



# 2020 MILLS ACT HISTORICAL PROPERTY CONTRACTS EXECUTIVE SUMMARY

**HEARING DATE: OCTOBER 7, 2020**

**Re:** 2020 Mills Act Historical Property Contracts  
**Staff Contact:** Michelle Taylor - 628-652-7352  
[Michelle.Taylor@sfgov.org](mailto:Michelle.Taylor@sfgov.org)  
**Reviewed By:** Elizabeth Gordon-Jonckheer- 628-652-7365  
[Elizabeth.Gordon-Jonckheer@sfgov.org](mailto:Elizabeth.Gordon-Jonckheer@sfgov.org)

- A. Record No.:** 2020-004819MLS  
**Project Address:** 450 PACIFIC AVENUE  
**Zoning:** C-2 (Community Business) Zoning District  
**Height & Bulk:** 65-A Height and Bulk District  
**Historic District:** Jackson Square Historic District  
**Block/Lot:** 0164/010  
**Project Sponsor:** Jesse Feldman  
**Property Owner:** Pacific Stables Property Owner LLC  
590 Pacific Avenue  
San Francisco, CA 94133
- B. Record No.:** 2020-004811MLS  
**Project Address:** 1315 WALLER STREET  
**Zoning:** RH-3 (Residential - House, Three-Family) Zoning District  
**Height & Bulk:** 40-X Height and Bulk District  
**Historic Property:** Nomination for the National Register of Historic Places Under Review  
**Block/Lot:** 1255/080  
**Project Sponsor:** Aimee & Tjarko Leifer  
**Property Owner:** AIMKO 2015 Trust  
1315 Waller Street  
San Francisco, CA 94117

**C. Record No.:** 2020-004685MLS  
**Project Address:** 59 POTOMAC STREET  
**Zoning:** RH-2 (Residential - House, Two-Family) Zoning District  
**Height/Bulk:** 40-X Height and Bulk District  
**Historic District:** Duboce Park Historic District  
**Block/Lot:** 0865/008  
**Project Sponsor/  
Property Owner:** Jonathan Dascola & Kamariah Sulaiman Dascola  
59 Potomac Street  
San Francisco, CA 94117

## Property Descriptions

- A. 450 Pacific Avenue is located on the north side of Pacific Avenue at the corner of Osgood Place, Assessor's Block 0164, Lot 010. The subject property is located within a C-2 (Community Business) zoning district and a 65-X Height and Bulk district. The subject property is a contributing building to the Article 10 Jackson Square Historic District. It is a four-story, plus basement, brick and timber, office building first constructed c.1887 as the Kentucky Stables Building and rebuilt after the 1906 earthquake and fire.
- B. 1315 Waller Street is located on the south side of Waller Street between Delmar Street and Masonic Avenue, Assessor's Block 1255, Lot 080. The subject property is located within the RH-3 (Residential House, Three Family) zoning district and 40-X Height and Bulk district. The subject building is a two-and-half-story plus basement, wood-frame, single-family dwelling designed in the Queen Anne style by local shipbuilder John A. Whelan in 1896. 1315 Waller Street, or "Winter" as it also known, is one in a row of four homes referred to as the "Four Seasons" for their associated ornamental detailing. The building was nominated for listing on the National Register of Historic Places before December 31, 2019.
- C. 59 Potomac Street is located on the east side of Potomac Street between Waller Street and Duboce Avenue, Assessor's Block 0865, Lot 008. The subject property is located within a RH-2 (Residential-House, Two-Family District) zoning district and a 40-X Height and Bulk district. The subject property is a contributing building to the Article 10 Duboce Park Historic District. It is a two story over garage, wood-frame, single-family dwelling built in 1899 and features a gable roof and bay window.

## Project Description

This project is for Mills Act Historical Property Contracts for 450 Pacific Avenue, 1315 Waller Street, and 59 Potomac Street.

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 owners of private historical property who will rehabilitate, restore, preserve, and maintain qualified historical property. As consideration for the rehabilitation, restoration,



preservation and maintenance of the qualified historical property, the City and County of San Francisco may provide certain property tax reductions 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.

San Francisco contains many historic buildings that add to its character and international reputation. Many of these buildings have not been adequately maintained, may be structurally deficient, or may need rehabilitation. The costs of properly rehabilitating, restoring and preserving historic buildings may be prohibitive for property owners. Implementation of the Mills Act in San Francisco will make the benefits of the Mills Act available to many property owners.

