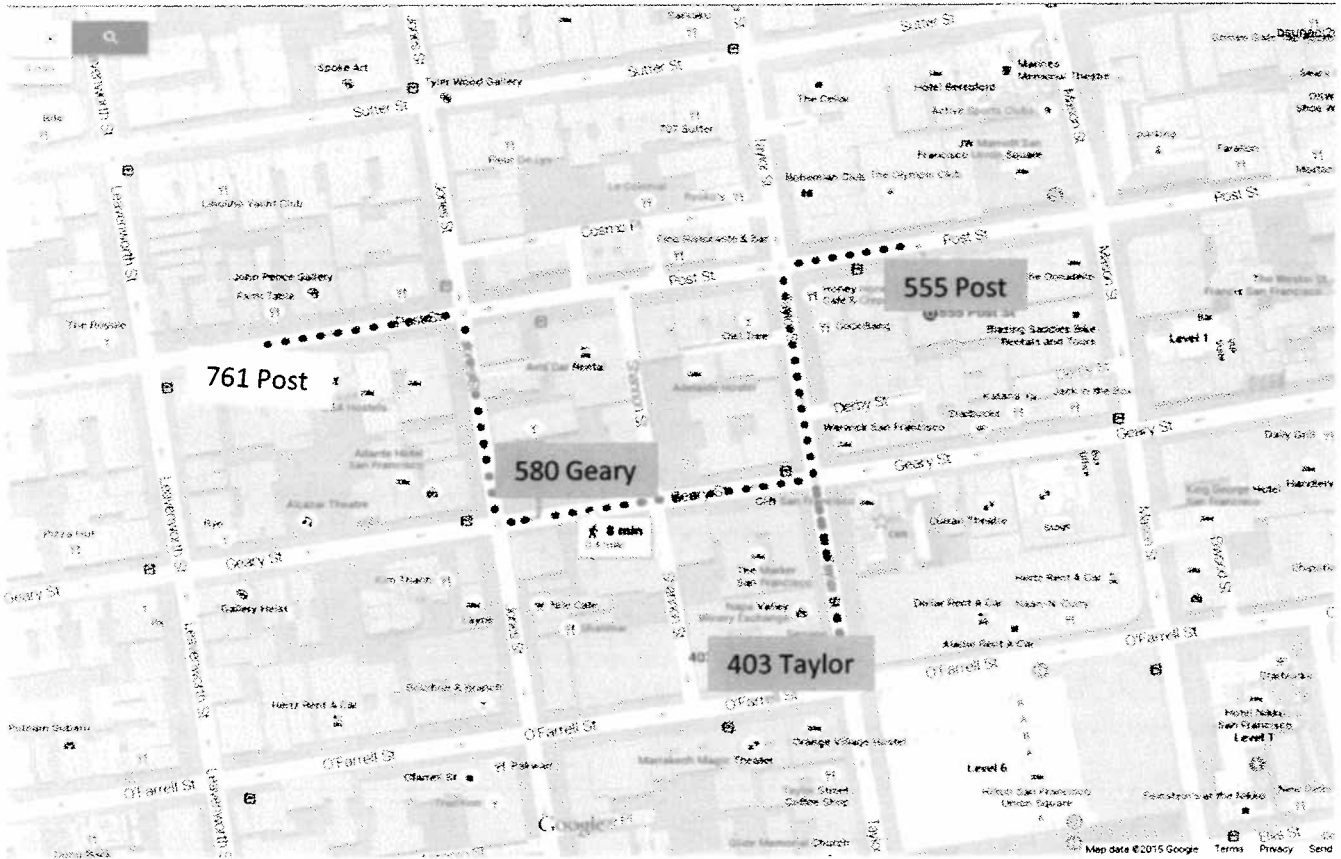
Market/Time
Condition

7.00%
5.00%

REMARKS:

Comp #1: Condition adjustment, PP/Fix adjustment
Comp #2: Condition, PP/Fix and time adjustment
Comp #3: Condition adjustment. *unknown if this SP includes PP/Fix

Map of Subject Property and Comparable Sales



A	Subject Property	761 Post
B	Comp #1	580-589 Geary
C	Comp #2	403-405 Taylor
D	Comp #3	555 & 545 Post

EXHIBIT D: MILLS ACT APPLICATION

APPLICATION FOR Mills Act Historical Property Contract

2015-006448MLS

Applications must be submitted in both hard copy and digital copy form to the Planning Department at 1650 Mission St., Suite 400 by May 1st in order to comply with the timelines established in the Application Guide. Please submit only the Application and required documents.

1. Owner/Applicant Information (If more than three owners, attach additional sheets as necessary.)

PROPERTY OWNER 1 NAME: RLJ C San Francisco LP c/o Darren Chesser	TELEPHONE: (301) 280-7777
PROPERTY OWNER 1 ADDRESS: 3 Bethesda Metro Center #1000, Bethesda, MD 20814	EMAIL:
PROPERTY OWNER 2 NAME:	TELEPHONE: ()
PROPERTY OWNER 2 ADDRESS:	EMAIL:
PROPERTY OWNER 3 NAME:	TELEPHONE: ()
PROPERTY OWNER 3 ADDRESS:	EMAIL:

2. Subject Property Information

PROPERTY ADDRESS: 761 Post Street	ZIP CODE: 94109
PROPERTY PURCHASE DATE: June 24, 2013	ASSESSOR BLOCK/LOT(S): 0304 015
MOST RECENT ASSESSED VALUE: \$10,688,660	ZONING DISTRICT: RC-4

Are taxes on all property owned within the City and County of San Francisco paid to date? YES NO

Is the entire property owner-occupied? YES NO
 If No, please provide an approximate square footage for owner-occupied areas vs. rental income (non-owner-occupied areas) on a separate sheet of paper.

Do you own other property in the City and County of San Francisco? YES NO
 If Yes, please list the addresses for all other property owned within the City of San Francisco on a separate sheet of paper.

Are there any outstanding enforcement cases on the property from the San Francisco Planning Department or the Department of Building Inspection? YES NO
 If Yes, all outstanding enforcement cases must be abated and closed for eligibility for the Mills Act.

I/we am/are the present owner(s) of the property described above and hereby apply for an historical property contract. By signing below, I affirm that all information provided in this application is true and correct. I further swear and affirm that false information will be subject to penalty and revocation of the Mills Act Contract.

RLJ San Francisco, LP,
a Delaware limited partnership
By: RLJ San Francisco General Partner LLC,
a Delaware limited liability company,
its sole partner

By: Howard B. Isaacson, V.P.
Name: HOWARD B. ISAACSON, V.P.
Title: VICE PRESIDENT
Date: 4/28/2015

3. Property Value Eligibility:

Choose one of the following options:

The property is a Residential Building valued at less than \$3,000,000.	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
The property is a Commercial/Industrial Building valued at less than \$5,000,000.	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>

*If the property value exceeds these options, please complete the following: Application of Exemption.

Application for Exemption from Property Tax Valuation

If answered "no" to either question above please explain on a separate sheet of paper, how the property meets the following two criteria and why it should be exempt from the property tax valuations.

1. The site, building, or object, or structure is a particularly significant resource and represents an exceptional example of an architectural style, the work of a master, or is associated with the lives of significant persons or events important to local or natural history; or
2. Granting the exemption will assist in the preservation of a site, building, or object, or structure that would otherwise be in danger of demolition, substantial alteration, or disrepair. (A Historic Structures Report, completed by a qualified historic preservation consultant, must be submitted in order to meet this requirement.)

4. Property Tax Bill

All property owners are required to attach a copy of their recent property tax bill.

PROPERTY OWNER NAMES: RLJ C San Francisco LP
MOST RECENT ASSESSED PROPERTY VALUE: \$10,688,660
PROPERTY ADDRESS: 761 Post Street

5. Other Information

All property owners are required to attach a copy of all other information as outlined in the checklist on page 7 of this application.

By signing below, I/we acknowledge that I/we am/are the owner(s) of the structure referenced above and by applying for exemption from the limitations certify, under the penalty of perjury, that the information attached and provided is accurate.

RLJ San Francisco, LP,
a Delaware limited partnership

By: RLJ San Francisco General Partner LLC,
a Delaware limited liability company,
its sole general partner

By: Howard B. Isaacson Date: 4/28/2015
Name: HOWARD B. ISAACSON, V.P.
Title: VICE PRESIDENT

5. Rehabilitation/Restoration & Maintenance Plan

A 10 Year Rehabilitation/Restoration Plan has been submitted detailing work to be performed on the subject property	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
A 10 Year Maintenance Plan has been submitted detailing work to be performed on the subject property	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Proposed work will meet the <i>Secretary of the Interior's Standards for the Treatment of Historic Properties</i> and/or the California Historic Building Code.	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>

Property owner will ensure that a portion of the Mills Act tax savings will be used to finance the preservation, rehabilitation, and maintenance of the property	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
--	---

Use this form to outline your rehabilitation/restoration plan. Copy this page as necessary to include all items that apply to your property. Begin by listing recently completed rehabilitation work (if applicable) and continue with work you propose to complete within the next ten years, followed by your proposed maintenance work. Arranging all scopes of work in order of priority.

Please note that *all applicable Codes and Guidelines apply to all work*, including the Planning Code and Building Code. If components of the proposed Plan require approvals by the Historic Preservation Commission, Planning Commission, Zoning Administrator, or any other government body, these **approvals must be secured prior to applying for a Mills Act Historical Property Contract**. This plan will be included along with any other supporting documents as part of the Mills Act Historical Property contract.

# _____ (Provide a scope number)	BUILDING FEATURE:
Rehab/Restoration <input type="checkbox"/>	Maintenance <input type="checkbox"/> Completed <input type="checkbox"/> Proposed <input type="checkbox"/>
CONTRACT YEAR FOR WORK COMPLETION:	
TOTAL COST (rounded to nearest dollar):	
DESCRIPTION OF WORK:	
SEE ATTACHED	

Draft Rehabilitation/Restoration/Maintenance Plan (Continued)

# ____ (Provide a scope number)	BUILDING FEATURE:		
Rehab/Restoration <input type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input type="checkbox"/>
CONTRACT YEAR WORK COMPLETION:			
TOTAL COST (rounded to nearest dollar):			
DESCRIPTION OF WORK:			
SEE ATTACHED			

# ____ (Provide a scope number)	BUILDING FEATURE:		
Rehab/Restoration <input type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input type="checkbox"/>
CONTRACT YEAR WORK COMPLETION:			
TOTAL COST (rounded to nearest dollar):			
DESCRIPTION OF WORK:			
SEE ATTACHED			

# ____ (Provide a scope number)	BUILDING FEATURE:		
Rehab/Restoration <input type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input type="checkbox"/>
CONTRACT YEAR WORK COMPLETION:			
TOTAL COST (rounded to nearest dollar):			
DESCRIPTION OF WORK:			
SEE ATTACHED			

EXHIBIT E:

HISTORIC STRUCTURE REPORT



761 Post Street San Francisco, CA Historic Structure Report

Prepared for
RLJ C San Francisco, LP
Bethesda, MD



Prepared by
Garavaglia Architecture, Inc
May 29, 2015

Innovating Tradition

EXECUTIVE SUMMARY

761 Post Street was one of the many hotels that were constructed in San Francisco as the city recovered from the devastating earthquake and fires of 1906. As young workers flooded the city looking for jobs, they also needed inexpensive clean housing; hotels such as the Hotel Maurice provided such accommodations. During the postwar period, the Maurice became known as a traveler's destination, attracting those looking for moderate-rate hotels. During the 1970s, as the city declined, the hotel did as well. During recent years, however, due to increased tourism and investment, the hotel is once again set to open its doors. Garavaglia Architecture, Inc. was retained to complete a Historic Structure Report (HSR) in support of a Mills Act application.

The property tax savings from the Mills Act contract will enable the property owners to preserve and rehabilitate the historic structure, which would otherwise be in danger of demolition, deterioration, or abandonment.

EXISTING CONDITIONS

The exterior is in fair condition. Much of the deterioration observed is related to the age of the building materials. As 761 Post Street is approximately 85 years old, some of the building materials have reached, or even exceeded, their reasonable service life. The following condition items were observed:

- Cracked and spalling concrete, with exposed and corroded reinforcing bars
- Peeling coating at the exterior
- Peeling and chipped paint along the doors and windows facing Post Street
- Deteriorated windows along the off-street elevations

The interior of 761 Post Street is currently under renovation.

PROPOSED RECOMMENDATIONS

While 761 Post Street is in overall good condition, a number of recommendations are proposed for the exterior rehabilitation and long-term maintenance of the building. These recommendations will be completed in accordance with the *Secretary of the Interior's Standards for Rehabilitation*, as well as the relevant *Preservation Briefs*, as issued by the National Park Service.

Chapter 1

INTRODUCTION

PROJECT DESCRIPTION

Garavaglia Architecture, Inc. was contracted by RLJ C San Francisco, LP (Client) in April of 2015 to prepare a Historic Structure Report (HSR) for the 150-room hotel located at 761 Post Street, originally known as the Maurice Hotel. This report has been requested in support of a Mills Act application for exterior restoration work at the building. 761 Post Street is eligible for the Mills Act Contract Program as a “qualified historic property” because it has been identified as a contributory building to the National Register-listed Lower Nob Hill Apartment Hotel District.

PROJECT LOCATION

The subject property (APN Number 0304-015) is located along the south side of Post Street, between Jones and Leavenworth Streets (see Figures 1 through 3).

761 Post Street is located within an RC-4 (Residential, Commercial, High Density) Zoning District, and an 80-T and 130-T Height and Bulk District, as well as the North of Market Residential Special Use District No. 1 (NOMRSUD).

761 POST STREET, SAN FRANCISCO
Historic Structure Report



Figure 1. Aerial view of 761 Post Street, with subject property highlighted. (Map generated by Google Earth, amended by author.)

761 POST STREET, SAN FRANCISCO
Historic Structure Report

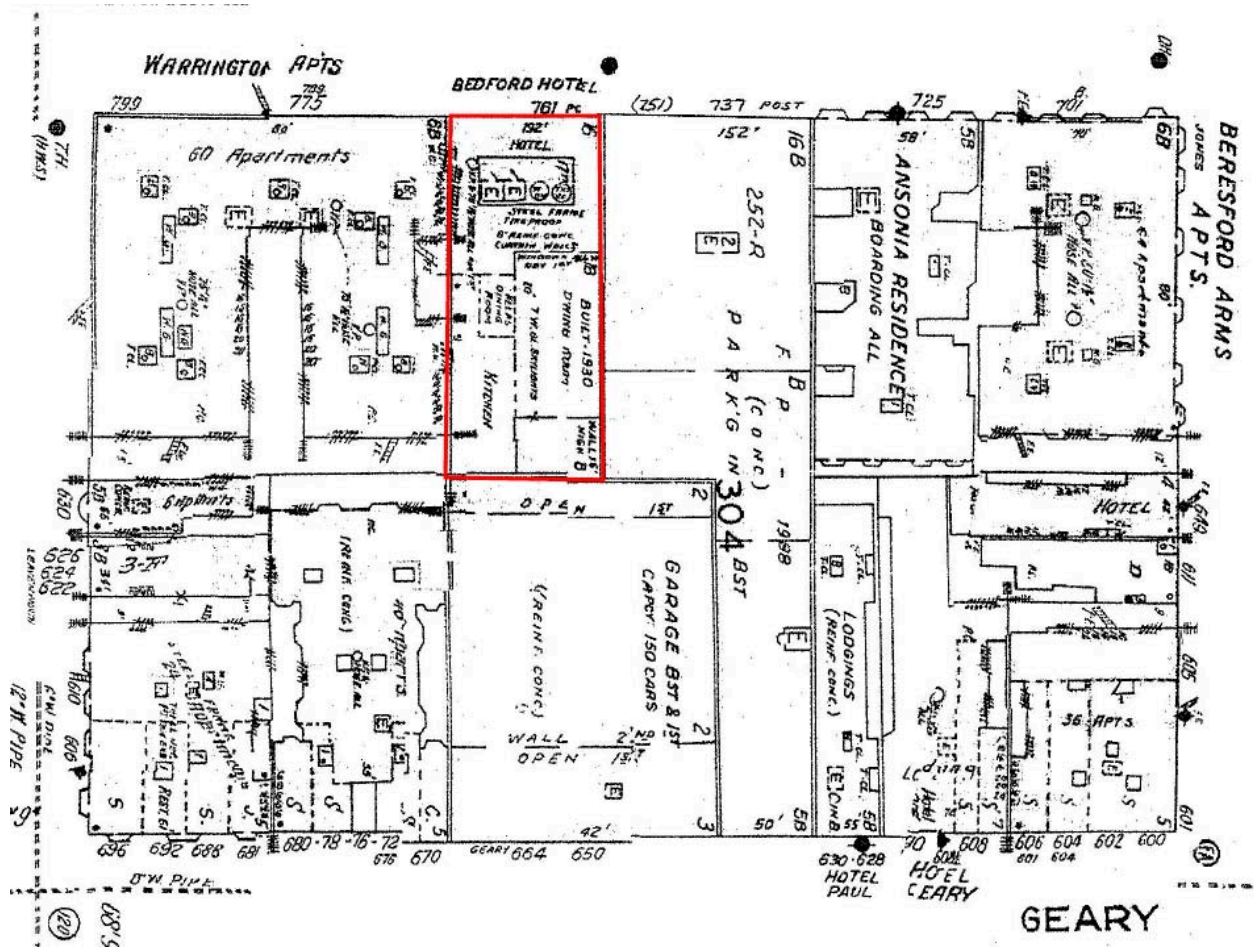


Figure 2. Sanborn Fire Insurance Map, ca. 1995, with subject property highlighted. (Map provided by San Francisco Planning Department.)

Garavaglia Architecture, Inc. also conducted additional archival research on the subject property and surrounding area. The following repositories/collections were consulted to complete the research process (See References section for complete list of resources):

- Sanborn Fire Insurance Maps
- San Francisco History Center, San Francisco Public Library
- Office of the Assessor-Recorder, City & County of San Francisco
- Department of Building Inspection, City & County of San Francisco
- The California Digital Newspaper Collection and Internet Archive
- Online Archive of California

SIGNIFICANCE SUMMARY

761 Post Street is a Historic Resource as determined by the City & County of San Francisco. It is a contributor to the Lower Nob Hill Apartment Hotel District, as designated by the National Park Service in 1991. The Lower Nob Hill district is distinguished from that of the nearby Tenderloin Apartment Hotel District; the former features almost exclusively residential buildings, which were heavily ornamented, while the latter includes a larger amount of non-residential buildings, which are far less ornate.

The building remains a significant contributor to the district due to its high level of integrity relative to its period of significance (1929–1940). As one of the hotels designed by Weeks and Day, 761 Post Street is a notable example of the use of reinforced concrete in apartment buildings in San Francisco. Charles Peter Weeks, the architect of record for the building, wrote of the virtues of reinforced concrete—specifically its structural and fireproofing properties—immediately following the 1906 earthquake. 761 Post Street, while constructed more than 20 years after the disaster, reflects Weeks’s interest in constructing solid buildings that could withstand earthquakes and fires.

The district registration form gives little specific information on 761 Post Street, as it is one of 297 contributing buildings to the Lower Nob Hill Apartment Hotel District. The form notes that the building has “16 stories and basement, stucco cladding, Art Deco ornament, ground floor hotel uses. Facade intact except for new door.”¹ The form also states that later buildings in the historic district, from the period 1929–1935, “tend to Art Deco, especially No. 209 [761 Post Street] and 32.”²

¹ National Register of Historic Places, *Lower Nob Hill Apartment Hotel Historic District*, San Francisco, CA #91000957, page 7.18.

² *Ibid.*, page 2.

Chapter 2

CONTEXT AND CONSTRUCTION HISTORY

CONTEXT

Much of this historic context has been largely developed from the 1991 National Register of Historic Places (NRHP) nomination for the Lower Nob Hill Apartment Hotel Historic District.

Nob Hill

The area now known as Nob Hill was settled during the rapid urbanization of San Francisco during the end of the 19th century. Because of its proximity to downtown, as well as its picturesque views, it became an area where the elite of Northern California constructed large mansions.

Like much of San Francisco, it was devastated in the fires that erupted after the 1906 earthquake. In response to the widespread destruction in the city, officials required that new construction be fire-resistant, as the densely packed wooden structures that dominated the central city were responsible for the rapid spread of the fires. Property owners who were forced to rebuild eventually realized that the most productive and profitable use of their land was to rebuild multi-unit housing.

Apartment and Hotels

Even before the earthquake, San Francisco had a high density of apartment buildings. Such housing was attractive to the young, single men who entered the city *en masse* during the Gold Rush. Even after the Gold Rush ended, there was still a demand to house working-class San Franciscans who worked in the offices of downtown as well as around City Hall. In 1876, a local journalist reported on the popularity of hotels and boarding houses for young single urban dwellers:

The hotel is the San Franciscan's home. A man of domestic habits is a rarity; and women have to come to regard family cares and duties as a sort of drudgery without their province. It is the fashion...[to] occupy "elegant apartments" at any of the aristocratic

hotels in San Francisco.³

It was in Nob Hill—specifically the southern slope of the hill—where the majority of the boarding houses, apartment buildings, and hotels were constructed. After the earthquake, even more were constructed to house those who had previously lived in wood buildings, as well as those who moved to the city for the reconstruction effort. It was between 1906 and the height of the Great Depression when the popularity of the hotel/apartment building peaked. While the earliest buildings were typically three to seven stories high, by 1925 some new hotels were 15 to 20 stories in height, reflecting increased demand for low to moderate-cost housing. None of the hotels built in this time frame featured garages or valet parking.

While many of the hotels were constructed for lower class to lower-middle class occupants, luxury hotels were constructed in the area as well. Aristocrats of the city often referred to their hotel address as their home for social calls and not their actual places of residence. Nob Hill was seen as respectable in comparison to the nearby Tenderloin, which attracted prostitutes, criminals, and others looking for cheap housing.

Weeks and Day

One firm that was particularly busy during the apartment hotel construction boom in San Francisco was Weeks and Day. Architect Charles Peter Weeks (1870–1928) and engineer William Peyton Day (1886–1966) founded the firm in 1916. Weeks was educated at the Ecole des Beaux-Arts in Paris, and worked in Cleveland and New York. In 1901 he moved to Berkeley, joining his mentor John Galen Howard, who had been selected as the supervising architect for the new University of California campus. Two years later, he struck out on his own, founding Sutton and Weeks, a firm specializing in apartment buildings.

After the devastation of the 1906 earthquake and fires, Weeks wrote an emotional missive for *Architect and Engineer*. This article, titled “Who is to blame for San Francisco’s plight?,” spared no one:

The owner is primarily to blame for the loss in the San Francisco fire and rightly suffers for his own crime. But the city, too, is to blame for absolute lack of complete inspection of building plans and buildings, weak building laws and affording no protection to the careful owner against his reckless neighbor. The architect is to blame in being too willing to acquiesce in the owner's desire to build cheaply in fear of losing a commission.

The contractor is to blame for not giving golden workmanship for golden recompense.⁴

In this article, Weeks does not offer tangible solutions, but he does provide a preview of his material selection and design program in the years following the earthquake:

If a brick wall cannot be honestly built, how much less is a reinforced concrete building liable to be well built?

Reinforced concrete buildings in other parts of the country have not all been successful. The best-built buildings are the best, in reinforced concrete as well as other material. Therefore, it will be well for the owner to be careful in the selection of his designer.

³ Ibid.

⁴ Charles Peter Weeks, “Who is to blame for San Francisco’s plight?” *Architect and Engineer*, June 1906.

This material, in combination with good brick will undoubtedly form a great part of San Francisco's future big buildings.

The elimination of stone and the restriction of projecting cornices will modify the style of future buildings and have a tendency to produce a logically artistic facade in the hands of well-trained designers.

A Gothic style is more in harmony with the structural form of a steel building than the classic style and will be followed and adopted more and more in the future.⁵

Ten years after the earthquake, Weeks hired Day, who was a trained engineer, to start a firm. Their work specialized in theaters and cinemas, but also included the following hotels in San Francisco:

- Huntington Hotel
- Mark Hopkins Hotel
- Brockelbank Apartments
- Sir Francis Drake

The firm also designed several buildings on Treasure Island.

761 Post Street

While Weeks and Day were behind some of the most prominent hotels in twentieth century San Francisco, their 1929 design for the Hotel Maurice was smaller and more humble than some of their earlier designs. This likely reflected the original owners' intention in developing moderate-cost lodgings. A 1935 newspaper advertisement (see Figure 4) for the hotel stressed its "luxurious rooms at one low, standard rate." In addition, the advertisement even boasted the fact that the Hotel Maurice was a "fireproof building."⁶

The hotel changed hands several times in the period after World War II. Based on review of permit records, it appears that new signage was installed and interior work performed in the late 1940s; this may be related to a refurbishment or remodeling of the hotel upon new ownership. Around this time, postcards of the hotel were printed, suggesting that it started to become a destination for long-distance travelers (see Figures 5 and 6). The demolition of the building to the east, and its replacement with a garage, reflects the increased demand for automobile infrastructure in the city.

⁵ Ibid.

⁶ *Sausalito News*, December 13, 1935.



Figure 4. 1935 advertisement for the Maurice Hotel, in the *Sausalito News*.



Figure 5. Postcard for the Maurice Hotel, ca. 1935.



Figure 6. Postcard for the Hotel Maurice, ca. 1949. The garage to the east has been demolished and replaced with an apartment building.

Little is known about the Hotel Maurice during the 1950s and 1960s. While it does not appear that ownership changed hands, the hotel could have come under various management companies. Permits indicate the replacement of signs and awnings, suggesting that there was regular maintenance to the building.

By the 1970s, the area declined as urban disinvestment took hold. The hotel changed hands several times, and only minimal work was completed at the building. The 1976 architectural survey of downtown San Francisco determined the building was a Category 2, indicating it was of low to marginal quality. A photo taken during the survey shows a projecting structure, which was likely the marquee installed in 1955 (see Figure 7).

In the 1980s, the hotel became the Hotel Bedford as part of an acquisition by Bill Kimpton, a local financier. The hotel was the first such property he developed, and was marketed as a moderate-cost boutique hotel.⁷ Under Kimpton's ownership, parapet repairs were completed, as well as exterior infill at the east-facing windows and a re-roofing program. Eventually, the hotel came under the management of Clarion.

In 2004, a limited partnership acquired the property. The hotel became a hostel-like

⁷ Jane Levere. "Bill Kimpton, 65, the Chairman of a Group of Boutique Hotels," *The New York Times*, April 5, 2001.

accommodation known as the Vantaggio Suites Cosmo Hotel. Work completed was minimal, and was related to interior maintenance and awning repairs. In 2013, the current owner purchased the building.



Figure 7. This photo was taken as part of the City’s 1976 architectural survey. (Photograph provided by the San Francisco Planning Department.)

CONSTRUCTION CHRONOLOGY

This construction chronology was developed from Department of Building Inspection (DBI) records for the property. It is limited to alterations to the building exterior, including the walls and roof.

Date	Event
1929	Permit issued to construct a new brick and reinforced concrete hotel
1935	Installation of new electric sign, to read “Hotel Maurice”
1945	Installation of new neon sign for the hotel’s dining room
1955	Installation of marquee signage at entrance

1961	Installation of new signage at coffee shop, to change from "Dining Room Coffee Shop" to "Patio Room Coffee Shop"
1962	Installation of new electric sign
1972	Installation of new awnings, construction of new exit from lobby to Post Street
1986	Parapet bracing work
1987	Exterior window infill along east elevation
1997	Replacement of awning at entrance, reroofing
2005	Replacement of damaged supports at awning
2014	Exterior restoration program

OWNERSHIP HISTORY

Date	Owner	Name of Hotel
Unknown–1918	Henry and Catherine Black sold empty lots to Edwin B. De Gala	N/A
1918–1927	Edwin B. De Gala	N/A
August 1927	Charles S. Richman	N/A
September 1927–1929	Superior Grinding Co., Inc.	N/A
1929–1962	Fred K. W. Mannette, Ella F. Bach, and B. O'Donnell. Edwin B. De Gala's name is listed on several of the new construction permits during this time frame, suggesting that he still owned the property in some form. Eventually, the owner was listed as "Hotel Maurice Corp."	Hotel Maurice
1962–1972	Peter and Rose Wong Chew	Hotel Maurice
1972–1981	Cartwright Holding Co., and Bayview Federal Savings and Loan	Hotel Maurice
1981–2004	Kimco Hotel Management, d/b/a Bedford Hotel Associates. This company was a holding of Kimpton, a San Francisco-based hotel developer, who purchased the hotel in the 1980s.	Hotel Bedford
2004–2013	Post Street Hotel Ltd. Partnership	Vantaggio Suites Cosmo Hotel
2013–present	Current Owner	Upon reopening of the hotel, it will be known as the Marriott Courtyard San Francisco.

Chapter 3

ARCHITECTURAL EVALUATIONS

GENERAL DESCRIPTION

Site

761 Post Street is situated on a lot, approximately 8,250 square feet in area, located on the south side of Post Street between Jones and Leavenworth Streets. The site is mostly flat, and has no vegetation. The basement level is not visible from Post Street.

Exterior

The building is eighteen stories tall, including basement. It is a reinforced concrete structure, topped with cementitious coating, which has been coated multiple times. The design is a modified Art Deco design. It has a streamlined, vertical appearance with piers, but historicist panels above windows and doors (see Figures 8 through 9).



Figure 8. Overview of north (Post Street) elevation, showing first two floors of building. (Photograph by Garavaglia Architecture, Inc., April 2015.)



Figure 9. Detail of typical paneling over windows and doors. (Photograph by Garavaglia Architecture, Inc., April 2015.)

South (Post Street) Elevation

This elevation includes three arched bays at ground level: the center one includes the entry door, while the flanking ones include multi-lite steel casement windows. The upper floors feature wood double-hung windows (see Figures 10 through 11). Steel balconettes are accessed at the second floor windows; due to ongoing work, however, there was no access to them.



Figure 10. Overview of typical wood double-hung window unit along the north elevation. (Photograph by Garavaglia Architecture, Inc., April 2015.)



Figure 11. Overview of fixed and casement assembly at ground floor. The exterior is obscured. (Photograph by Garavaglia Architecture, Inc., April 2015.)

Off-Street Elevations

Limited access is available to the off-street elevations. They consist of reinforced concrete topped in a coating similar to that along Post Street. Fenestration consists of a combination of aluminum sliding and double-hung units, as well as steel casement windows at the fire stairs (see Figures 12 through 13).



Figure 12. Overview of north and east elevations. (Photograph by Garavaglia Architecture, Inc., April 2015.)



Figure 13. View of aluminum windows at off-street elevations. (Photograph by Garavaglia Architecture, Inc., April 2015.)

Roof Level

The roof is an asphalt composite roof topped with a UV-resistant aluminum coating, and houses much of the building's mechanical equipment. It also features an elevator bulkhead (see Figures 14 through 16).



Figure 14. Overview of main roof level, showing mechanical equipment. (Photograph provided by RLJC, April 2015.)



Figure 15. Overview of main roof, showing mechanical equipment and elevator bulkhead. (Photograph provided by RLJC, April 2015.)



Figure 16. Detail of main roof. (Photograph provided by RLJC, April 2015.)

ASSESSMENT OF EXTERIOR FEATURES

Evaluation of Integrity

Integrity is the measure by which properties are evaluated. To retain integrity, a property must have most of the seven aspects of integrity as defined by the National Register Criteria for Evaluation. The seven aspects of integrity are quoted as follows:

- Location—Location is the place where the historic property was constructed or the place where the historic event occurred.
- Design—Design is the combination of elements that create the form, plan, space, structure, and style of a property.
- Setting—Setting is the physical environment of the historic property.
- Materials—Materials are the physical elements that were combined or deposited during a particular period of time and in a particular pattern or configuration form a historic property.
- Workmanship—Workmanship is the physical evidence of the crafts of a particular culture or people during any given period in history or prehistory.
- Feeling—Feeling is a property's expression of the aesthetic or historic sense of a particular period of time.
- Association—Association is the direct link between an important historic event or person and a historic property.

According to the Office of Historic Preservation's Technical Assistance Series Bulletin #6:

Integrity is the authenticity of an historical resource's physical identity evidenced by the survival of characteristics that existed during the resource's period of significance. Historical resources eligible for listing in the California Register must meet one of the criteria of significance described above and retain enough of their historic character or appearance to be recognizable as historical resources and to convey the reasons for their significance. It is possible that historical resources may not retain sufficient integrity to meet the criteria for listing in the National Register, but they may still be eligible for listing in the California Register.⁸

In general, the exterior of 761 Post Street retains a very high degree of integrity relative to its period of significance (1929–1940) in the following areas:

- Location—761 Post Street remains on its original site and maintains the same relationship with its immediate context.
- Design—The exterior of the building has remained virtually intact. The building was repainted multiple times, and the entry doors changed.
- Setting—The setting around 761 Post Street remains today as it has for the last century. The relationship with neighboring buildings remains virtually unaltered since the end of the period of significance.
- Materials—The materials used at the building's exterior appear to be original to the building. Some, such as the roof, were changed due to deterioration. In general, most of the materials along the exterior date to the period of significance.
- Feeling—From the exterior, the building appears almost exactly as it did shortly after it was constructed in 1929.
- Workmanship—The quality of construction and quality of materials are evident in the overall good condition of the building in spite of its many modifications.
- Association—761 Post Street remains associated with its period of significance from both an architectural and a historical level.

CHARACTER-DEFINING FEATURES AND FINISHES

Assessment of various features is done according to a prioritized evaluation system. Once the character defining features have been identified, each is assigned a priority rating to create a sense of the relative historical importance of these spaces and features. A rating scale of “Premier-Important-Contributing-Non-Contributing” is used. In general, this system allows for the analysis of the structure as a whole to guide what types of work should be done, and where such work could be completed with the least damage to the historic integrity of the resource.

⁸ Office of Historic Preservation, Department of Parks and Recreation, *California Register and National Register: A Comparison*, Technical Assistance Series No. 6, ohp.parks.ca.gov/pages/1069/files/technical_assistance_bulletin_6_2011_update.pdf, last accessed May 27, 2015.

The character-defining features of the entire Lower Nob Hill Apartment and Hotel Historic District, as described in the 1991 National Register nomination, are as follows:

- Multiple-unit apartment or hotel buildings of at least three floors in height
- Buildings fill entire lots
- 1906–1940 construction
- Sullivanesque facade composition, including flat roofs and boldly projecting cornices
- Historicist ornamentation

Character-Defining Features at 761 Post Street

Premier

A premier rating is given to those features that are directly associated with the identified period or periods of significance and whose contribution to the interpretation and communication of a historic resource is of primary importance. If these features are removed, the historic integrity of the resource is highly compromised. Depending on the size, scale, and relationship of these items with the period of significance, historic integrity could be lost altogether. For these reasons, when developing mitigation plans for project-related work, all elements labeled, “premier” should not be altered in any fashion and should be protected to the highest degree whenever possible. Failing to do so could result in significant impacts to the resource.

Exterior Premier Features

- Reinforced concrete construction
- Solid vertical piers
- Casement windows at ground level
- Churrigeresque ornamentation above windows and doors along Post Street

Important

Features given a rating of important are also directly associated with the identified period or periods of significance and they also inform the interpretation and communication of the historic resource. These elements differ from premier elements because they embody, to a lesser degree, historic aspects of the resource. Sometimes they are secondary decorative elements, which if removed or altered would affect the space, but still allow the historic nature of the space to be discerned, even if in a more limited way. Other times they are associated with lesser aspects of the period of significance or are not documented to the original construction.

Exterior Important Features

- Double-hung wood windows along Post Street

Contributing

Contributing elements augment the interpretation of historic significance but do not hold a high level of historic value themselves. They could be items that have been previously compromised, modern replacements for original items, been installed after the period of significance but are still of a high artistic or cultural value, still available for replacement in kind, or simply related to the period of significance but not of primary historic importance. The loss of contributing elements lessens the overall level of integrity of the historic resource but not to a level where its interpretation of significance or historical importance is severely compromised.

Exterior Contributing Features

- Coating applied to exterior
- Steel casement windows at fire stairs along west elevation

Non-Contributing

These elements are typically from outside the period of significance, are of poor quality, are still commercially available or are not related to the period of significance or any figures or events associated with the historic interpretation of the resource. When possible, all alterations and modifications should be undertaken with designs that only effect non-contributing elements, or that limit their disruptions to mostly non-contributing elements. Such designs will retain the maximum level of historic integrity and result in the least amount of damage and disruption to the resource as a whole.

Exterior Non-Contributing Features

- Aluminum window assemblies at off-street elevations
- Lighting fixtures and signage, including awnings

Chapter 4

EXISTING CONDITIONS

EXTERIOR

Building Envelope

Cracked and spalled concrete was observed at the Post Street elevation (see Figures 17 through 19). This deterioration was observed most notably at the lintels and around windows. In some cases, corroded reinforcing bars were observed. This condition is likely due to inadequate coverage of the reinforcing bar by the concrete, followed by sustained water infiltration.

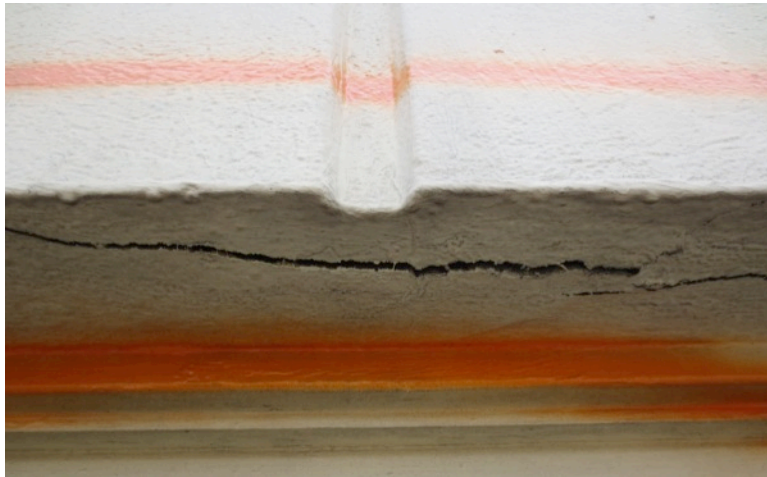


Figure 17. Cracked concrete above window at the fifth floor along the north elevation. (Photograph provided by RLJC, April 2015.)



Figure 18. Cracked concrete above window at the seventh floor along the north elevation. (Photograph provided by RLJC, April 2015.)



Figure 19. Exposed reinforcing bar at the twelfth floor along the north elevation. (Photograph provided by RLJC, April 2015.)

Peeling coating was observed throughout the exterior (see Figures 20 and 21). This is likely related to the fact that the coating, which appears to be regular latex paint, has exceeded its reasonable service life; alternately, insufficient surface preparation at application could result in peeling and chipped paint.



Figure 20. Peeling coating along the north elevation. (Photograph provided by RLJC, April 2015.)



Figure 21. Peeling coating along the north elevation. (Photograph provided by RLJC, April 2015.)

Roofs and Drainage

No leaks were reported at the roof level.

Windows

The windows along Post Street, which are the original wood windows, are in good to fair condition. A small amount of paint loss appears to be evident, but that is typical of windows that are regularly operated.

The fixed and casement windows at the ground floor appear to be in good condition. Some corrosion and peeling paint was observed (see Figure 22).



Figure 22. Peeling paint and corrosion at ground floor window. (Photograph by Garavaglia Architecture, Inc., April 2015.)

The aluminum sliding assemblies along the off-street elevations are in fair to poor condition, and have outlived their reasonable service life.

Doors

The main doors at the entry are in fair condition and have experienced typical wear-and-tear deterioration.

TREATMENT SELECTION

According to the National Park Service, the Secretary of the Interior's Standards are neither technical nor prescriptive, but are intended to promote responsible preservation practices that help protect our irreplaceable cultural resources. They cannot, in and of themselves, be used to make essential decisions about which features of the historic building should be saved and which can be changed. However, once a treatment is selected, the Standards provide philosophical consistency to the work.⁹

The four treatment approaches are Preservation, Rehabilitation, Restoration, and Reconstruction, outlined below in hierarchical order and explained:

The first treatment, *Preservation*, places a high premium on the retention of all historic fabric through conservation, maintenance and repair. It reflects a building's continuum over time, through successive occupancies, and the respectful changes and alterations that are made.