The benefits of the Mills Act to the individual property owners must be balanced with the cost to the City and County of San Francisco of providing the property tax reductions set forth in the Mills Act as well as the historical value of individual buildings proposed for historical property contracts, and the resultant property tax reductions, under the Mills Act.

## Eligibility

### QUALIFIED HISTORICAL PROPERTY

An owner, or an authorized agent of the owner, of a qualified historical property may apply for a historical property contract. For purposes of this Chapter 71, "qualified historical property" shall mean privately owned property that is not exempt from property taxation and that either has submitted a complete application for listing or designation, or has been listed or designated in one of the following ways on or before December 31 of the year before the application is made::

- (1) Individually listed in the National Register of Historic Places;
- (2) Listed as a contributor to an historic district included on the National Register of Historic Places;
- (3) Designated as a City landmark pursuant to San Francisco Planning Code Article 10;
- (4) Designated as contributory to a landmark district designated pursuant to San Francisco Planning Code Article 10; or
- (5) 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.

### LIMITATIONS ON ELIGIBILITY

Eligibility for historical property contracts shall be limited to sites, buildings, or structures with an assessed valuation as of December 31 of the year before the application is made of \$3,000,000 or less for single-family dwellings and \$5,000,000 or less for multi-unit residential, commercial, or industrial buildings, unless the individual property is granted an exemption from those limitations by the Board of Supervisors. For the purposes of this section, "assessed valuation" shall not include any portion of the value of the property that is already exempt from payment of property taxes.

### EXEMPTION FROM LIMITATIONS ON ELIGIBILITY

The Historic Preservation Commission may recommend that the Board of Supervisors grant an exemption from the limitations imposed by this section upon finding that:

- (1) The site, building, or structure is a particularly significant resource; and
- (2) Granting the exemption will assist in the preservation of a site, building, or structure that would

otherwise be in danger of demolition, substantial alteration, or disrepair.

Properties applying for an exemption must provide evidence that it meets the exemption criteria, including a Historic Structure Report (HSR) to substantiate the exceptional circumstances for granting the exemption.

The Board of Supervisors may approve a historical property contract not otherwise meeting the eligibility requirements set forth in Section 71.2, subsection (b) if it finds that the property is a qualified historical property that meets the requirements of subsection (a) and is especially deserving of a contract due to the exceptional nature of the property and other special circumstances.

## **Application for Mills Act Historical Property Contract**

### **WHO MAY APPLY AND APPLICATION CONTENT**

An owner, or an authorized agent of an owner, of a qualified historical property may submit an application for a historical property contract to the Planning Department on forms provided by the Planning Department. The property owner shall provide, at a minimum, the address and location of the qualified historical property, evidence that the property is a qualified historical property and meets the valuation requirements of Section 71.2(b), the nature and cost of the rehabilitation, restoration or preservation work to be conducted on the property, financial information necessary for the Assessor-Recorder to conduct the valuation assessment under the Mills Act, including any information regarding income generated by the qualified historical property, and a plan for continued maintenance of the property. The Planning Department, the Historic Preservation Commission, or the Assessor-Recorder may require any further information necessary to make a recommendation on or conduct the valuation of the historical property contract.

### **APPLICATION DEADLINES**

The annual application deadline for a historical property contract shall be May 1. Application for a historical property contract may be submitted to the Planning Department between January 1 and May 1 of each year.

## **Approval Process**

### **ASSESSOR-RECORDER REVIEW**

The Planning Department shall refer an application for a historical property contract to the Assessor-Recorder for review and recommendation. Within 60 days of the receipt of a complete application, the Assessor-Recorder shall provide to the Board of Supervisors and Historic Preservation Commission a report estimating the yearly property tax revenue to the City under the proposed Mills Act contract valuation method and under the standard method without the proposed Mills Act contract and showing the difference in property tax assessments under the two valuation methods. If the Assessor-Recorder determines that the proposed rehabilitation includes substantial new construction or a change of use, or the valuation is otherwise complex the Assessor-Recorder may extend this period for up to an additional 60 days by providing written notice of the extension to the applicant, the Historic Preservation Commission, and the Board of Supervisors. Such notice shall state the basis for the extension. If the Assessor-Recorder fails to provide a report and recommendation within the time frames set forth here, the Historic Preservation Commission and Board of Supervisors may proceed with their actions without such report and recommendation.

### **HISTORIC PRESERVATION COMMISSION REVIEW**

The Historic Preservation Commission shall have the authority to recommend approval, disapproval, or modification of historical property contracts to the Board of Supervisors. For this purpose, the Historic Preservation Commission shall hold a public hearing to review the application for the historical property contract and make a recommendation regarding whether the Board of Supervisors should approve, disapprove, or modify the historical property contract within 90 days of receipt of the Assessor-Recorder's report or within 90 days of the date the report should have been provided if none is received. The recommendation of the Historic Preservation Commission may include recommendations regarding the proposed rehabilitation, restoration, and preservation work, the historical value of the qualified historical property, and any proposed preservation restrictions or maintenance requirements to be included in the historical property contract. The Planning Department shall forward the application and the recommendation of the Historic Preservation Commission to approve or modify a historical property contract to the Board of Supervisors. Failure of the Historic Preservation Commission to act within the 90-day time limit shall constitute a recommendation of disapproval for the purposes of this subsection, and the Planning Department shall notify the property owner in writing of the Historic Preservation Commission's failure to act; provided, however, that the Board of Supervisors by resolution may grant an extension of time to the Historic Preservation Commission for its review. If the Historic Preservation Commission recommends disapproval of the historical property contract, such decision shall be final unless the property owner files an appeal with the Clerk of the Board of Supervisors within 10 days of the final action of the Historic Preservation Commission or within 10 days of the Planning Department's notice of the Historic Preservation Commission's failure to act.

### **BUDGET ANALYST REVIEW**

Upon receipt of the recommendation of the Historic Preservation Commission or upon receipt of a timely appeal, the Clerk of the Board of Supervisors shall forward the application and Assessor-Recorder's report to the Budget Analyst, who, notwithstanding any other provision of this Code, shall prepare a report to the Board of Supervisors on the fiscal impact of the proposed historical property contract.

### **BOARD OF SUPERVISORS DECISION**

The Board of Supervisors shall conduct a public hearing to review the Historic Preservation Commission's recommendation, the Assessor-Recorder's report if provided, the Budget Analyst's report, and any other information the Board requires in order to determine whether the City should execute a historical property contract for a particular property. The Board of Supervisors shall have full discretion to determine whether it is in the public interest to enter into a historical property contract regarding a particular qualified historical property. The Board of Supervisors may approve, disapprove, or modify and approve the terms of the historical property contract. Upon approval, the Board of Supervisors shall authorize the Director of Planning and the Assessor-Recorder to execute the historical property contract.

## **Terms of the Mills Act Historical Property Contract**

The historical property contract shall set forth the agreement between the City and the property owner that as long as the property owner properly rehabilitates, restores, preserves and maintains the qualified historical property as set forth in the contract, the City shall comply with California Revenue and Taxation Code Article 1.9 (commencing with Section 439) of Chapter 3 of Part 2 of Division 1, provided that the specific provisions of the

Revenue and Taxation Code are applicable to the property in question. A historical property contract shall contain, at a minimum, the following provisions:

- (1) The initial term of the contract, which shall be for a minimum period of 10 years;
- (2) The owner's commitment and obligation to preserve, rehabilitate, restore and maintain the property in accordance with the rules and regulations of the Office of Historic Preservation of the California Department of Parks and Recreation and the United States Secretary of the Interior's Standards for the Treatment of Historic Properties;
- (3) Permission to conduct periodic examinations of the interior and exterior of the qualified historical property by the Assessor-Recorder, 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 as may be necessary to determine the owner's compliance with the historical property contract;
- (4) That the historical property contract is binding upon, and shall inure to the benefit of, all successors in interest of the owner;
- (5) An extension to the term of the contract so that one year is added automatically to the initial term of the contract on the anniversary date of the contract or such other annual date as specified in the contract unless notice of nonrenewal is given as provided in the Mills Act and in the historical property contract;
- (6) Agreement that the Board of Supervisors may cancel the contract, or seek enforcement of the contract, when the Board determines, based upon the recommendation of any one of the entities listed in Subsection (3) above, that the owner has breached the terms of the contract. The City shall comply with the requirements of the Mills Act for enforcement or cancellation of the historical property contract. Upon cancellation of the contract, the property owner shall pay a cancellation fee of 12.5 percent of the full value of the property at the time of cancellation (or such other amount authorized by the Mills Act), as determined by the Assessor-Recorder without regard to any restriction on such property imposed by the historical property contract; and
- (7) The property owner's indemnification of the City for, and agreement to hold the City harmless from, any claims arising from any use of the property.
  - (a) The City and the qualified historical property owner shall comply with all provisions of the Mills Act, including amendments thereto. The Mills Act, as amended from time to time, shall apply to the historical property contract process and shall be deemed incorporated into each historical property contract entered into by the City.
  - (b) The Planning Department shall maintain a standard form "Historical Property Contract" containing all required provisions specified by this section and state law. Any modifications to the City's standard form contract made by the applicant shall be subject to approval by the City Attorney prior to consideration by the Historic Preservation Commission and the Board of Supervisors.