Rehabilitation, the second treatment, emphasizes the retention and repair of historic materials, but more latitude is provided for replacement because it is assumed the property is more

⁹ National Park Service, "The Treatment of Historic Properties," NPS Technical Preservation Services website, <http://www.nps.gov/tps/standards.htm>, last accessed May 26, 2015.

deteriorated prior to work. (Both Preservation and Rehabilitation standards focus attention on the preservation of those materials, features, finishes, spaces, and spatial relationships that, together, give a property its historic character.)

Restoration, the third treatment, focuses on the retention of materials from the most significant time in a property's history, while permitting the removal of materials from other periods.

Reconstruction, the fourth treatment, establishes limited opportunities to re-create a non-surviving site, landscape, building, structure, or object in all new materials.¹⁰

Rehabilitation is the recommended treatment for the exterior repair program at 761 Post Street. The recommendations described below will be completed in compliance with these regulations.

Rehabilitation

Rehabilitation is defined as the act or process of making possible a compatible use for a property through repair, alterations, and additions while preserving those portions or features which convey its historical, cultural, or architectural values.

As stated in the definition, the treatment "rehabilitation" assumes that at least some repair or alteration of the historic building will be needed in order to provide for an efficient contemporary use; however, these repairs and alterations must not damage or destroy materials, features, or finishes that are important in defining the building's historic character.

The following are the Secretary of the Interior's Standards for Rehabilitation:¹¹

1. A property will be used as it was historically or be given a new use that requires minimal change to its distinctive materials, features, spaces, and spatial relationships.
2. The historic character of a property will be retained and preserved. The removal of distinctive materials or alteration of features, spaces, and spatial relationships that characterize a property will be avoided.
3. Each property will be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or elements from other historic properties, will not be undertaken.
4. Changes to a property that have acquired historic significance in their own right will be retained and preserved.
5. Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a property will be preserved.
6. Deteriorated historic features will be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature will match

¹⁰ Ibid.

¹¹ This section is quoted from National Park Service, "Rehabilitation as a Treatment," NPS Technical Preservation Services website, <http://www.nps.gov/tps/standards/four-treatments/treatment-rehabilitation.htm>, last accessed March 6, 2015.

the old in design, color, texture, and, where possible, materials. Replacement of missing features will be substantiated by documentary and physical evidence.

7. Chemical or physical treatments, if appropriate, will be undertaken using the gentlest means possible. Treatments that cause damage to historic materials will not be used.
8. Archeological resources will be protected and preserved in place. If such resources must be disturbed, mitigation measures will be undertaken.
9. New additions, exterior alterations, or related new construction will not destroy historic materials, features, and spatial relationships that characterize the property. The new work will be differentiated from the old and will be compatible with the historic materials, features, size, scale and proportion, and massing to protect the integrity of the property and its environment.
10. New additions and adjacent or related new construction will be undertaken in such a manner that, if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

PRIORITIZED RECOMMENDATIONS: REHABILITATION AND MAINTENANCE

Exterior

An exterior repair program should be completed, which will involve:

- The full examination and sounding of the reinforced concrete along the exterior elevations
- Sealing of small cracks with an expansive water-resistant sealer
- Sealing of large cracks with an expansive water-resistant sealer and backer rod
- Cleaning of all spalls and holes in the concrete
- Examination of all exposed reinforcing bar to determine if any corrosion expansion (also known as “rust jacking”) has occurred
- Scraping of reinforcing bars down to sound steel, followed by painting with a corrosion-resistant coating system
- Patching of spalls with a repair material appropriate for use at historic concrete
- Application of a coating system appropriate for use on historic concrete and masonry at the entirety of the exterior elevation where repair is taking place

The estimated cost of exterior repairs is \$200,000.

Roofs and Drainage

While the roof appears to be in fair condition, and no leaks have been reported, the last permitted roof replacement took place in 1997. Since the roof is approaching the end of its service life, it is recommended that a new roof be installed.

The estimated cost of a roofing system replacement, including new drains and flashing, is approximately \$600,000.

Windows

The wood windows at the upper floors along Post Street appear to be in good condition. A window repair and maintenance program should be completed as follows:

- All exterior windows should be inspected for operability.
- All exterior windows should receive new glazing compound. Once the putty has cured, the windows should be primed and painted.
- Prior to painting, all windows should be properly prepared by sanding or gently scraping by hand all loose paint.
- All rotted and structurally compromised surfaces should be consolidated with an inert, cellulose-based, paintable wood filler.
- Install corner brackets if the window sashes are loose and joints are separating.
- Maintain a solid paint layer to prevent ultra-violet (UV) damage of wood.
- All hardware should operate smoothly.
- If necessary, new weatherstripping or perimeter joint caulking should be applied.

The casement windows at the ground floor and off-street elevations should be repaired and refurbished in a similar manner. Those windows should be inspected regularly for operability, and cleaned of corrosion on a regular basis.

The aluminum windows at the off-street elevations should be removed and replaced.

The estimated cost of the window refurbishment described above is \$200,000.

PRIORITIZATION OF MAINTENANCE

Short-term (next 6–36 months)

- Perform annual inspections of the windows. If any damage or deterioration is found, the extent and nature of the damage should be assessed. Any needed repairs must avoid altering, removing, or obscuring character-defining features of the building. If any elements are determined to be damaged or deteriorated beyond repair, replacements will be made in kind (e.g., concrete for concrete).
- The doors along Post Street should be inspected for operability.

Long-term (5+ years)

- Inspect and replace any weatherstripping or perimeter joint caulking at the windows on a regular basis.
- Every five years, the entire facade should be inspected for new cracks and spalls. If any damage or deterioration is found, the extent and nature of the damage will be assessed. Any needed repairs must avoid altering, removing, or obscuring previously determined character-defining features of the building.
- Every five years, a licensed roofing contractor should inspect the roof. Any repairs to the roof should be performed in accordance with the roofing warranty.
- Every ten years, the entire facade should be repainted.

The estimated cost of a regular maintenance program is \$150,000 annually.

Chapter 7

SUMMARY

761 Post Street, historically known as the Hotel Maurice, is a significant building in the context of San Francisco's recovery from the 1906 earthquake and fires. Additionally, it is significant within the context of San Francisco's twentieth century development, specifically the construction of apartments and hotels to support the influx of new workers and, eventually, tourists. In support of a Mills Act application for the exterior rehabilitation of the property, this project was charged with creating a better understanding of the building. The goals of this HSR are:

- To provide a history of the hotel and its historical context, and to indicate its continued significance within the Lower Nob Hill Apartment Hotel District
- To assess the conditions of the building's exterior, including any age-based deterioration
- To develop a list of recommendations for the repair of this historic building

761 Post Street is a Historic Resource as determined by the City & County of San Francisco, and is a contributor to the Lower Nob Hill Apartment Hotel District, as designated by the National Park Service in 1991. The building is a significant contributor to the district due to its high level of integrity relative to its period of significance (1929–1940). As one of the hotels designed by Weeks and Day, 761 Post Street is a notable example of the use of reinforced concrete in apartment buildings in San Francisco.

The Mills Act contract's resultant property tax savings will enable the property owners to preserve and rehabilitate this historic structure, which would otherwise be in danger of demolition, deterioration, or abandonment.

HISTORICAL SUMMARY

Nob Hill—the area surrounding 761 Post Street—became a destination for San Francisco's wealthy at the end of the 19th century. These people were drawn to what was then the western edge of the city by clement weather and picturesque views. When the city was brought to its knees on April 18, 1906, Nob Hill was not spared. As part of the redevelopment of the area, hotels and boarding houses were constructed; several of these are nationally renowned. 761 Post Street started as a moderate-cost hotel for locals, and eventually became a destination

hotel. The decline of San Francisco during the 1970s did not leave the area untouched—the hotel changed hands during that era and underwent a period of disrepair. In the 1980s, the hotel was renovated and became popular again. Today, the hotel is under a renovation.

CONDITIONS SUMMARY

761 Post Street was constructed almost 85 years ago. During that time, it underwent a number of modifications, most of which were related to the interior. There were, however, several exterior alterations that changed the building's appearance—specifically the erection of various signs and marquees. The exterior looks mostly as it did in 1929. The cementitious coating topping the reinforced concrete is in good to fair condition, with cracks and spalls observed. The exterior coating has exceeded its useful service life. The decorative panels over the windows and doors are intact and in good condition. The historic windows, which include steel casement windows and wood double-hung units, are in good condition.

RECOMMENDATIONS SUMMARY

An exterior repair program at 761 Post Street is necessary to not only address the cracked and spalling concrete along the Post Street elevation, but also material degradation related to the age of the building. Because it is possible that some of the exterior deterioration is related to previous water penetration, a roofing replacement is recommended. Window refurbishment is also recommended for the wood and steel windows.

A number of maintenance items are also recommended for the long-term care of the building. Estimated costs are also provided for these purposes.

REFERENCES

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- National Park Service. "Rehabilitation as a Treatment." NPS Technical Preservation Services website, <http://www.nps.gov/tps/standards/four-treatments/treatment-rehabilitation.htm>, last accessed March 6, 2015.
- . "The Treatment of Historic Properties." NPS Technical Preservation Services website, <http://www.nps.gov/tps/standards.htm>, last accessed May 26, 2015
- National Register of Historic Places. Lower Nob Hill Apartment Hotel Historic District. San Francisco, CA #91000957.
- Office of Historic Preservation, Department of Parks and Recreation. California Register and National Register: A Comparison. Technical Assistance Series No. 6, [ohp.parks.ca.gov/pages/1069/files/technical assistance bulletin 6 2011 update.pdf](http://ohp.parks.ca.gov/pages/1069/files/technical_assistance_bulletin_6_2011_update.pdf), last accessed May 27, 2015.
- Sausalito News*, December 13, 1935.
- Weeks, Charles Peter. "Who is to blame for San Francisco's plight?" *Architect and Engineer*, June 1906.

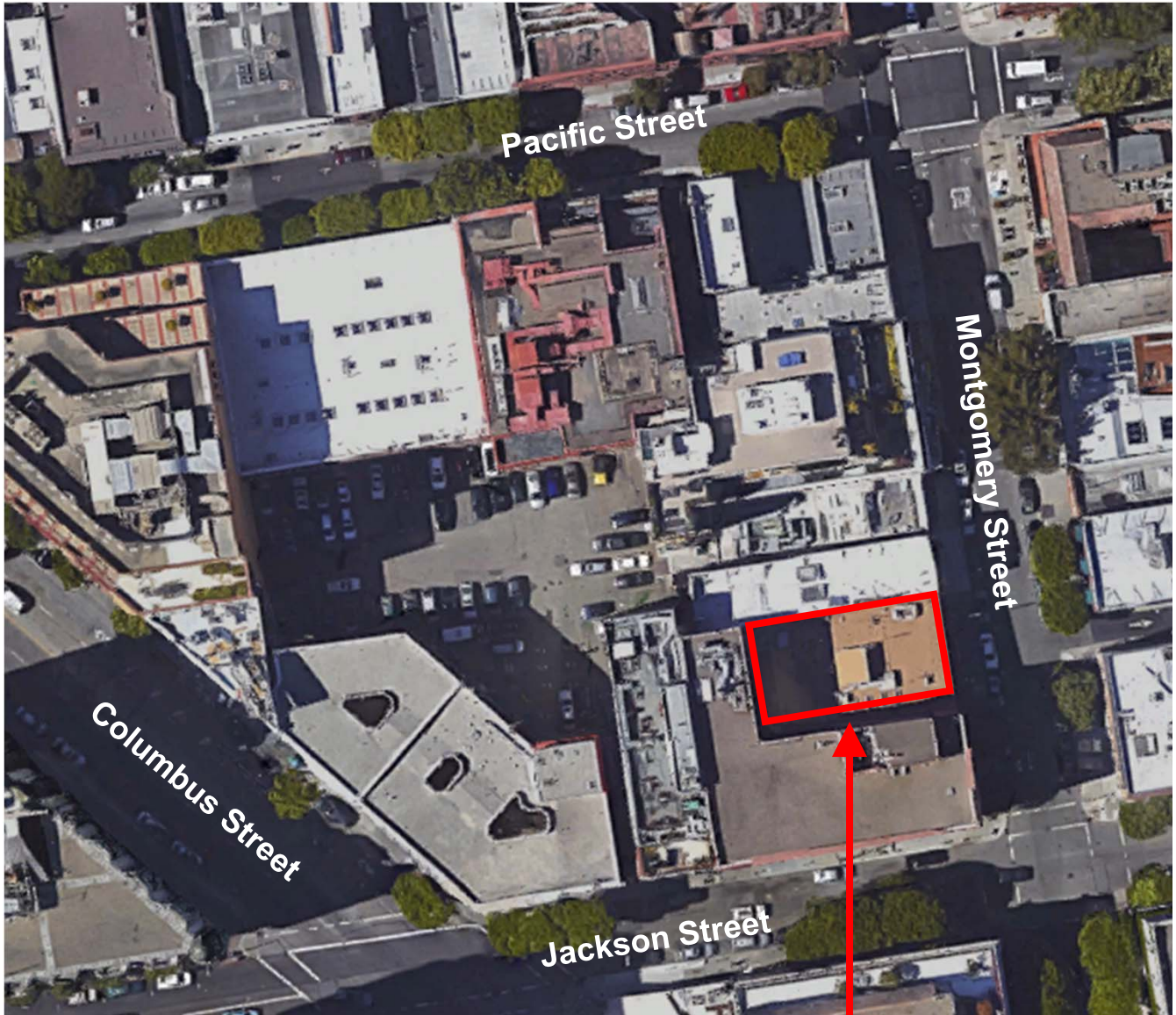
807 MONGOMERY STREET

Site Photo



Mills Act Historical Property Contract
Case Number 2015-006450MLS
807 Montgomery Street

Aerial Photo



SUBJECT PROPERTY



Mills Act Historical Property Contract
Case Number 2015-006450MLS
807 Montgomery Street

EXHIBIT A:
DRAFT MILLS ACT HISTORICAL PROPERTY
CONTRACT

Recording Requested by, and
when recorded, send notice to:
Director of Planning
1650 Mission Street
San Francisco, California 94103-2414

**CALIFORNIA MILLS ACT
HISTORIC PROPERTY AGREEMENT
761 Post Street
SAN FRANCISCO, CALIFORNIA**

THIS AGREEMENT is entered into by and between the City and County of San Francisco, a California municipal corporation (“City”) and RLJC San Francisco LP (“Owner(s)”).

RECITALS

Owners are the owners of the property located at 761 Post Street, in San Francisco, California (Block 0304, Lot 015). The building located at 761 Post Street is designated as a contributor to the Lower Nob Hill Apartment Hotel National Register Historic District and is also known as the “Maurice Hotel” (“Historic Property”).

Owners desire to execute a rehabilitation and ongoing maintenance project for the Historic Property. Owners' application calls for the rehabilitation and restoration of the Historic Property according to established preservation standards, which it estimates will cost approximately Two Million Four Hundred Twenty Three Thousand and Thirty Six Dollars (\$2,423,036)]. (See Rehabilitation Plan, Exhibit A.) Owners' application calls for the maintenance of the Historic Property according to established preservation standards, which is estimated will cost approximately Fifty Thousand Dollar (\$ 50,000s) annually (See Maintenance Plan, Exhibit B).

The State of California has adopted the “Mills Act” (California Government Code Sections 50280-50290, and California Revenue & Taxation Code, Article 1.9 [Section 439 et seq.]) authorizing local governments to enter into agreements with property Owners to reduce their property taxes, or to prevent increases in their property taxes, in return for improvement to and maintenance of historic properties. The City has adopted enabling legislation, San Francisco Administrative Code Chapter 71, authorizing it to participate in the Mills Act program.

Owners desire to enter into a Mills Act Agreement (also referred to as a "Historic Property Agreement") with the City to help mitigate its anticipated expenditures to restore and maintain the Historic Property. The City is willing to enter into such Agreement to mitigate these expenditures and to induce Owners to restore and maintain the Historic Property in excellent condition in the future.

NOW, THEREFORE, in consideration of the mutual obligations, covenants, and conditions contained herein, the parties hereto do agree as follows:

1. Application of Mills Act. The benefits, privileges, restrictions and obligations provided for in the Mills Act shall be applied to the Historic Property during the time that this Agreement is in effect commencing from the date of recordation of this Agreement.

2. Rehabilitation of the Historic Property. Owners shall undertake and complete the work set forth in Exhibit A ("Rehabilitation Plan") attached hereto according to certain standards and requirements. Such standards and requirements shall include, but not be limited to: the Secretary of the Interior's Standards for the Treatment of Historic Properties ("Secretary's Standards"); the rules and regulations of the Office of Historic Preservation of the California Department of Parks and Recreation ("OHP Rules and Regulations"); the State Historical Building Code as determined applicable by the City; all applicable building safety standards; and the requirements of the Historic Preservation Commission, the Planning Commission, and the Board of Supervisors, including but not limited to any Certificates of Appropriateness approved under Planning Code Article 10. The Owners shall proceed diligently in applying for any necessary permits for the work and shall apply for such permits not less than six (6) months after recordation of this Agreement, shall commence the work within six (6) months of receipt of necessary permits, and shall complete the work within three (3) years from the date of receipt of permits. Upon written request by the Owners, the Zoning Administrator, at his or her discretion, may grant an extension of the time periods set forth in this paragraph. Owners may apply for an extension by a letter to the Zoning Administrator, and the Zoning Administrator may grant the extension by letter without a hearing. Work shall be deemed complete when the Director of Planning determines that the Historic Property has been rehabilitated in accordance with the standards set forth in this Paragraph. Failure to timely complete the work shall result in cancellation of this Agreement as set forth in Paragraphs 13 and 14 herein.

3. Maintenance. Owners shall maintain the Historic Property during the time this Agreement is in effect in accordance with the standards for maintenance set forth in Exhibit B ("Maintenance Plan"), the Secretary's Standards; the OHP Rules and Regulations; the State Historical Building Code as determined applicable by the City; all applicable building safety standards; and the requirements of the Historic Preservation Commission, the Planning Commission, and the Board of Supervisors, including but not limited to any Certificates of Appropriateness approved under Planning Code Article 10.

4. Damage. Should the Historic Property incur damage from any cause whatsoever, which damages fifty percent (50%) or less of the Historic Property, Owners shall replace and repair the damaged area(s) of the Historic Property. For repairs that do not require a permit, Owners shall commence the repair work within thirty (30) days of incurring the damage and shall diligently prosecute the repair to completion within a reasonable period of time, as determined by the City. Where specialized services are required due to the nature of the work and the historic character of the features damaged, "commence the repair work" within the meaning of this paragraph may include contracting for repair services. For repairs that require a permit(s), Owners shall proceed diligently in applying for any necessary permits for the work and shall apply for such permits not less than sixty (60) days after the damage has been incurred, commence the repair work within one hundred twenty (120) days of receipt of the required permit(s), and shall diligently prosecute the repair to completion within a reasonable period of time, as determined by the City. Upon written request by the Owners, the Zoning Administrator, at his or her discretion, may grant an extension of the time periods set forth in this paragraph. Owners may apply for an extension by a letter to the Zoning Administrator, and the Zoning Administrator may grant the extension by letter without a hearing. All repair work shall comply with the design and standards established for the Historic Property in Exhibits A and B attached hereto and Paragraph 3 herein. In the case of damage to twenty percent (20%) or more of the Historic Property due to a catastrophic event, such as an earthquake, or in the case of damage from any cause whatsoever that destroys more than fifty percent (50%) of the Historic Property, the City and Owners may mutually agree to terminate this Agreement. Upon such termination, Owners shall not be obligated to pay the cancellation fee set forth in Paragraph 14 of this Agreement. Upon such termination, the City shall assess the full value of the Historic Property without regard to any restriction imposed upon the Historic Property by this Agreement and Owners shall pay property taxes to the City based upon the valuation of the Historic Property as of the date of termination.

5. Insurance. Owners shall secure adequate property insurance to meet Owners' repair and replacement obligations under this Agreement and shall submit evidence of such insurance to the City upon request.
6. Inspections. Owners shall permit periodic examination of the exterior and interior of the Historic Property by representatives of the Historic Preservation Commission, the City's Assessor, the Department of Building Inspection, the Planning Department, the Office of Historic Preservation of the California Department of Parks and Recreation, and the State Board of Equalization, upon seventy-two (72) hours advance notice, to monitor Owners' compliance with the terms of this Agreement. Owners shall provide all reasonable information and documentation about the Historic Property demonstrating compliance with this Agreement as requested by any of the above-referenced representatives.
7. Term. This Agreement shall be effective upon the date of its recordation and shall be in effect for a term of ten years from such date ("Initial Term"). As provided in Government Code section 50282, one year shall be added automatically to the Initial Term, on each anniversary date of this Agreement, unless notice of nonrenewal is given as set forth in Paragraph 10 herein.
8. Valuation. Pursuant to Section 439.4 of the California Revenue and Taxation Code, as amended from time to time, this Agreement must have been signed, accepted and recorded on or before the lien date (January 1) for a fiscal year (the following July 1-June 30) for the Historic Property to be valued under the taxation provisions of the Mills Act for that fiscal year.
9. Termination. In the event Owners terminates this Agreement during the Initial Term, Owners shall pay the Cancellation Fee as set forth in Paragraph 15 herein. In addition, the City Assessor shall determine the fair market value of the Historic Property without regard to any restriction imposed on the Historic Property by this Agreement and shall reassess the property taxes payable for the fair market value of the Historic Property as of the date of Termination without regard to any restrictions imposed on the Historic Property by this Agreement. Such reassessment of the property taxes for the Historic Property shall be effective and payable six (6) months from the date of Termination.
10. Notice of Nonrenewal. If in any year after the Initial Term of this Agreement has expired either the Owners or the City desires not to renew this Agreement that party shall serve written notice on the other party in advance of the annual renewal date. Unless the Owners serves written notice to the City at least ninety (90) days prior to the date of renewal or the City serves written notice to the Owners sixty (60) days prior to the date of renewal, one year shall be automatically added to the term of the Agreement. The Board of Supervisors shall make the City's determination that this Agreement shall not be renewed and shall send a notice of nonrenewal to the Owners. Upon receipt by the Owners of a notice of nonrenewal from the City, Owners may make a written protest. At any time prior to the renewal date, City may withdraw its notice of nonrenewal. If in any year after the expiration of the Initial Term of the Agreement, either party serves notice of nonrenewal of this Agreement, this Agreement shall remain in effect for the balance of the period remaining since the execution of the last renewal of the Agreement.
11. Payment of Fees. Within one month of the execution of this Agreement, City shall tender to Owners a written accounting of its reasonable costs related to the preparation and approval of the Agreement as provided for in Government Code Section 50281.1 and San Francisco Administrative Code Section 71.6. Owners shall promptly pay the requested amount within forty-five (45) days of receipt.
12. Default. An event of default under this Agreement may be any one of the following:

- (a) Owners' failure to timely complete the rehabilitation work set forth in Exhibit A in accordance with the standards set forth in Paragraph 2 herein;
- (b) Owners' failure to maintain the Historic Property in accordance with the requirements of Paragraph 3 herein;
- (c) Owners' failure to repair any damage to the Historic Property in a timely manner as provided in Paragraph 4 herein;
- (d) Owners' failure to allow any inspections as provided in Paragraph 6 herein;
- (e) Owners' termination of this Agreement during the Initial Term;
- (f) Owners' failure to pay any fees requested by the City as provided in Paragraph 11 herein;
- (g) Owners' failure to maintain adequate insurance for the replacement cost of the Historic Property; or
- (h) Owners' failure to comply with any other provision of this Agreement.

An event of default shall result in cancellation of this Agreement as set forth in Paragraphs 13 and 14 herein and payment of the cancellation fee and all property taxes due upon the Assessor's determination of the full value of the Historic Property as set forth in Paragraph 14 herein. In order to determine whether an event of default has occurred, the Board of Supervisors shall conduct a public hearing as set forth in Paragraph 13 herein prior to cancellation of this Agreement.

13. Cancellation. As provided for in Government Code Section 50284, City may initiate proceedings to cancel this Agreement if it makes a reasonable determination that Owners have breached any condition or covenant contained in this Agreement, has defaulted as provided in Paragraph 12 herein, or has allowed the Historic Property to deteriorate such that the safety and integrity of the Historic Property is threatened or it would no longer meet the standards for a Qualified Historic Property. In order to cancel this Agreement, City shall provide notice to the Owners and to the public and conduct a public hearing before the Board of Supervisors as provided for in Government Code Section 50285. The Board of Supervisors shall determine whether this Agreement should be cancelled.

14. Cancellation Fee. If the City cancels this Agreement as set forth in Paragraph 13 above, Owners shall pay a cancellation fee of twelve and one-half percent (12.5%) of the fair market value of the Historic Property at the time of cancellation. The City Assessor shall determine fair market value of the Historic Property without regard to any restriction imposed on the Historic Property by this Agreement. The cancellation fee shall be paid to the City Tax Collector at such time and in such manner as the City shall prescribe. As of the date of cancellation, the Owners shall pay property taxes to the City without regard to any restriction imposed on the Historic Property by this Agreement and based upon the Assessor's determination of the fair market value of the Historic Property as of the date of cancellation.

15. Enforcement of Agreement. In lieu of the above provision to cancel the Agreement, the City may bring an action to specifically enforce or to enjoin any breach of any condition or covenant of this Agreement. Should the City determine that the Owners has breached this Agreement, the City shall give the Owners written notice by registered or certified mail setting forth the grounds for the breach. If the Owners do not correct the breach, or if it does not undertake and diligently pursue corrective action, to the reasonable satisfaction of the City within thirty (30) days from the date of receipt of the notice, then the City may, without further notice, initiate default procedures under this Agreement as set forth in Paragraph 13 and bring any action necessary to enforce the obligations of the Owners set forth in this Agreement. The City does not waive any claim of default by the Owners if it does not enforce or cancel this Agreement.

16. Indemnification. The Owners shall indemnify, defend, and hold harmless the City and all of its boards, commissions, departments, agencies, agents and employees (individually and collectively, the “City”) from and against any and all liabilities, losses, costs, claims, judgments, settlements, damages, liens, fines, penalties and expenses incurred in connection with or arising in whole or in part from: (a) any accident, injury to or death of a person, loss of or damage to property occurring in or about the Historic Property; (b) the use or occupancy of the Historic Property by the Owners, their Agents or Invitees; (c) the condition of the Historic Property; (d) any construction or other work undertaken by Owners on the Historic Property; or (e) any claims by unit or interval Owners for property tax reductions in excess those provided for under this Agreement. This indemnification shall include, without limitation, reasonable fees for attorneys, consultants, and experts and related costs that may be incurred by the City and all indemnified parties specified in this Paragraph and the City’s cost of investigating any claim. In addition to Owners' obligation to indemnify City, Owners specifically acknowledge and agree that they have an immediate and independent obligation to defend City from any claim that actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false, or fraudulent, which obligation arises at the time such claim is tendered to Owners by City, and continues at all times thereafter. The Owners' obligations under this Paragraph shall survive termination of this Agreement.

17. Eminent Domain. In the event that a public agency acquires the Historic Property in whole or part by eminent domain or other similar action, this Agreement shall be cancelled and no cancellation fee imposed as provided by Government Code Section 50288.

18. Binding on Successors and Assigns. The covenants, benefits, restrictions, and obligations contained in this Agreement shall be deemed to run with the land and shall be binding upon and inure to the benefit of all successors and assigns in interest of the Owners.

19. Legal Fees. In the event that either the City or the Owners fail to perform any of their obligations under this Agreement or in the event a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the prevailing party may recover all costs and expenses incurred in enforcing or establishing its rights hereunder, including reasonable attorneys’ fees, in addition to court costs and any other relief ordered by a court of competent jurisdiction. Reasonable attorneys fees of the City’s Office of the City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney.

20. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

21. Recordation. Within 20 days from the date of execution of this Agreement, the City shall cause this Agreement to be recorded with the Office of the Recorder of the City and County of San Francisco.

22. Amendments. This Agreement may be amended in whole or in part only by a written recorded instrument executed by the parties hereto in the same manner as this Agreement.

23. No Implied Waiver. No failure by the City to insist on the strict performance of any obligation of the Owners under this Agreement or to exercise any right, power, or remedy arising out of a breach hereof shall constitute a waiver of such breach or of the City’s right to demand strict compliance with any terms of this Agreement.

24. Authority. If the Owners sign as a corporation or a partnership, each of the persons executing this Agreement on behalf of the Owners does hereby covenant and warrant that such

entity is a duly authorized and existing entity, that such entity has and is qualified to do business in California, that the Owner has full right and authority to enter into this Agreement, and that each and all of the persons signing on behalf of the Owners are authorized to do so.

25. Severability. If any provision of this Agreement is determined to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each other provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

26. Tropical Hardwood Ban. The City urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood or tropical hardwood product.

27. Charter Provisions. This Agreement is governed by and subject to the provisions of the Charter of the City.

28. Signatures. This Agreement may be signed and dated in parts

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as follows:

CITY AND COUNTY OF SAN FRANCISCO:

By: _____
Phil Ting
Assessor-Recorder

DATE: _____

By: _____
John Rahaim
Director of Planning

DATE: _____

APPROVED AS TO FORM:
DENNIS J. HERRERA
CITY ATTORNEY

By: _____
[NAME]
Deputy City Attorney

DATE: _____

OWNERS

By: _____
[NAME], Owner

DATE: _____

[IF MORE THAN ONE OWNER, ADD ADDITIONAL SIGNATURE LINES. ALL OWNERS MUST SIGN AGREEMENT.]

OWNER(S)' SIGNATURE(S) MUST BE NOTARIZED.
ATTACH PUBLIC NOTARY FORMS HERE.

EXHIBIT B:
DRAFT REHABILITATION AND MAINTENANCE PLAN

REHABILITATION, RESTORATION PLAN (Continuation Form)

Building Feature: Existing Steel Seismic Roof Bracing (Non-historic) – Roof and Parapet

Rehab/Restoration Maintenance Completed Proposed

Contract Year Work Completion: 2015

Total Cost (Rounded to Nearest Dollar): \$1440

Description of Work:

Inspect to ensure all ties are secure at front and rear parapets. Repair as needed. Prepare, prime and paint.

Building Feature: Roofing Membrane/Membrane Flashing/Sheet Metal Flashing – Roof and Parapet

Rehab/Restoration Maintenance Completed Proposed

Contract Year Work Completion: 2023

Total Cost (Rounded to Nearest Dollar): \$20,800

Description of Work:

Replace roof, include membrane flashing and associated sheet metal flashing. Confirm proper roof slope and drainage for new roof. Provide for additional roof drains and replace flashing at perimeter walls to protect historic material below.

Building Feature: Flashing (Sheet Metal) – Roof and Parapet-South Wall

Rehab/Restoration Maintenance Completed Proposed

Contract Year Work Completion: 2015

Total Cost (Rounded to Nearest Dollar): \$800

Description of Work:

Inspect and repair areas of failed sheet metal roof flashing as needed, including review and correction of slope, if needed, and repair of damage and separation of flashing at southeast corner. Prepare, prime, and paint repaired areas.

Building Feature: Flashing-Sheet Metal. Cap at Rear/West Air Shaft– Roof and Parapet

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2015

Total Cost (Rounded to Nearest Dollar): \$750

Description of Work:

Remove sheet metal cap to gain access to lightwell/air shaft. Clean, straighten, and repair cap or replace cap as needed. Install/reinstall cap. Consider netting or other bird proofing if needed.

Building Feature: Scupper and Drainage System at Rear/West Air Shaft– Roof and Parapet

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2015

Total Cost (Rounded to Nearest Dollar): \$6500

Description of Work:

While sheet metal cap is removed for access to lightwell/air shaft, survey and investigate condition of through-wall scupper and drainage/downspout system. Inspect and clean. Repair or replace as needed. Investigate termination of downspout and drainage, as moisture in rooms below appears to be an issue. Repair and redirect drainage as needed. Prepare, prime, and paint sheet metal.

Building Feature: Skylight Housing – Roof

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2015

Total Cost (Rounded to Nearest Dollar): \$900

Description of Work:

Inspect and repair cracked/damaged stucco. Consider painting for added protection.

Building Feature: Brick/Masonry – Lifts, Scaffolding, Street Closure, Permits

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2015-2016

Total Cost (Rounded to Nearest Dollar): \$4900

Description of Work:

Cost for providing lifts, scaffolding, street closure and street use permits.

Building Feature: Brick/Masonry Structural Engineering Evaluation– Throughout building

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2015

Total Cost (Rounded to Nearest Dollar): \$8500

Description of Work:

Consultation by a structural engineer trained in the analysis of historic masonry buildings to evaluate various conditions as noted in the specific areas of work related to brick/masonry.

Building Feature: Brick/Masonry – Rear/West Air Shaft

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2015

Total Cost (Rounded to Nearest Dollar): \$4,500

Description of Work:

While sheet metal cap is removed for access to lightwell/air shaft, survey and investigate condition of brick/masonry. Treat biological growth if encountered, and repair masonry/repoint as needed where deteriorated, unsound, or missing. If cracking is encountered, consult structural engineer for evaluation. All work to comply with the NPS Preservation Briefs #1 and #2.

Building Feature: Brick/Masonry– Montgomery Elevation: Façade, Sills, Cornice and Parapet

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2015

Total Cost (Rounded to Nearest Dollar): \$3400

Description of Work:

Consult a structural engineer to evaluate large cracks at southern window head. Repair as recommended. Repoint and reset loose bricks where occurs. Repoint where needed with compatible/appropriate mortar that matches original in color, texture, and appearance where mortar is deteriorated, loose, unsound, or missing. Treat ferrous corrosion where occurs, and prepare, prime, & paint where metal is exposed. Remove light fixtures and bird proofing at corbelled cornice to treat and remove biological growth and provide appropriate mortar parge to allow positive slope at top edge. Remove biological growth from cornice and façade by gentle cleaning such as with warm water/detergent wash and biocide application. Reinstall existing or new lighting and bird proofing if needed. All work to comply with the NPS Preservation Briefs #1, #2 and #47.

Building Feature: Brick/Masonry – Lower Portion of Rear/Courtyard Elevation

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2015

Total Cost (Rounded to Nearest Dollar): \$3,500

Description of Work:

Consult a structural engineer to evaluate cracking. Repair as recommended. Repoint and reset loose bricks where occurs. Repoint where needed with compatible/appropriate mortar that matches original in color, texture, and appearance where mortar is deteriorated, loose, unsound, or missing. Replace missing brick with compatible visually similar bricks. Treat ferrous corrosion where occurs, and prepare, prime, & paint where metal is exposed. Treat and remove biological growth from façade by gentle cleaning such as with warm water/detergent wash and biocide application. Check stability/soundness of steel anchor plates.

Building Feature: Brick/Masonry –1st and 2nd Floor South Wall (Interior face of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2015

Total Cost (Rounded to Nearest Dollar): \$4,300

Description of Work:

Consult a structural engineer for evaluation of cracking, particularly at southwest corner. Repair as needed. Repoint and reset loose bricks. Repoint where needed with compatible/appropriate mortar. Investigate opening behind inset bookshelves to insure appropriate structural reinforcing at opening (possible historic window opening). Review opening for any water infiltration or other building envelope issues.

Building Feature: Brick/Masonry – Basement Floor South Wall (Interior face of bearing wall/foundation wall)

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2015

Total Cost (Rounded to Nearest Dollar): \$2,000

Description of Work:

Consult a structural engineer for evaluation of cracking and bulging, particularly at southwest corner and southeast corner under sidewalk. Repair as needed. Repoint and reset loose bricks. Repoint where needed with compatible/appropriate mortar, especially where deeply eroded/recessed.

Building Feature: Brick/Masonry – 2nd Floor North Wall (Interior face of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2015

Total Cost (Rounded to Nearest Dollar): \$900

Description of Work:

Repoint and reset loose bricks if found. Repoint with compatible/appropriate mortar where needed.

Building Feature: Brick/Masonry – 1st Floor North Wall (Interior face of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2015

Total Cost (Rounded to Nearest Dollar): \$800

Description of Work:

Much of this wall is concealed. Review condition if/when exposed. Investigate source of moisture (thought to be downspout at lightwell/airshaft) contributing to damp badly effloresced northwest end of wall. Remove/repair/redirect source of moisture. Brush/vacuum to remove efflorescence. Repair/repoint brick as needed (especially at deeply recessed joints) once source of moisture is identified and mitigated. Monitor for reoccurrence, particularly after times of significant rainfall.

Building Feature: Brick/Masonry Moisture infiltration– Basement Floor North Wall (Interior face of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2015

Total Cost (Rounded to Nearest Dollar): \$600

Description of Work:

Investigate source of moisture (thought to be downspout at lightwell/airshaft) contributing to damp effloresced northwest end of wall and at lower register of wall. Remove/repair/redirect source of moisture. Brush/vacuum to remove efflorescence. Repair/repoint brick as needed (especially at deeply recessed joints) once source of moisture is identified and mitigated. Monitor for reoccurrence, particularly after times of significant rainfall.

Building Feature: Brick/Masonry – 2nd Floor East Wall (Interior face of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2015

Total Cost (Rounded to Nearest Dollar): Part of cost noted above.

Description of Work:

Consult structural engineer for through-wall cracking above window (as noted on exterior). Repair as needed.

Building Feature: Brick/Masonry – 1st Floor East Wall (Interior face of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2015

Total Cost (Rounded to Nearest Dollar): Part of cost noted above

Description of Work:

Evaluate for minor cracking and repair as needed.

Building Feature: Brick/Masonry – Basement Floor East Wall (Interior face of foundation wall under sidewalk)

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2015

Total Cost (Rounded to Nearest Dollar): \$1,800

Description of Work:

Consult with a structural engineer to evaluate cracking. Repair as needed. Investigate source of moisture (thought to be from sidewalk above). See repair for sidewalk on Page 11. Brush or vacuum to remove efflorescence and repair/repoint brick as needed. Treat exposed steel where corroded, and prepare, prime, and paint.

Building Feature: Brick/Masonry – 2nd Floor West Wall (Interior face of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2015

Total Cost (Rounded to Nearest Dollar): Part of cost noted above.

Description of Work:

Evaluate for minor cracking and repair as needed.

Building Feature: Brick/Masonry – 1st Floor West Wall (Interior face of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2015

Total Cost (Rounded to Nearest Dollar): Part of cost noted above.

Description of Work:

Evaluate for minor cracking and repair as needed.

Building Feature: Brick/Masonry – Basement Floor West Wall (Interior face of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2015

Total Cost (Rounded to Nearest Dollar): \$1,200

Description of Work:

Evaluate for minor cracking and repair as needed.

Building Feature: Cement Plaster/Parge – Montgomery Elevation (North and South Ends of Façade)

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2015

Total Cost (Rounded to Nearest Dollar): \$4,000

Description of Work:

Inspect and repair cement plaster/parge including cracks at parapet portion of north and south ends. Repair substrate if needed. Prepare, prime, and paint.

Building Feature: Cement Plaster – Montgomery Elevation (Infill at Masonry/Window Surrounds)

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2016 and annually thereafter.

Total Cost (Rounded to Nearest Dollar): \$500

Description of Work:

Perform visual inspect for damage and repair as needed.

Building Feature: Cement Plaster – 1st and 2nd Floors-Upper Portion of Rear /Courtyard Elevation

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2015

Total Cost (Rounded to Nearest Dollar): \$6,000

Description of Work:

Consult a structural engineer to evaluate large cracks. Repair as recommended. Survey and remove deteriorated, unsound, debonded, missing, and cracked cement plaster. Repair substrate as needed and repair and patch cement plaster to match existing adjacent. Remove biological growth at facade by appropriate cleaning using gentle means such as warm water/detergent wash and biocide application. Treat steel exposed during the process, particularly at window heads, and prepare, prime, and paint. Consider painting cement plaster with appropriate breathable (high-perm) paint.

Building Feature: Wood Windows – Montgomery Street – Visual Inspection

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2016 and annually thereafter.

Total Cost (Rounded to Nearest Dollar): \$500

Description of Work:

Inspect and repairs needed. Check sealant at perimeter of frame to cement plaster and replace if needed. Clean to allow for proper operation.

Building Feature: Wood Entry Doorway – Montgomery Street – Visual Inspection

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2016 and annually thereafter.

Total Cost (Rounded to Nearest Dollar): \$250

Description of Work:

Inspect and repair as needed. Check sealant at perimeter of frame to cement plaster and replace if needed. Clean to allow for proper operation.

Building Feature: Metal Windows – Rear/Courtyard Elevation – Visual Inspection

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2016 and annually thereafter.

Total Cost (Rounded to Nearest Dollar): \$200

Description of Work:

Inspect for defects. Check sealant at perimeter of frame to cement plaster and replace if needed. Clean to allow for proper operation.

Building Feature: Metal Storefront Doors (Non-historic) – Rear/Courtyard Elevation – Visual Inspection

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2016 and annually thereafter.

Total Cost (Rounded to Nearest Dollar): \$400

Description of Work:

Inspect for defects. Check sealant at perimeter of frame to brick and replace if needed. Clean to allow for proper operation.

Building Feature: Metal Stairs (Non-historic) – Rear/Courtyard Elevation – Visual Inspection

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2016 and annually thereafter.

Total Cost (Rounded to Nearest Dollar): \$600

Description of Work:

Perform visual inspection of stairs annually for signs of deterioration. Repair as needed. Clean regularly.

Building Feature: Structural Metal Bracing (Non-historic) – Rear/Courtyard Elevation (spanning overhead)

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2015

Total Cost (Rounded to Nearest Dollar): \$1,800

Description of Work:

Metal bracing spans the width of the courtyard between the rear wall of the building and the rear wall of the site/courtyard. Inspect and repair areas of corrosion and other defects if found. Prepare, prime, and paint.

Building Feature: Sidewalk Repair/Steel Repair – Water infiltration to Basement below East Façade under Sidewalk

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2015

Total Cost (Rounded to Nearest Dollar): \$2500

Description of Work:

Repair sidewalk cracking with epoxy or other repairs as required to prevent future moisture penetration into basement area below. Treat exposed steel where corroded, and prepare, prime, and paint to prevent any further degradation to structural steel in this area.

Building Feature: Division One General Requirements and Overhead, Contingency and Contractor Fee

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2015-2016

Total Cost (Rounded to Nearest Dollar): \$30,368

Description of Work:

Fee to cover all of Division 01 General Requirements such as General Conditions, Project Management, Supervision, General Labor, Insurance, Contingency, Overhead and Contractor Fee.

MAINTENANCE PLAN (Continuation Form)

Building Feature: Existing Steel Seismic Roof Bracing – Roof and Parapet

Rehab/Restoration Maintenance Completed Proposed

Contract Year Work Completion: 2020 and every 10 years thereafter

Total Cost (Rounded to Nearest Dollar): \$800

Description of Work:

Repair as needed. Prepare, prime, and paint steel seismic roof bracing every 10 years, or as needed.

Building Feature: Roofing Membrane/Flashing/Sheet Metal Flashing (Non-historic) – Roof and Parapet

Rehab/Restoration Maintenance Completed Proposed

Contract Year Work Completion: 2016 and annually thereafter.

Total Cost (Rounded to Nearest Dollar): \$200

Description of Work:

Inspect and repair areas of damaged/failed/detached/deteriorated roof membrane at roof surfaces and parapet annually and thereafter. Inspect and repair areas of failed/detached/deteriorated roof membrane flashing at parapet coping as needed.

Building Feature: Roofing Membrane – Roof and Parapet

Rehab/Restoration Maintenance Completed Proposed

Contract Year Work Completion: 2016 annual inspections and repair. Replacement estimated to take place in 2023 and every 20 years thereafter.

Total Cost (Rounded to Nearest Dollar): \$2000

Description of Work:

Replace roofing membrane at roof surfaces and parapet and every 20 years thereafter. Pay special attention to drainage slopes, flashing, curbs at skylights, and number of roof drains.

Building Feature: Flashing (Sheet Metal) – Roof and Parapet-South Wall

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2016 and annually thereafter.

Total Cost (Rounded to Nearest Dollar): \$200

Description of Work:

Inspect sheet metal roof flashing and repair as needed annually.

Building Feature: Flashing (Sheet Metal Cap at Rear/West Air Shaft) – Roof and Parapet

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2016 and annually thereafter.

Total Cost (Rounded to Nearest Dollar): \$200

Description of Work:

Inspect flashing cap and repair if defects are found annually.

Building Feature: Scupper and Drainage System – Rear/West Air Shaft

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2016 and annually thereafter.

Total Cost (Rounded to Nearest Dollar): \$500

Description of Work:

Inspect and clean scupper and downspout/roof drainage system annually. Repair as needed.

Building Feature: Skylights (Flashing) – Roof

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2016 and annually thereafter.

Total Cost (Rounded to Nearest Dollar): \$250

Description of Work:

Inspect and repair /maintain skylights annually and as needed.

Building Feature: Skylight Housing – Roof

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2016 and annually thereafter.

Total Cost (Rounded to Nearest Dollar): \$200

Description of Work:

Inspect and repair/maintain skylights annually and as needed.

Building Feature: Brick/Masonry – Rear/West Air Shaft – Visual Inspection

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2016 or annually as access is possible.

Total Cost (Rounded to Nearest Dollar): \$200

Description of Work:

Visually inspect brick masonry at airshaft when cap is removed or access is made possible through windows. Repair as needed.

Building Feature: Brick/Masonry– Montgomery Elevation: Façade, Sills, Cornice and Parapet

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2016 and annually thereafter

Total Cost (Rounded to Nearest Dollar): \$200

Description of Work:

Perform visual inspection of masonry with binoculars, spotting scope, or similar annually for signs of deterioration. Repair as needed.

Building Feature: Brick/Masonry – Lower Portion of Rear/Courtyard Elevation – Visual Inspection

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2016 and annually thereafter.

Total Cost (Rounded to Nearest Dollar): \$200

Description of Work:

Perform visual inspection of masonry annually for signs of deterioration. Repair as needed.

Building Feature: Brick/Masonry – 1st and 2nd Floor South Wall (Interior face of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2016 and annually thereafter.

Total Cost (Rounded to Nearest Dollar): \$3000

Description of Work:

Perform visual inspection of masonry annually for signs of deterioration, especially for cracking, efflorescence, and moisture issues. Repair as needed.

Building Feature: Brick/Masonry – Basement Floor South Wall (Interior face of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2016 and annually thereafter.

Total Cost (Rounded to Nearest Dollar): See above

Description of Work:

Perform visual inspection of masonry annually for signs of deterioration, especially for cracking, efflorescence, and moisture issues. Repair as needed.

Building Feature: Brick/Masonry – 2nd Floor North Wall (Interior face of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2016 and annually thereafter.

Total Cost (Rounded to Nearest Dollar): See above

Description of Work:

Perform visual inspection of masonry annually for signs of deterioration, especially for cracking, efflorescence, and moisture issues. Repair as needed.

Building Feature: Brick/Masonry – 1st Floor North Wall (Interior face of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2016 and annually thereafter.

Total Cost (Rounded to Nearest Dollar): See above

Description of Work:

Perform visual inspection of masonry annually for signs of deterioration, especially for cracking, efflorescence, and moisture issues. Repair as needed

Building Feature: Brick/Masonry – Basement Floor North Wall (Interior face of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2016 and annually thereafter.

Total Cost (Rounded to Nearest Dollar): See above

Description of Work:

Perform visual inspection of masonry annually for signs of deterioration, especially for cracking, efflorescence, and moisture issues. Repair as needed

Building Feature: Brick/Masonry – 2nd Floor East Wall (Interior face of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2016 and annually thereafter.

Total Cost (Rounded to Nearest Dollar): See above

Description of Work:

Perform visual inspection of masonry annually for signs of deterioration, especially for cracking, efflorescence, and moisture issues. Repair as needed.

Building Feature: Brick/Masonry – 1st Floor East Wall (Interior of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2016 and annually thereafter.

Total Cost (Rounded to Nearest Dollar): See above

Description of Work:

Perform visual inspection of masonry annually for signs of deterioration, especially for cracking, efflorescence, and moisture issues. Repair as needed.

Building Feature: Brick/Masonry – Basement Floor East Wall (Interior face of foundation all under sidewalk)

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2016 and annually thereafter.

Total Cost (Rounded to Nearest Dollar): See above.

Description of Work:

Perform visual inspection of masonry annually for signs of deterioration, especially for cracking, efflorescence, and moisture issues. Repair as needed.

Building Feature: Brick/Masonry – Basement Floor East Wall (Interior face of foundation wall under sidewalk)

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2025 and every 10 years thereafter.

Total Cost (Rounded to Nearest Dollar): See above.

Description of Work:

Prepare, prime, and paint exposed metal every 10 years, or as needed

Building Feature: Brick/Masonry – 2nd Floor West Wall (Interior face of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2016 and annually thereafter.

Total Cost (Rounded to Nearest Dollar): See above

Description of Work:

Perform visual inspection of masonry annually for signs of deterioration, especially for cracking, efflorescence, and moisture issues. Repair as needed.

Building Feature: Brick/Masonry – 1st Floor West Wall (Interior face of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2016 and annually thereafter.

Total Cost (Rounded to Nearest Dollar): See above

Description of Work:

Perform visual inspection of masonry annually for signs of deterioration, especially for cracking, efflorescence, and moisture issues. Repair as needed.

Building Feature: Brick/Masonry – Basement Floor West Wall (Interior of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2016 and annually thereafter.

Total Cost (Rounded to Nearest Dollar): See above.

Description of Work:

Perform visual inspection of masonry annually for signs of deterioration, especially for cracking, efflorescence, and moisture issues. Repair as needed.

Building Feature: Cement Plaster/Parge – Montgomery Elevation (North and South Ends of Façade)

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2016 and annually thereafter.

Total Cost (Rounded to Nearest Dollar): \$200

Description of Work:

Perform visual inspection of cement plaster with binoculars, spotting scope, or similar annually of signs of deterioration. Repair as needed.

Building Feature: Cement Plaster/Parge – Montgomery Elevation (North and South Ends of Façade)

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2025 and every 10 years thereafter.

Total Cost (Rounded to Nearest Dollar): \$200

Description of Work:

Install new sealant, and prepare, prime, and paint cement plaster every 10 years.

Building Feature: Cement Plaster – Montgomery Elevation (Infill at Masonry/Window Surrounds)
– Visual Inspection

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2025 and every 10 years thereafter.

Total Cost (Rounded to Nearest Dollar): \$300

Description of Work:

Install new sealant, and prepare, prime, and paint cement plaster every 10 years.

Building Feature: Cement Plaster – 1st and 2nd Upper Portion of Rear /Courtyard Elevation

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2016 and annually thereafter.

Total Cost (Rounded to Nearest Dollar): \$300

Description of Work:

Perform visual inspection of cement plaster with binoculars, spotting scope, or similar annually of signs of deterioration. Repair as needed.

Building Feature: Cement Plaster – Upper Portion of Rear /Courtyard Elevation

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2025 and every 10 years thereafter (if cement plaster is chose to be painted).

Total Cost (Rounded to Nearest Dollar): \$300

Description of Work:

Install new sealant, and prepare, prime, and paint cement plaster every 10 years if cement plaster is chosen to be painted.

Building Feature: Structural Metal Bracing (Non-historic) – Rear/Courtyard Elevation (spanning overhead) – Visual Inspection

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2016 and annually thereafter.

Total Cost (Rounded to Nearest Dollar): \$800

Description of Work:

Inspect the metal bracing that spans the width of the courtyard between the rear wall of the building and the rear wall of the site/courtyard annually. Repair as needed.

Building Feature: Structural Metal Bracing – Rear/Courtyard Elevation (spanning overhead) – Visual Inspection

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2025 and every 10 years thereafter.

Total Cost (Rounded to Nearest Dollar): \$800

Description of Work:

Install new sealant, and prepare, prime, and paint metal bracing every 10 years.

Building Feature: Wood Windows (Non-historic) – Montgomery Street – Visual Inspection

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2016 and every 10 years thereafter.

Total Cost (Rounded to Nearest Dollar): \$100

Description of Work:

Install new sealant, and prepare, prime, and wood windows every 10 years.

Building Feature: Wood Entry Doorway (Non-historic) – Montgomery Street – Visual Inspection

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2016 and every 10 years thereafter.

Total Cost (Rounded to Nearest Dollar): \$100

Description of Work:

Install new sealant, and prepare, prime, and paint wood doorway every 10 years.

Building Feature: Metal Windows – Rear/Courtyard Elevation – Visual Inspection

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2016 and annually thereafter.

Total Cost (Rounded to Nearest Dollar): \$100

Description of Work:

Inspect for defects. Check sealant at perimeter of frame to cement plaster and replace if needed. Clean to allow for proper operation.

Building Feature: Metal Storefront Doors (Non-historic) – Rear/Courtyard Elevation – Visual Inspection

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2016 and annually thereafter.

Total Cost (Rounded to Nearest Dollar): \$100

Description of Work:

Inspect for defects. Check sealant at perimeter of frame to brick and replace if needed. Clean to allow for proper operation.

Building Feature: Metal Stairs – Rear/Courtyard Elevation – Visual Inspection

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2025 and every 10 years thereafter.

Total Cost (Rounded to Nearest Dollar): \$100

Description of Work:

Install new sealant, and prepare, prime, and paint metal stairs every 10 years.

Building Feature: Sidewalk Repair– Water infiltration to Basement below East Façade under Sidewalk

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2016 and annually thereafter.

Total Cost (Rounded to Nearest Dollar): \$300

Description of Work:

Perform visual inspection of sidewalk annually for signs of deterioration, especially for cracking and moisture infiltration to rooms below, including efflorescence on brick; steel corrosion and deterioration. Repair sidewalk as needed.

Building Feature: Structural Steel – Basement at below East Façade under Sidewalk

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2025 and every 10 years thereafter.

Total Cost (Rounded to Nearest Dollar): \$800

Description of Work:

Perform visual inspection of structural steel beams below sidewalk annually for signs of deterioration, especially for moisture infiltration creating steel corrosion and deterioration. Prepare, prime, and paint exposed metal every 10 years, or as needed.

Building Feature: Division 01 General Requirements

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year Work Completion: 2016 and every year thereafter depending on maintenance schedule.

Total Cost (Rounded to Nearest Dollar): \$13,219

Description of Work:

General Contractor's Division 01 General Requirements to include General Conditions, Project Management, Supervision, General Labor and Insurance. In addition, the number includes Contingency, Overhead and Contractor Fee.

**EXHIBIT C:
DRAFT MILLS ACT VALUATION PROVIDED BY THE
ASSESSOR-RECORDER'S OFFICE**



**807 Montgomery Street
APN 02-0176-006**

MILLS ACT VALUATION



APN: 02-0176-006 SF Landmark: N/A
 Property Location: 807 Montgomery Street Date of Mills Act Application: 4/30/2015
 Applicant's Name: 807 Montgomery LLC Property Type: Office
 Agt./Tax Rep./Atty: None Date of Sale: 12/12/2014
 Applicant supplied appraisal? No Sale Price: \$5,231,000

DATE OF MILLS ACT VALUATION: July 1, 2015

TAXABLE VALUE - THREE WAY VALUE COMPARISON					
FACTORED BASE YEAR VALUE		RESTRICTED MILLS ACT VALUE		CURRENT MARKET VALUE	
Land	\$ 3,138,600	Land	\$ 2,340,000	Land	\$ 2,520,000
Imps	\$ 2,092,400	Imps	\$ 1,560,000	Imps	\$ 1,680,000
Total	\$ 5,231,000	Total	\$3,900,000	Total	\$4,200,000

PROPERTY CHARACTERISTICS

Present Use: Office Neighborhood: Pacific Heights Number of Stories: 2 (+ basement)
 Number of Units: 1 Year Built: 1909 Land Area: 3,877 sq.ft.
 Owner Occupied: Yes Building Area: 10,221 sq.ft. Zoning: C2

CONTENTS

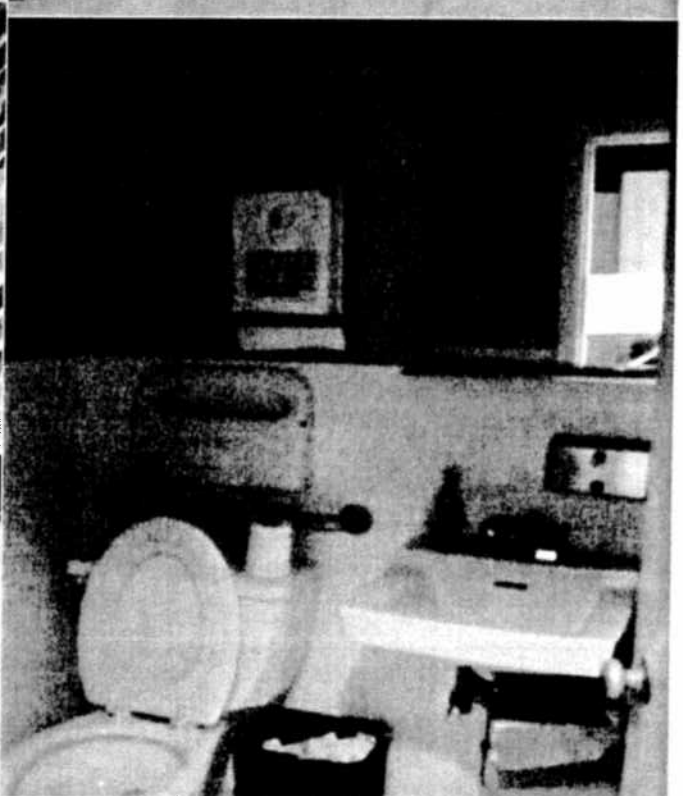
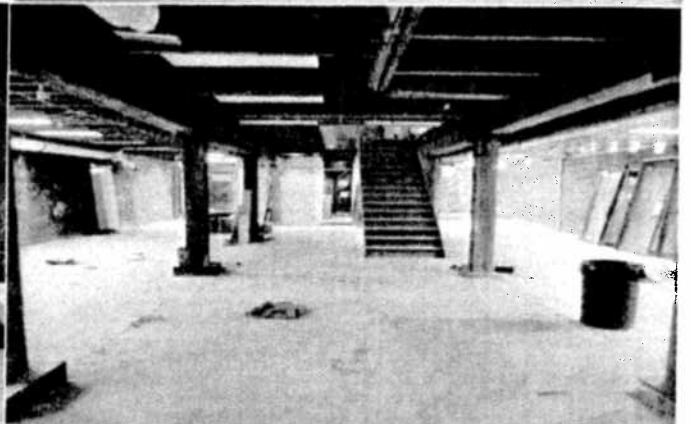
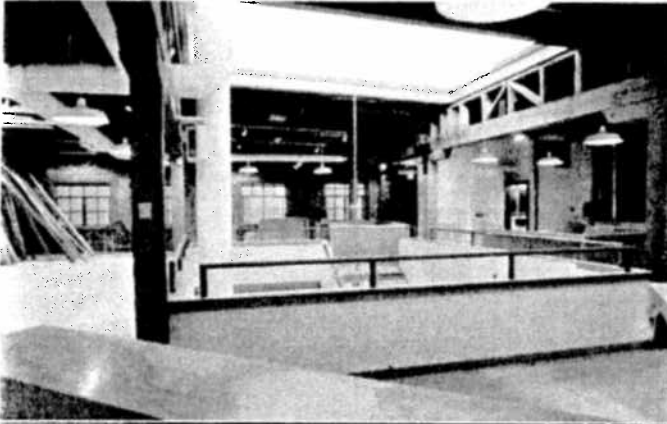
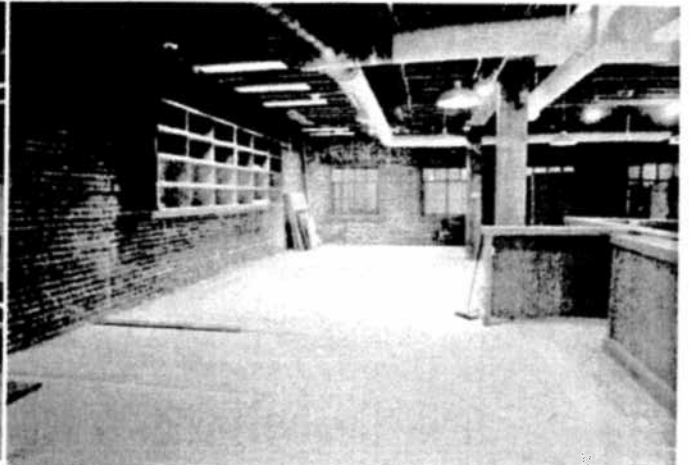
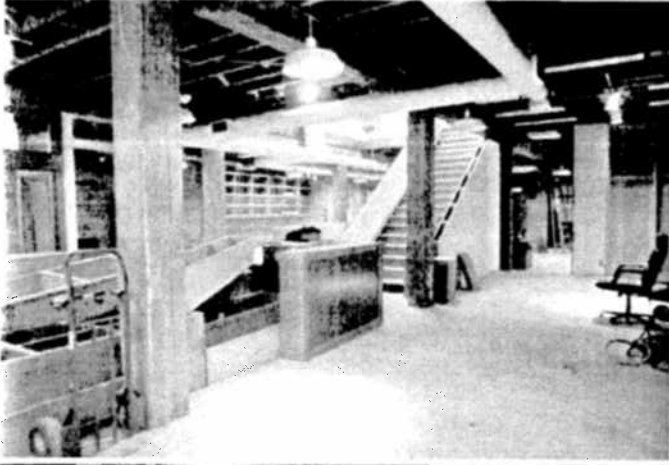
Cover Sheet	Page 2
Subject Interior Photos	Page 3
Restricted Income Valuation	Page 4
Comparable Rents	Page 5
Sales Comparison Valuation	Page 6
Map of Comparable Sales	Page 7

CONCLUSION AND RECOMMENDATIONS

Based on the three-way value comparison, the lowest of the three values is the Restricted Income Approach.
 The taxable Mills Act value on: July 1, 2015 is \$3,900,000

Appraiser: Harvey Huey Date: 08/28/15
 Principal Appraiser: Robert Spencer

Photos- 807 Montgomery St.



RESTRICTED INCOME APPROACH

**APN 0176-006
807 Montgomery Street
Restricted Mills Act Value
Lien Date July 1, 2015**

Non-Owner Occupied















Potential Gross Income	Lower	3,407 sq.ft.	x	\$38.00	psf	\$129,466
	Firs. 1&2	6,814	x	\$50.00	psf	<u>\$340,700</u>
Total PGI		10,221				\$470,166
Less Vacancy & Collection Loss					5%	<u>(\$23,508)</u>
Effective Gross Income						\$446,658
Less Anticipated Operating Expenses		\$11.50		psf		<u>(\$117,542)</u>
Net Operating Income						\$329,116
Restricted Capitalization Rate						
<u>Rate Components:</u>						
2015 interest rate per State Board of Equalization						4.2500%
Risk rate (4% owner occupied / 2% all other property types)						2.0000%
2014 property tax rate *						1.1743%
Amortization rate for improvements only						1.0000%
Remaining economic life (in years)				40	0.0250	
Improvements constitute % of total property value				40%		<u>8.4243%</u>
RESTRICTED VALUE						\$3,906,748
ROUNDED TO						\$3,900,000

* The 2015 property tax rate will be determined in September 2015

2nd Flr

Jackson Square Rents 9/2014

149 office spaces for rent (110 occupied)

		POSTED	RENT	SIZE	USES
	655 Montgomery St San Francisco, CA	Sep 08	\$43.00	776 - 17,150	Sublease
	333 Bush St San Francisco, CA	Sep 03		4,185 - 17,856	Sublease
	100 Bush St San Francisco, CA	Jul 18		319 - 5,710	Sublease
	100 Pine St San Francisco, CA	Sep 08	\$39.00	1,220 - 13,693	Sublease
	535 Green St San Francisco, CA	Jul 21		3,650	Sublease
	601 Montgomery St San Francisco, CA	Aug 22	\$48.00	2,890 - 13,303	Sublease
	201 California St San Francisco, CA	Jul 02		2,584 - 14,974	Sublease
	750 Battery St San Francisco, CA	Jun 15		3,366 - 9,125	Sublease
	235 Montgomery St San Francisco, CA	Aug 14	\$52.00	2,373 - 5,851	Sublease
	101 California St San Francisco, CA	Aug 27		2,400 - 26,118	Sublease
	1 Embarcadero Center San Francisco, CA	Sep 08		28,178	Sublease
	388 Market St San Francisco, CA	Jul 10	\$58.00	1,343	Sublease
	855 Montgomery St San Francisco, CA	Mar 25		3,400	Sublease
	255 California St San Francisco, CA	Jul 10	\$48.00	3,712 - 13,049	Sublease
	114 Sansome St San Francisco, CA	May 20	\$65.00	3,203 - 15,705	Sublease

MARKET ANALYSIS

ADDRESS	SALE PRICE \$ PER SQ.FT.	MARKET CONDITIONS	LOCATION	LOT SIZE	YEAR BUILT	SQUARE FEET	CONDITION	OVERALL ADJUSTMENT	ADJUSTED SALE PRICE
S 807 Montgomery APN 02-0176-006	12/12/14 \$5,231,000	Good	Jackson Square	3,877	1909	10,221	Good		
1 18 Bartol Street APN 02-0164-016	4/29/2015 \$1,840,000	Good	Jackson Square	2,300 \$157,700	1924	2,280 \$2,382,300	Inferior \$138,000	\$2,678,000	\$4,518,000
2 520 Montgomery APN 02-228-015	1/8/2015 \$2,450,000	inferior \$122,500	Jackson Square	1,770 \$210,700	1920	5,789 \$1,329,600	Good	\$1,662,800	\$4,112,800

RANGE OF VALUE \$4,112,800 to \$4,518,000

ESTIMATED MARKET VALUE \$4,300,000

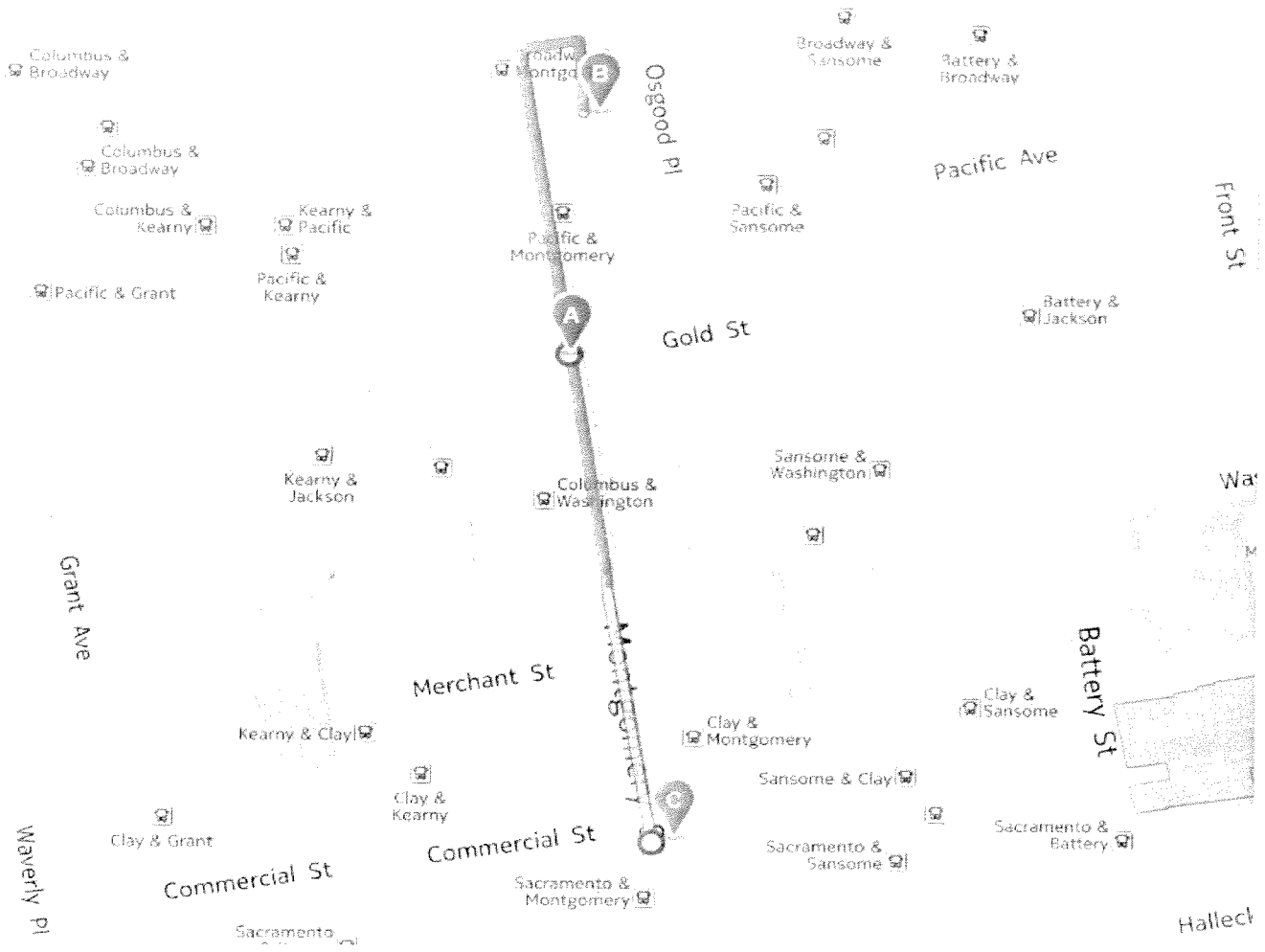
ADJUSTMENTS:

Market Conditions	1%
Location	None
Lot Size	\$100
Year Built	None
Square Feet	\$300
Condition	5%

REMARKS:

	per month
	psf
	psf
	good/inferior

Map of Comparable Sales



- A: Subject (807 Montgomery)**
- B: 18 Bartol Street**
- C: 520 Montgomery**

EXHIBIT D: MILLS ACT APPLICATION

APPLICATION FOR Mills Act Historical Property Contract

Applications must be submitted in both hard copy and digital copy form to the Planning Department at 1650 Mission St., Suite 400 by May 1st in order to comply with the timelines established in the Application Guide. Please submit only the Application and required documents.

1. Owner/Applicant Information (If more than three owners, attach additional sheets as necessary.)

PROPERTY OWNER 1 NAME: 807 Montgomery LLC	TELEPHONE: (310 - 454-6593
PROPERTY OWNER 1 ADDRESS: 17351 W Sunset Blvd. #1A, Pacific Palisades, CA 90272	EMAIL: michael@9mileinvestments.com
PROPERTY OWNER 2 NAME:	TELEPHONE: ()
PROPERTY OWNER 2 ADDRESS:	EMAIL:
PROPERTY OWNER 3 NAME:	TELEPHONE: ()
PROPERTY OWNER 3 ADDRESS:	EMAIL:

2. Subject Property Information

PROPERTY ADDRESS: 807 Montgomery Street	ZIP CODE: 94133
PROPERTY PURCHASE DATE: December 11, 2014	ASSESSOR BLOCK/LOT(S): 0176/006
MOST RECENT ASSESSED VALUE: \$4,082,282	ZONING DISTRICT: C-2

Are taxes on all property owned within the City and County of San Francisco paid to date? YES NO

Is the entire property owner-occupied? YES NO
If No, please provide an approximate square footage for owner-occupied areas vs. rental income (non-owner-occupied areas) on a separate sheet of paper.

Do you own other property in the City and County of San Francisco? YES NO
If Yes, please list the addresses for all other property owned within the City of San Francisco on a separate sheet of paper.

Are there any outstanding enforcement cases on the property from the San Francisco Planning Department or the Department of Building Inspection? YES NO
If Yes, all outstanding enforcement cases must be abated and closed for eligibility for the Mills Act.

I/we am/are the present owner(s) of the property described above and hereby apply for an historical property contract. By signing below, I affirm that all information provided in this application is true and correct. I further swear and affirm that false information will be subject to penalty and revocation of the Mills Act Contract.

Owner Signature:  Date: 4-30-15

Owner Signature: _____ Date: _____

Owner Signature: _____ Date: _____

MILLS ACT HISTORICAL PROPERTY CONTRACT

Application Checklist:

Applicant should complete this checklist and submit along with the application to ensure that all necessary materials have been provided. Saying "No" to any of the following questions may nullify the timelines established in this application.

1	Mills Act Application Has each property owner signed? Has each signature been notarized?	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
2	High Property Value Exemption Form & Historic Structure Report Required for Residential properties with an assessed value over \$3,000,000 and Commercial/Industrial properties with an assessed value over \$5,000,000. Have you included a copy of the Historic Structures Report completed by a qualified consultant? <u>Application includes HSR.</u>	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/> N/A <input type="checkbox"/>
3	Draft Mills Act Historical Property Contract Are you using the Planning Department's standard "Historical Property Contract?" Have all owners signed and dated the contract? Have all signatures been notarized?	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
4	Notary Acknowledgement Form Is the Acknowledgement Form complete? Do the signatures match the names and capacities of signers?	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
5	Draft Rehabilitation/Restoration/Maintenance Plan Have you identified and completed the Rehabilitation, Restoration, and Maintenance Plan organized by contract year, including all supporting documentation related to the scopes of work? <u>In progress - getting additional pricing.</u>	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
6	Photographic Documentation Have you provided both interior and exterior images (either digital, printed, or on a CD)? Are the images properly labeled?	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
7	Site Plan Does your site plan show all buildings on the property including lot boundary lines, street name(s), north arrow and dimensions?	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
8	Tax Bill Did you include a copy of your most recent tax bill?	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
9	Rental Income Information Did you include information regarding any rental income on the property, including anticipated annual expenses, such as utilities, garage, insurance, building maintenance, etc.?	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
10	Payment Did you include a check payable to the San Francisco Planning Department? Current application fees can be found on the Planning Department Fee Schedule under Preservation Applications.	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
11	Recordation Requirements Not at this time. A Board of Supervisors approved and fully executed Mills Act Historical Property contract must be recorded with the Assessor-Recorder. The contract must be <u>accompanied</u> by the following in order to meet recording requirements: - All approvals, signatures, recordation attachments - Fee: Check payable to the Office of the Assessor-Recorder" in the appropriate recording fee amount Please visit www.sfassessor.org for an up-to-date fee schedule for property contracts. - Preliminary Change of Ownership Report (PCOR). Please visit www.sfassessor.org for an up-to-date PCOR (see example on page 20).	YES <input type="checkbox"/>	NO <input type="checkbox"/>

3. Property Value Eligibility:

Choose one of the following options:

The property is a Residential Building valued at less than \$3,000,000.	YES <input type="checkbox"/>	NO <input type="checkbox"/>
The property is a Commercial/Industrial Building valued at less than \$5,000,000.	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

*If the property value exceeds these options, please complete the following: Application of Exemption.

**** Please see the attached Exhibits A and B for Exemption Statement & the Historic Structures Report.**

Application for Exemption from Property Tax Valuation

If answered "no" to either question above please explain on a separate sheet of paper, how the property meets the following two criteria and why it should be exempt from the property tax valuations.

1. The site, building, or object, or structure is a particularly significant resource and represents an exceptional example of an architectural style, the work of a master, or is associated with the lives of significant persons or events important to local or natural history; or
2. Granting the exemption will assist in the preservation of a site, building, or object, or structure that would otherwise be in danger of demolition, substantial alteration, or disrepair. (A Historic Structures Report, completed by a qualified historic preservation consultant, must be submitted in order to meet this requirement.)

4. Property Tax Bill

All property owners are required to attach a copy of their recent property tax bill.

PROPERTY OWNER NAMES: 807 Montgomery LLC
MOST RECENT ASSESSED PROPERTY VALUE: \$4,082,282
PROPERTY ADDRESS: 807 Montgomery Street, San Francisco, CA 94133

5. Other Information

All property owners are required to attach a copy of all other information as outlined in the checklist on page 7 of this application.

By signing below, I/we acknowledge that I/we am/are the owner(s) of the structure referenced above and by applying for exemption from the limitations certify, under the penalty of perjury, that the information attached and provided is accurate.

Owner Signature:  Date: 4-30-15

Owner Signature: _____ Date: _____

Owner Signature: _____ Date: _____

4. PROPERTY TAX BILL

Due 4/10

1961201
Secured
2014-2015
ZH
CA29

Total Direct Charges and Special Assessments	\$338.20	
Total Due		\$48,276.42

Payment Summary

Choose how much of your property tax you wish to pay now by clicking one of the radio buttons in the left hand column below. The second installment cannot be paid before the first installment is paid. Late penalties and fees are applied to payments made after their respective delinquency dates. The "Amount Due" indicated below already reflects applicable late penalties and fees, if any.

	Amount Due	Paid Date
<input type="radio"/> Pay First Installment	\$0.00	12/09/14
<input checked="" type="radio"/> Pay Second Installment	\$24,138.21	
<input type="radio"/> Pay Full Amount	\$24,138.21	

Please choose a payment method to pay your tax bill:

- Credit Card or Debit Card
- E-Check

Click the 'Continue' button to finish paying your tax. A convenience fee will be applied to each payment.



Frequently Asked Questions

Online Payment Support

For support on making payments via the web please e-mail support@link2gov.com

Office of the Treasurer & Tax Collector • City Hall, Room 140, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 • [Contact Us](#)

[Visit San Francisco's 311 online](#)

5. OTHER INFORMATION

PLEASE SEE "EXHIBIT C" FOR REHABILITATION / RESTORATION &
MAINTENANCE PLAN

6. CALIFORNIA MILLS ACT HISTORICAL PROPERTY AGREEMENT

6. Draft Mills Act Historical Property Agreement

Please complete the following Draft Mills Act Historical Property Agreement and submit with your application. A final Mills Act Historical Property Agreement will be issued by the City Attorney once the Board of Supervisors approves the contract. The contract is not in effect until it is fully executed and recorded with the Office of the Assessor-Recorder.

Any modifications made to this standard City contract by the applicant or if an independently-prepared contract is used, it shall be subject to approval by the City Attorney prior to consideration by the Historic Preservation Commission and the Board of Supervisors. This will result in additional application processing time and the timeline provided in the application will be nullified.

7. NOTARY ACKNOWLEDGEMENT FORM

7. Notary Acknowledgment Form

The notarized signature of the majority representative owner or owners, as established by deed or contract, of the subject property or properties is required for the filing of this application. (Additional sheets may be attached.)

State of California

County of: Los Angeles

On: 04/30/15 before me, Carina Perry / Notary Public
DATE INSERT NAME OF THE OFFICER

NOTARY PUBLIC personally appeared: JACOB MATHEWS
NAME(S) OF SIGNER(S)

who proved to me on the basis of satisfactory evidence to be the person(s) who name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

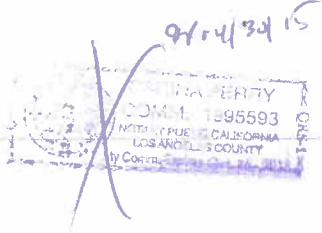
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Carina Perry
SIGNATURE

9/4/30/15

(PLACE NOTARY SEAL ABOVE)



C.

EXHIBITS

5. Rehabilitation/Restoration & Maintenance Plan

A 10 Year Rehabilitation/Restoration Plan has been submitted detailing work to be performed on the subject property	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
A 10 Year Maintenance Plan has been submitted detailing work to be performed on the subject property	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Proposed work will meet the <i>Secretary of the Interior's Standards for the Treatment of Historic Properties</i> and/or the California Historic Building Code.	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Property owner will ensure that a portion of the Mills Act tax savings will be used to finance the preservation, rehabilitation, and maintenance of the property	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>

Use this form to outline your rehabilitation/restoration plan. Copy this page as necessary to include all items that apply to your property. Begin by listing recently completed rehabilitation work (if applicable) and continue with work you propose to complete within the next ten years, followed by your proposed maintenance work. Arranging all scopes of work in order of priority.

Please note that *all applicable Codes and Guidelines apply to all work*, including the Planning Code and Building Code. If components of the proposed Plan require approvals by the Historic Preservation Commission, Planning Commission, Zoning Administrator, or any other government body, these **approvals must be secured prior to applying for a Mills Act Historical Property Contract**. This plan will be included along with any other supporting documents as part of the Mills Act Historical Property contract.

# _____ (Provide a scope number)	BUILDING FEATURE:
Rehab/Restoration <input type="checkbox"/>	Maintenance <input type="checkbox"/> Completed <input type="checkbox"/> Proposed <input type="checkbox"/>
CONTRACT YEAR FOR WORK COMPLETION:	
TOTAL COST (rounded to nearest dollar):	
DESCRIPTION OF WORK:	
See additional pages.	

EXHIBIT D: PHOTOGRAPHIC DOCUMENTATION

EXTERIOR | MONTGOMERY STREET (EAST) FAÇADE



Montgomery Street Facade



Montgomery Street Cornice Detail



Montgomery Street Entrance

EXTERIOR | REAR (WEST) FAÇADE



Rear Courtyard

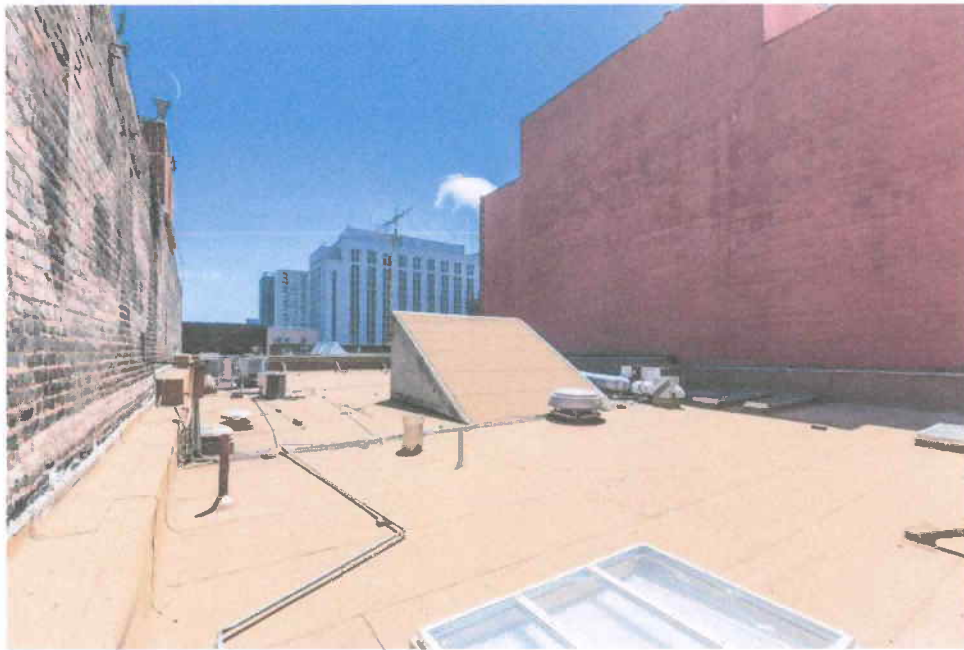


Rear Courtyard with bracing



Rear Courtyard

EXTERIOR | ROOF



Roof Overall, looking east



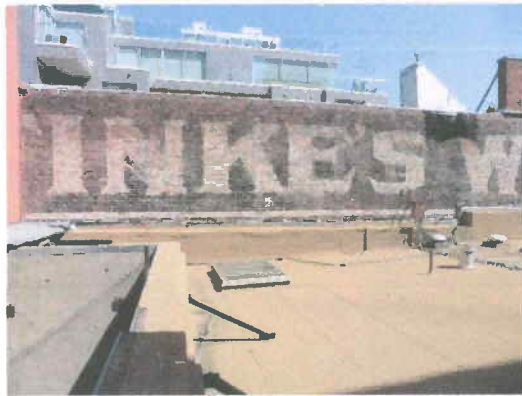
Roof Overall, looking west



Roof overall, looking east



Roof with parapet braces



Roof, looking north



Central skylight



Roof, looking southwest



Roof and rear courtyard parapet

INTERIOR | BASEMENT



West Basement



Basement with courtyard entrance

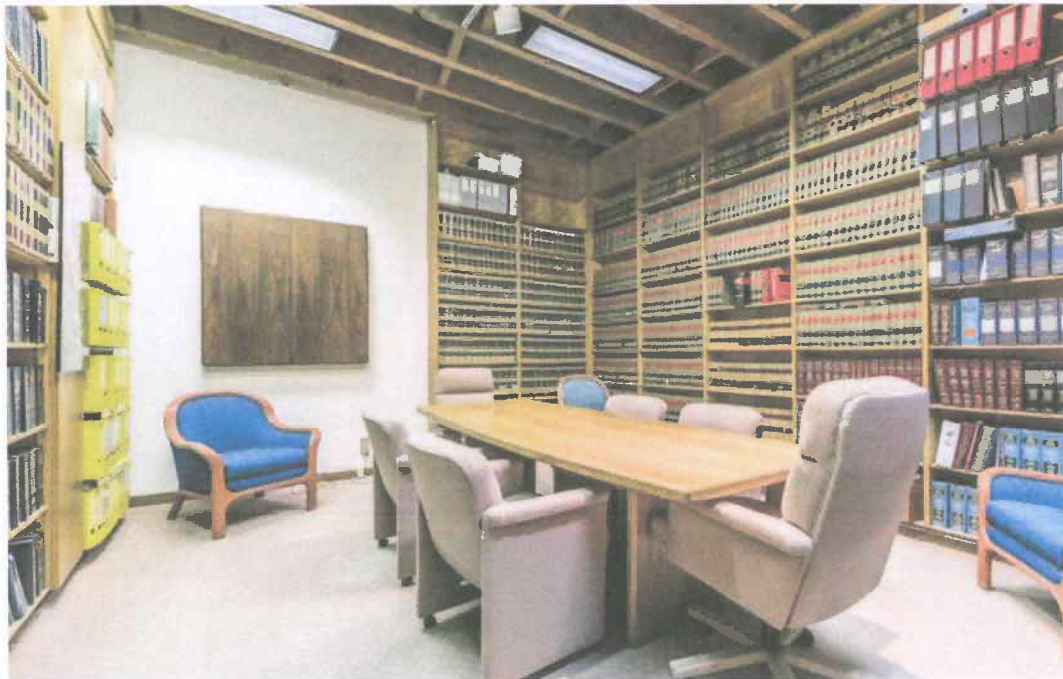


Basement with drop ceiling

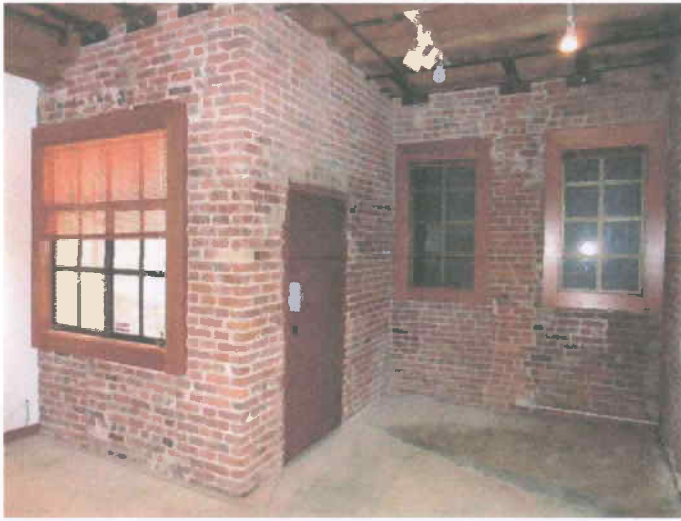
INTERIOR | 1ST FLOOR



1st Floor Overall



Individual Room Overall



Rear windows and courtyard entrance



Rear windows



Interior of Montgomery Street entrance

INTERIOR | 2ND FLOOR



Interior of Montgomery Street 2nd Floor windows



Interior of 2nd Floor Montgomery Street windows

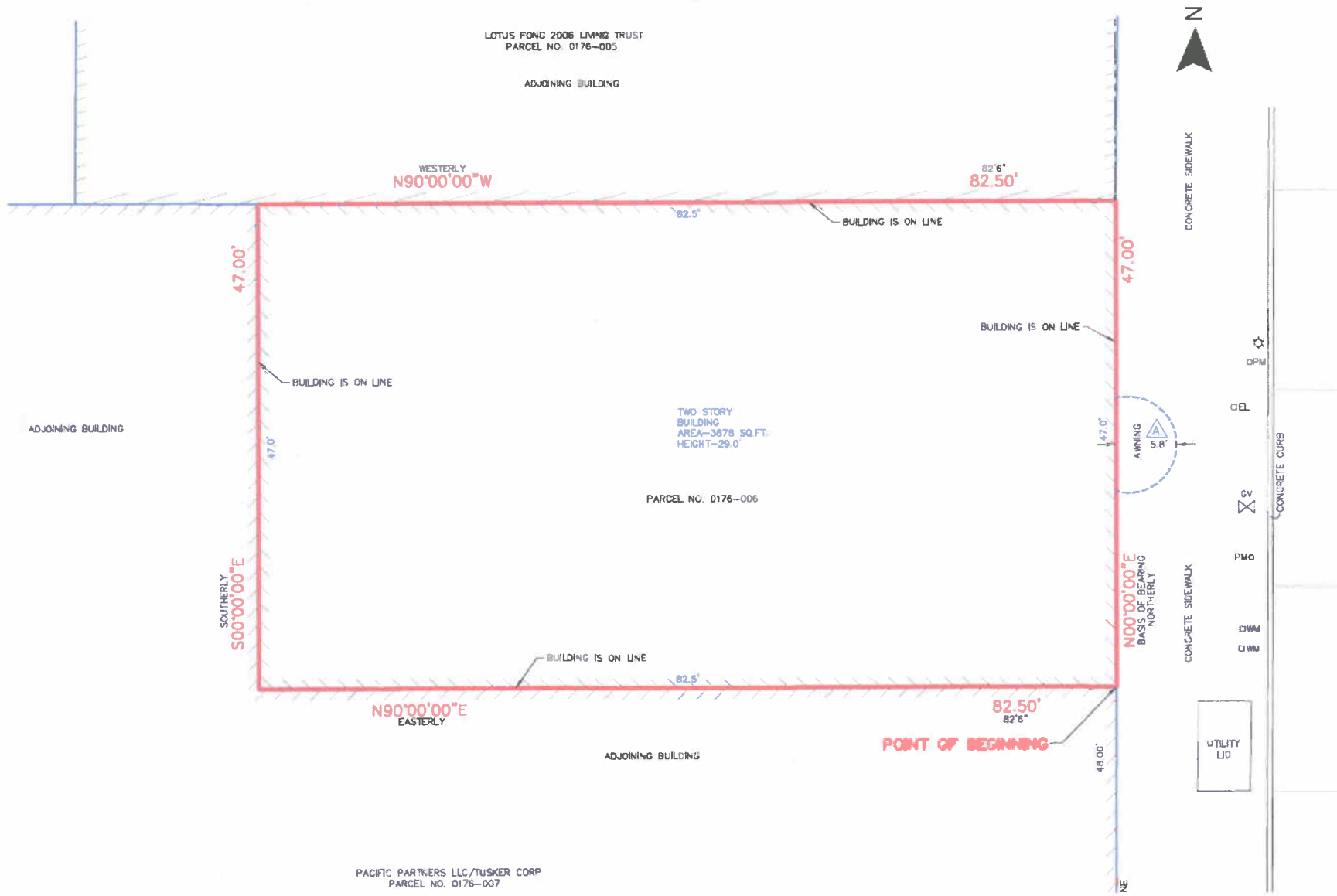


Overall of 2nd Floor interior space, looking east



Interior of 2nd Floor interior space, looking west

EXHIBIT E: SITE PLAN



PACIFIC PARTNERS LLC/TUSKER CORP
 PARCEL NO. 0176-007

MONTGOMERY STREET
 PUBLIC RIGHT OF WAY WIDTH VARIES
 37' ASPHALT ROADWAY

EXHIBIT F: TAX BILL

City & County of San Francisco
Treasurer & Tax Collector

Office of the Treasurer & Tax Collector

Receipt Page

Thank you for your Payment!

47

Please note that it may take up to 5 business days to receive and process your payment. Successful transactions will be considered paid as of the date of this transaction. Unsuccessful transactions due to insufficient funds or user error must be successfully paid prior to the payment deadline together with any accompanying administrative fees in order to avoid late penalties.

Property Location:	807 MONTGOMERY ST
Payment Amount:	\$5,388.38
Convenience Fee:	\$0.00
Receipt Number:	3635842892
Date and Time:	02/26/2015 01:34:39 PM
Total Payment Amount:	\$5,388.38
Block # / Lot #:	0176 / 006
Tax Bill #:	144749
Payment Type:	ECheck
Account Number:	XXXX-X6836

To make a contribution to support vital City programs such as the arts, neighborhood beautification, disaster recovery, programs for the homeless, preservation of city services or recreation and parks services and facilities, please visit www.Give2SF.org.

PLEASE PRINT THIS RECEIPT AND KEEP IT FOR YOUR RECORDS

FINISH

For questions about property tax, email the Office of the Treasurer & Tax Collector treasurer_taxcollector@sf.gov or dial 311 (within San Francisco only) or 415-701-2311.

Online Payment Support

For support on making payments via the web please e-mail SUPPORT@link2gov.com

Office of the Treasurer & Tax Collector City Hall, Room 140, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 www.link2gov.com

47

City & County of San Leandro
Treasurer & Tax Collector

Office of the Treasurer & Tax Collector

Property

Vol. #	Block #	Lot #	Tax Bill #	Tax Rate	Property Location
			142749	1.134%	AIRBOKT CONSERVAT

Assessment Information

Assessment	Full Value	Tax Rate	Amount
LAND	\$698,456	1.134%	\$792,775.94
Improvements	\$519,231		\$0.00
Personal Property			\$0.00
Personal Property			\$0.00
Gross Taxable Value	\$1,217,687		\$792,775.94
LESS: Exemptions			\$0.00
Other			\$0.00
Net Taxable Value	\$1,217,687		\$792,775.94

Payment Summary

Please review amount of your escape tax bill. You will receive an email notification and a letter with buttons in the top right corner of the bill. The second installment is due 60 days after the date of the first installment. A 2% late penalty will be assessed starting 30 days after the first installment is due. The amount due is calculated based on the amount due on the first installment and the 2% late penalty.

	Amount Due	Paid Date
<input type="radio"/> Pay First Installment	\$1,639.48	
<input type="radio"/> Pay Second Installment	\$3,278.96	
<input type="radio"/> Pay Full Amount	\$4,918.44	

Please choose a payment method to pay your tax bill:

- Credit Card or Debit Card
- Check

Click the 'Continue' button to finish paying your tax. A convenience fee will be applied to each payment.

Frequently Asked Questions

Online Payment Support

For support in making payments use the help center at www.sanleandro.gov

Office of the Treasurer & Tax Collector | 1400 San Leandro Blvd., Suite 100 | San Leandro, CA 94588 | www.sanleandro.gov

EXHIBIT G: RENTAL INCOME INFORMATION

807 MONTGOMERY, LLC

RENT ROLL
As of March 31, 2015

Updated: March 31, 2015

Tenant	Space	Unit #	Start Date	End Date	Rate	Notes
Sandra Ribera	L01, S2, L02, L03, L07		10-6-13	4-16-15	\$ 43,000.00	Prepaid Rent 12-12-14 to 4-16-15

Former Tenants						
Benjamin Madison Wealth Advisors	L08, L09 in basement		10-01-13	09-30-20	\$ 2,450.00	vacated 2-27-15, early termination fee of \$3K paid 3-11-15
Emmanuel Enyinwa	1st Floor, Right front		4-16-95	1/15/15	\$ 1,500.00	Prepaid Rent to 12-12-14 to 1-1-15
Frank Morelli	2nd Floor, Center office west		10-2-98	1/15/15	\$ 1,020.00	
Thomas J Kaster	2nd Floor, South side	203	11-18-13	1/15/15	\$ 1,500.00	
Brian Graziani	2nd Floor, Southwest corner		11-18-13	1/15/15	\$ 1,500.00	
James Choulos	1st Floor, southwest corner	199	2-06-06	1/15/15	\$ 1,250.00	
Kelly Armstrong	3 offices on 2nd floor	205	11-7-05	1/15/15	\$ 4,325.00	
Sami Khadder	1st Floor, #252	252	10-21-13	1/15/15	\$ 1,000.00	
Robert Harden	L06 in basement		8-01-10	1/15/15	\$ 1,000.00	
Michael J. Staskus	1st Floor, center west side		12-01-07	1/15/15	\$ 1,000.00	
Hugo Torbet	Mailbox+Conference Room		1-01-06	1/15/15	\$ 250.00	

EXHIBIT H: PAYMENT

6071

9 MILE INVESTMENTS, LLC

17351 WEST SUNSET BLVD #1A
PACIFIC PALISADES, CA 90272

DATE 4/30/15

16-1606-1220

PAY TO THE ORDER OF SAN FRANCISCO PLANNING DEPARTMENT

\$ 5252.00

FIFTY-TWO THOUSAND FIFTY-TWO AND 00/100

DOLLARS

**CITY NATIONAL
BANK**



FOR MILLS ACT APPLICATION FOR 807 MONTGOMERY

⑈006071⑈ ⑆122016066⑆ 123⑈649990⑈

EXHIBIT I: RECORDATION REQUIREMENTS

PRELIMINARY CHANGE OF OWNERSHIP REPORT

To be completed by the transferee (buyer) prior to a transfer of subject property, in accordance with section 480.3 of the Revenue and Taxation Code. A Preliminary Change of Ownership Report must be filed with each conveyance in the County Recorder's office for the county where the property is located.



Carmen Chu, Assessor-Recorder
 Office of the Assessor-Recorder
 City and County of San Francisco
 1 Dr. Carlton B. Goodlett Place, Room 19C
 San Francisco, CA 94102
 www.sfassessor.org (415) 554-5596

FOR ASSESSOR'S USE ONLY

[L] ASSESSOR'S PARCEL NUMBER _____ SELLER/TRANSFEROR _____ BUYER'S DAYTIME TELEPHONE NUMBER () _____ BUYER'S EMAIL ADDRESS _____
--------------------	--

STREET ADDRESS OR PHYSICAL LOCATION OF REAL PROPERTY _____

MAIL PROPERTY TAX INFORMATION TO (NAME) _____

ADDRESS _____	CITY _____	STATE _____	ZIP CODE _____
<input type="checkbox"/> YES <input type="checkbox"/> NO This property is intended as my principal residence. If YES, please indicate the date of occupancy or intended occupancy.			MO DAY YEAR

PART 1. TRANSFER INFORMATION *Please complete all statements.*

This section contains possible exclusions from reassessment for certain types of transfers.

- YES NO
- A. This transfer is solely between spouses (*addition or removal of a spouse, death of a spouse, divorce settlement, etc.*).
 - B. This transfer is solely between domestic partners currently registered with the California Secretary of State (*addition or removal of a partner, death of a partner, termination settlement, etc.*).
 - *C. This is a transfer: between parent(s) and child(ren) from grandparent(s) to grandchild(ren).
 - *D. This transfer is the result of a cotenant's death. Date of death _____
 - *E. This transaction is to replace a principal residence by a person 55 years of age or older. Within the same county? YES NO
 - *F. This transaction is to replace a principal residence by a person who is severely disabled as defined by Revenue and Taxation Code section 69.5. Within the same county? YES NO
 - G. This transaction is only a correction of the name(s) of the person(s) holding title to the property (*e.g., a name change upon marriage*). If YES, please explain: _____
 - H. The recorded document creates, terminates, or reconveys a lender's interest in the property.
 - I. This transaction is recorded only as a requirement for financing purposes or to create, terminate, or reconvey a security interest (*e.g., cosigner*). If YES, please explain: _____
 - J. The recorded document substitutes a trustee of a trust, mortgage, or other similar document.
 - K. This is a transfer of property:
 - 1. to/from a revocable trust that may be revoked by the transferor and is for the benefit of the transferor, and/or the transferor's spouse registered domestic partner.
 - 2. to/from a trust that may be revoked by the creator/grantor/trustor who is also a joint tenant, and which names the other joint tenant(s) as beneficiaries when the creator/grantor/trustor dies.
 - 3. to/from an irrevocable trust for the benefit of the creator/grantor/trustor and/or grantor's/trustor's spouse grantor's/trustor's registered domestic partner.
 - L. This property is subject to a lease with a remaining lease term of 35 years or more including written options.
 - M. This is a transfer between parties in which proportional interests of the transferor(s) and transferee(s) in each and every parcel being transferred remain exactly the same after the transfer.
 - N. This is a transfer subject to subsidized low-income housing requirements with governmentally imposed restrictions.
 - *O. This transfer is to the first purchaser of a new building containing an active solar energy system.

* Please refer to the instructions for Part 1.

Please provide any other information that will help the Assessor understand the nature of the transfer.

PART 2. OTHER TRANSFER INFORMATION

Check and complete as applicable.

- A. Date of transfer, if other than recording date: _____
- B. Type of transfer:
- Purchase Foreclosure Gift Trade or exchange Merger, stock, or partnership acquisition (Form BOE-100-B)
 - Contract of sale. Date of contract: _____ Inheritance. Date of death: _____
 - Sale/leaseback Creation of a lease Assignment of a lease Termination of a lease. Date lease began: _____
 - Original term in years (including written options): _____ Remaining term in years (including written options): _____
 - Other. Please explain: _____
- C. Only a partial interest in the property was transferred. YES NO If YES, indicate the percentage transferred: _____ %

PART 3. PURCHASE PRICE AND TERMS OF SALE

Check and complete as applicable.

- A. Total purchase price \$
- B. Cash down payment or value of trade or exchange excluding closing costs Amount \$ _____
- C. First deed of trust @ _____% interest for _____ years. Monthly payment \$ _____ Amount \$ _____
- FHA (___Discount Points) Cal-Vet VA (___Discount Points) Fixed rate Variable rate
 - Bank/Savings & Loan/Credit Union Loan carried by seller
 - Balloon payment \$ _____ Due date: _____
- D. Second deed of trust @ _____% interest for _____ years. Monthly payment \$ _____ Amount \$ _____
- Fixed rate Variable rate Bank/Savings & Loan/Credit Union Loan carried by seller
 - Balloon payment \$ _____ Due date: _____
- E. Was an Improvement Bond or other public financing assumed by the buyer? YES NO Outstanding balance \$ _____
- F. Amount, if any, of real estate commission fees paid by the buyer which are not included in the purchase price \$ _____
- G. The property was purchased: Through real estate broker. Broker name: _____ Phone number: (____) _____
- Direct from seller From a family member-Relationship _____
 - Other. Please explain: _____
- H. Please explain any special terms, seller concessions, broker/agent fees waived, financing, and any other information (e.g., buyer assumed the existing loan balance) that would assist the Assessor in the valuation of your property.

PART 4. PROPERTY INFORMATION

Check and complete as applicable.

- A. Type of property transferred
- Single-family residence Co-op/Own-your-own Manufactured home
 - Multiple-family residence. Number of units: _____ Condominium Unimproved lot
 - Other. Description: (i.e., timber, mineral, water rights, etc.) Timeshare Commercial/Industrial
- B. YES NO Personal/business property, or incentives, provided by seller to buyer are included in the purchase price. Examples of personal property are furniture, farm equipment, machinery, etc. Examples of incentives are club memberships, etc. Attach list if available.
- If YES, enter the value of the personal/business property: \$ _____ Incentives \$ _____
- C. YES NO A manufactured home is included in the purchase price.
- If YES, enter the value attributed to the manufactured home: \$ _____
- YES NO The manufactured home is subject to local property tax. If NO, enter decal number: _____
- D. YES NO The property produces rental or other income.
- If YES, the income is from: Lease/rent Contract Mineral rights Other: _____
- E. The condition of the property at the time of sale was: Good Average Fair Poor
- Please describe: _____

CERTIFICATION

I certify (or declare) that the foregoing and all information hereon, including any accompanying statements or documents, is true and correct to the best of my knowledge and belief.

SIGNATURE OF BUYER/TRANSFeree OR CORPORATE OFFICER	DATE	TELEPHONE (____) _____
NAME OF BUYER/TRANSFeree/LEGAL REPRESENTATIVE/CORPORATE OFFICER (PLEASE PRINT)	TITLE	EMAIL ADDRESS

The Assessor's office may contact you for additional information regarding this transaction.

ADDITIONAL INFORMATION

Please answer all questions in each section, and sign and complete the certification before filing. This form may be used in all 58 California counties. If a document evidencing a change in ownership is presented to the Recorder for recordation without the concurrent filing of a *Preliminary Change of Ownership Report*, the Recorder may charge an additional recording fee of twenty dollars (\$20).

NOTICE: The property which you acquired may be subject to a supplemental assessment in an amount to be determined by the County Assessor. Supplemental assessments are not paid by the title or escrow company at close of escrow, and are not included in lender impound accounts. **You may be responsible for the current or upcoming property taxes even if you do not receive the tax bill.**

NAME AND MAILING ADDRESS OF BUYER: Please make necessary corrections to the printed name and mailing address. Enter Assessor's Parcel Number, name of seller, buyer's daytime telephone number, buyer's email address, and street address or physical location of the real property.

NOTE: Your telephone number and/or email address is very important. If there is a question or a problem, the Assessor needs to be able to contact you.

MAIL PROPERTY TAX INFORMATION TO: Enter the name, address, city, state, and zip code where property tax information should be mailed. This must be a valid mailing address.

PRINCIPAL RESIDENCE: To help you determine your principal residence, consider (1) where you are registered to vote, (2) the home address on your automobile registration, and (3) where you normally return after work. If after considering these criteria you are still uncertain, choose the place at which you have spent the major portion of your time this year. Check YES if the property is intended as your principal residence, and indicate the date of occupancy or intended occupancy.

PART 1: TRANSFER INFORMATION

If you check YES to any of these statements, the Assessor may ask for supporting documentation.

C,D,E, F: If you checked YES to any of these statements, you may qualify for a property tax reassessment exclusion, which may allow you to maintain your property's previous tax base. **A claim form must be filed and all requirements met in order to obtain any of these exclusions.** Contact the Assessor for claim forms. **NOTE:** If you give someone money or property during your life, you may be subject to federal gift tax. You make a gift if you give property (including money), the use of property, or the right to receive income from property without expecting to receive something of at least equal value in return. The transferor (donor) may be required to file Form 709, Federal Gift Tax Return, with the Internal Revenue Service if they make gifts in excess of the annual exclusion amount.

G: Check YES if the reason for recording is to correct a name already on title [e.g., Mary Jones, who acquired title as Mary J. Smith, is granting to Mary Jones]. This is not for use when a name is being removed from title.

H: Check YES if the change involves a lender, who holds title for security purposes on a loan, and who has no other beneficial interest in the property.

"Beneficial interest" is the right to enjoy all the benefits of property ownership. Those benefits include the right to use, sell, mortgage, or lease the property to another. A beneficial interest can be held by the beneficiary of a trust, while legal control of the trust is held by the trustee.

I: A **"cosigner"** is a third party to a mortgage/loan who provides a guarantee that a loan will be repaid. The cosigner signs an agreement with the lender stating that if the borrower fails to repay the loan, the cosigner will assume legal liability for it.

M: This is primarily for use when the transfer is into, out of, or between legal entities such as partnerships, corporations, or limited liability companies. Check YES only if the interest held in each and every parcel being transferred remains exactly the same.

N: Check YES only if property is subject to subsidized low-income housing requirements with governmentally imposed restrictions; property may qualify for a restricted valuation method (i.e., may result in lower taxes).

O: If you checked YES, you may qualify for a new construction property tax exclusion. **A claim form must be filed and all requirements met in order to obtain the exclusion. Contact the Assessor for a claim form.**

PART 2: OTHER TRANSFER INFORMATION

A: The date of recording is rebuttably presumed to be the date of transfer. If you believe the date of transfer was a different date (e.g., the transfer was by an unrecorded contract, or a lease identifies a specific start date), put the date you believe is the correct transfer date. If it is not the date of recording, the Assessor may ask you for supporting documentation.

B: Check the box that corresponds to the type of transfer. If OTHER is checked, please provide a detailed description. Attach a separate sheet if necessary.

PART 3: PURCHASE PRICE AND TERMS OF SALE

It is important to complete this section completely and accurately. The reported purchase price and terms of sale are important factors in determining the assessed value of the property, which is used to calculate your property tax bill. Your failure to provide any required or requested information may result in an inaccurate assessment of the property and in an overpayment or underpayment of taxes.

- A.** Enter the total purchase price, not including closing costs or mortgage insurance.
“Mortgage insurance” is insurance protecting a lender against loss from a mortgagor’s default, issued by the FHA or a private mortgage insurer.
- B.** Enter the amount of the down payment, whether paid in cash or by an exchange. If through an exchange, exclude the closing costs.
“Closing costs” are fees and expenses, over and above the price of the property, incurred by the buyer and/or seller, which include title searches, lawyer’s fees, survey charges, and document recording fees.
- C.** Enter the amount of the First Deed of Trust, if any. Check all the applicable boxes, and complete the information requested.
 A **“balloon payment”** is the final installment of a loan to be paid in an amount that is disproportionately larger than the regular installment.
- D.** Enter the amount of the Second Deed of Trust, if any. Check all the applicable boxes, and complete the information requested.
- E.** If there was an assumption of an improvement bond or other public financing with a remaining balance, enter the outstanding balance, and mark the applicable box.
 An **“improvement bond or other public financing”** is a lien against real property due to property-specific improvement financing, such as green or solar construction financing, assessment district bonds, Mello-Roos (a form of financing that can be used by cities, counties and special districts to finance major improvements and services within the particular district) or general improvement bonds, etc. Amounts for repayment of contractual assessments are included with the annual property tax bill.
- F.** Enter the amount of any real estate commission fees paid by the buyer which are not included in the purchase price.
- G.** If the property was purchased through a real estate broker, check that box and enter the broker’s name and phone number. If the property was purchased directly from the seller (who is not a family member of one of the parties purchasing the property), check the “Direct from seller” box. If the property was purchased directly from a member of your family, or a family member of one of the parties who is purchasing the property, check the “From a family member” box and indicate the relationship of the family member (e.g., father, aunt, cousin, etc.). If the property was purchased by some other means (e.g., over the Internet, at auction, etc.), check the “OTHER” box and provide a detailed description (attach a separate sheet if necessary).
- H.** Describe any special terms (e.g., seller retains an unrecorded life estate in a portion of the property, etc.), seller concessions (e.g., seller agrees to replace roof, seller agrees to certain interior finish work, etc.), broker/agent fees waived (e.g., fees waived by the broker/agent for either the buyer or seller), financing, buyer paid commissions, and any other information that will assist the Assessor in determining the value of the property.

PART 4: PROPERTY INFORMATION

- A.** Indicate the property type or property right transferred. Property rights may include water, timber, mineral rights, etc.
- B.** Check YES if personal, business property or incentives are included in the purchase price in Part 3. Examples of personal or business property are furniture, farm equipment, machinery, etc. Examples of incentives are club memberships (golf, health, etc.), ski lift tickets, homeowners’ dues, etc. Attach a list of items and their purchase price allocation. An adjustment will not be made if a detailed list is not provided.
- C.** Check YES if a manufactured home or homes are included in the purchase price. Indicate the purchase price directly attributable to each of the manufactured homes. If the manufactured home is registered through the Department of Motor Vehicles in lieu of being subject to property taxes, check NO and enter the decal number.
- D.** Check YES if the property was purchased or acquired with the intent to rent or lease it out to generate income, and indicate the source of that anticipated income. Check NO if the property will not generate income, or was purchased with the intent of being owner-occupied.
- E.** Provide your opinion of the condition of the property at the time of purchase. If the property is in “fair” or “poor” condition, include a brief description of repair needed.

EXHIBIT C.1: REHABILITATION / RESTORATION & MAINTENANCE PLAN:
CONTRACTOR COST ESTIMATES (Rev. May 31, 2015)

Rehabilitation/Restoration

License No: 799624

Date: May 28, 2015

Client: 807 Montgomery LLC
Michael Baker

Contractor: R3 Builders, Inc.
503 Stone Road
Benicia, CA 94510
(707) 748-2255 (707) 748-2250 Fax

Project Address: 807 Montgomery Street
San Francisco CA 94133



Builders

Contractor proposes to furnish all **labor, material and services** as listed below for the above mentioned Project.

Cost Code	Description	Scope:	Division Amount	Amount
			\$ 15,694.00	
Division 01 General Requirements				
1005.000	General Conditions			\$ 3,469.00
1040.000	Project Management			\$ 900.00
1041.000	Supervision			\$ 5,625.00
1042.000	General Labor			\$ 5,200.00
1044.000	Insurance			\$ 500.00
Division 04 - Masonry			\$ 4,900.00	
4220.000	Masonry	Lifts, Scaffolding, Street Closure, Permits		\$ 4,900.00
Division 07 - Thermal and Moisture Protection			\$ 20,000.00	
7530.000	Roofing	Replacement Cost to be done in the Year 2023		\$ 20,000.00
Division 09 - Finishes			\$ -	\$ -
9950.000	Painting			
Division 10 - Specialties			\$ 27,850.00	
10400.000	Flashing: Membrane Flashing	Inspect and repair areas of failed/detached roof membrane flashing at parapet coping as needed.		\$ 800.00
10436.000	Flashing: Sheet Metal	Review slope and correct if necessary. Repair/replace damaged flashing at SE corner. Prepare, prime, & paint. Routinely inspect.		\$ 800.00
10500.000	Flashing: Airshaft Cap @ West End	Remove, clean, and straighten cap. Use opportunity to investigate condition of downspout and determine where outflow occurs. The NW rooms in first floor and basement show significant water intrusion/moisture presence, which correlates with location of single roofing drainage source. Check masonry at west-facing elevation of airshaft for condition and repair needs. Reinstall or replace flashing at parapet coping. Prepare, prime, & paint.		\$ 750.00
10660.000	Skylight Housing	Check stucco for loose pieces. Patch/replace/repair as needed. Paint for added protection.		\$ 900.00
10700.000	Elevation (North and South Ends)	Inspect and repair. Prepare, prime, & paint. Inspect periodically.		\$ 4,000.00
10800.000	Cement Plaster - Montgomery Elevation (Infill at Masonry/Window Surrounds)	Inspect for damage and prepare, prime and paint		\$ 500.00
10900.000	Cement Plaster (1st & 2nd Floors)	Survey and remove deteriorated, unsound, debonded, missing, and cracked cement plaster. Repair and patch to match existing adjacent. Remove biological growth at facade by appropriate cleaning and biocide application using gentle means such as warm water wash or water misting with cleaner.		\$ 6,000.00
11100.000	Wood Window Montgomery St.	Inspect and repair deteriorated / split wood if found. Replace sealant, prepare, prime and paint all wood. Check for proper operation.		\$ 500.00
11120.000	Wood Entry Doorway Montgomery St.	Inspect and repair deteriorated / split wood if found. Replace sealant, prepare, prime and paint all wood. Check for proper operation.		\$ 250.00
11300.000	Metal Windows - Rear/Courtyard	Inspect for defects. Replace sealant as needed.		\$ 200.00
11340.000	Metal Storefront Doors - Rear/Courtyard	Inspect for defects. Replace sealant as needed.		\$ 400.00
11360.000	Metal Stairs - Rear/Courtyard	Repair areas of corrosion if found.		\$ 600.00
11380.000	Existing Steel Seismic Roof Bracing	Metal bracing spans the width between the rear facade of the building and rear wall at the first floor level. Inspection still need to verify stability and condition. At a minimum, inspect and prepare, prime, & paint.		\$ 1,800.00
11390.000	Existing Steel Seismic Roof Bracing	Repair and Paint as needed		\$ 800.00
11425.000	Sidewalk At Entry Repair	Repair sidewalk cracking with epoxy as needed		\$ 2,500.00
12610.000	Air Shaft	Replace the through-wall scupper and drainage/downspout system. Repair sheet metal cap		\$ 6,550.00
TOTAL			\$ 68,444.00	
19000	Contingency			\$ 5,000.00
19004	Overhead			\$ 3,422.20
19005	Contractor Fee			\$ 6,844.40
TOTAL			\$	83,710.60

Submitted By: Sean Brennan

Terms: Net 30DY

Approved By:

Dated



L.C. Masonry Services

License #466342

Since 1984

3214 Santa Barbara Way.

Antioch, CA 94509

(925) 437-4829

May 22, 2015

**Sean Brennan,
Project Manager
R3 Builders, Inc.
503 Stone Road
Benicia, CA. 94510
Office: (707) 748-2255
Cell: (415) 948-3580**

Sent via email: (sbrennan@r3builders.com)

**Reference: 807 Montgomery Street – SFO
Subject: Masonry Preservation Repairs Proposal**

Dear Mr. Brennan,

I appreciate your invitation to bid and provide an outline regarding the above titled project and after completing two (2) visits and interview with the project owner, I have prepared our reported findings and cost proposal to complete the work defined and associated with the Mills Act Historical Property Contract.

My report is based wholly upon the visual inspection conducted during both site visits, the first being: April 29, 2015 and the second being: May 19, 2015.

The first said inspection concluded with findings relating to the attached report provided in your original email dated April 29, 2015 with attachments, "April 28, 2015 Mills Act HSR & Maintenance Plan Report – Draft". Much of the condition of the exposed interior brick masonry work concluded with the need to remedy some of the failing joints – indicative of masonry structures of this era defined with lime mortar content used in construction of this early period. The historical report

indicates that this building was constructed in 1909 and appears to have been renovated in the 1960's and again in the late 1970's. In masonry structures such as this, it is commonplace to find cracks and masonry spalling as a result of age and ground movement. The common practice of brick construction in this time period where no means of steel reinforcement and concrete grouting methods were available (early technology) was to construct multiple vertical brick walls in tandem using opposing coursing masonry as means to tie the walls together.

The use of lime and hydrated lime mortar was commonplace also during this period as the lime base was thought to add additional structural integrity to cement and sand. This method also provided longevity to the setting time and extended use of the mortar prior to setting up or hardening too quickly. Unfortunate the extended use of lime during this period has proven over the years that it is susceptible to failure and decay at the surface level due to the lessened strength value. Today's mortar has been modified and balanced to prevent such decay and failure under the ASTM (American Society for Testing Materials) certification process.

The second site visit simply provided additional view of previously covered wall areas exposing more of the brick masonry wall areas. This inspection has not really revealed any added scope areas that require further investigation or cause for concern.

The report dated April 28, 2015 lists one critical through crack area at the upper level south/east corner above the exterior cornice and window elevations. This location as discussed should be reviewed or inspected by a structural engineer. I have attempted to make contact with two engineers with whom I'm familiar, that may be able to assist in reviewing this location for their opinion. I am awaiting return phone calls at the present time.

During our second walk through conducted on May 19, 2015 the Owner pointed out two(2) additional crack areas of concern located at the mezzanine and lower levels nearer the rear that should be addressed. In my considered opinion, the existing lower basement level area doesn't appear to have movement activity and can at the Owner's discretion simply be addressed as a maintenance issue for cleanup and dressing, no further remedy should be required. The mezzanine level rear right elevation along the "pop out" area as noted in the accompanying description notes should be viewed as the transcending crack appears to transfer through the wall from the interior to the exterior as revealed by the cracking activity shown at the stucco finish. It is my opinion that this is nothing more than a movement crack attributed to settling that possibly occurred at a prior window area that was infilled at some point.

Building's exterior masonry surface is in need of attention, more for maintenance and physical esthetics, other than the noted crack upper level. Additional addressing of the accompanying report suggests that the upper level cornice be parged with a masonry coating at an angled fashion to prevent continued decay or degradation.

Pressure washing or power washing and cleaning of the interior elevations are not recommended as the activity can cause additional damage to the decade surfaces of the brick. Sealants or restorative coating products may provide additional protection, however the use of such chemical treatments must be limited and thoroughly examined prior to use, and a test area should be sampled prior to completing such a task. Generally this is not a recommended action for buildings in this condition.

Scope of Work:

1. *Provide labor, material and equipment to address the crack location south/east upper level elevation interior. Means and methods shall be considered upon inspection of a qualified engineer.*
2. *Provide labor, material and equipment to address the crack location at the mezzanine level with point up mortar and tooling. Additional remedy may be required by injecting an epoxy base material to provided adhesion and covering the epoxy material with a mortar grout finish.*
3. *Provide labor, material and equipment to “tuck point” existing masonry joints that are severely recessed throughout the entire structure, but limited in scope as not to detract the ambiance of the building’s interior motif.*
4. *Provide labor, material and equipment, including high reach to address the esthetic maintenance aspects of the exterior elevation.*
5. *Provide labor, material and equipment to address the crack location south/east upper level elevation exterior. Means and methods shall be considered upon inspection of a qualified engineer.*

Estimate:

• Mobilization and setup:	\$ 1,500.00
• Material cost for mortar, epoxy and supplies:	\$ 2,800.00
• Labor service – 120 man-hours @ \$150.00/hr. fully burdened:	\$18,000.00
• High reach equipment:	\$ 700.00
Total not to exceed:	\$23,000.00

Exclusions:

We specifically exclude the following:

1. *Encroachment permits or fees*
2. *Sidewalk closure safety barricades or equipment*
3. *Brick replacement or restoration (limited to materials on hand or immediately available)*
4. *Engineer fees or reports(reserves should be provided at approximately \$3,000)*
5. *Special inspections or testing*
6. *Paint touch up, ferrous metal cleaning or restoration*
7. *Other means or methods not otherwise noted as included in scope details*

Regards,

Lee Cummings

Lee Cummings, Owner
LC MASONRY SERVICES