## Departmental Monitoring Report

On March 31, 2013 and every three years thereafter, the Assessor-Recorder and the Planning Department shall submit a joint report to the Board of Supervisors and the Historic Preservation Commission providing the Departments' analysis of the historical property contract (Mills Act) program. The report shall be calendared for

hearing before the Board of Supervisors and the Historic Preservation Commission. Please see Attachment D for Departmental Monitoring Report.

## Priority Criteria Considerations

In addition, the Department reviews all applications on the merits of five Priority Consideration. The five priority considerations are:

**Necessity:** The project will require a financial incentive to help ensure the preservation of the property. This criterion will establish that the property is in danger of deterioration and in need of substantial rehabilitation and restoration that has significant associated costs. Properties with open complaints, enforcement cases or violations will not meet this criterion.

**Investment:** The project will result in additional private investment in the property other than for routine maintenance. This may include seismic retrofitting and substantial rehabilitation and restoration work. This criterion will establish that the owner is committed to investing in the restoration, rehabilitation and maintenance the property.

**Distinctiveness:** The project preserves a distinctive example of a property that is especially deserving of a contract due to its exceptional nature.

**Recently Designated City Landmarks:** properties that have been recently designated landmarks will be given priority consideration.

**Legacy Business:** The project will preserve a property at which a business included in the Legacy Business Registry is located. This criterion will establish that the owner is committed to preserving the property, including physical features that define the existing Legacy Business.

## Issues & Other Considerations

- A. **450 Pacific Avenue:** The subject property is listed a contributor to the Jackson Square Historic District and is thus a qualified historical property. The subject commercial property is currently valued by the Assessor's Office as over \$5,000,000 and required a Historic Structure Report (see attached). The property meets one of the two requirements for granting exemption from the limitations on eligibility. The property is a particularly significant resource because it was constructed as early as 1887 as the Kentucky Stables building, a carriage house and livery, that survived the 1906 earthquake and fires. 450 Pacific Avenue is an important contributor to the Jackson Square Historic District for its early construction date, its survival through the ravages of the 1906 earthquake and fires, its historic use as a livery stable – which was a common early San Francisco building type that has become increasingly rare – and for its architectural design, which includes its brick façade and simple classical design articulation. The building contributes to the narrative of Jackson Square as the only significant collection of structures that represent San Francisco's nineteenth-century commercial heritage.

Although the property is not in danger of demolition, substantial alteration, or disrepair, staff supports

an eligibility exemption because of the applicant's commitment to address deferred maintenance and reverse years of unsympathetic alterations. The proposed rehabilitation program also includes the wholesale restoration of the ground story storefront, which is currently incompatible with the historic property. This work will be completed in addition to scopes of rehabilitation work to repair aspects of the property that are in fair condition, including brickwork and repointing.

The owner of the qualified historical property submitted an application for a historical property contract to the Department by the May 1, 2020 application deadline with the required Historic Structure Report prepared by Page and Turnbull.

The Assessor-Recorder estimated the property owner will receive \$99,225 in property tax savings as a result of the Mills Act Contract. Please refer to the attached Market Analysis and Income Approach Report and Preliminary Valuation spreadsheet prepared by the Assessor-Recorder for detailed information.

As detailed in the application, the applicant proposes to rehabilitate and maintain the historic property. The proposed Rehabilitation Plan (Exhibit A) includes the restoration of the historic storefront, which was removed to install an incompatible recessed arcade and modern glazed entry system at an unknown date; replacing parapet flashing; repairing roofing and window parge; treating all exterior or exposed steel and skylights; and repointing, patching and cleaning of brickwork. The estimated cost of the proposed rehabilitation work is \$782,655 over ten years.

The proposed Maintenance Plan (Exhibit B) includes annual inspection of roofing, flashing, pointing, metal corrosion, drainage points, and biological growth. Any needed repairs will be made in kind and will avoid altering, removing or obscuring character-defining features of the building. When 60% or more of the windows on either the Pacific Avenue or Osgood Place facades are deteriorated beyond repair, the property owner will replace all the windows with new wood double-hung windows that are compatible with the historic character of the building. Maintenance work is estimated to cost approximately \$14,725 annually.

No changes to the use of the property are proposed. The Department has determined that the proposed work, as detailed in Exhibits A and B, will be in conformance with the *Secretary of Interior's Standards for Rehabilitation*. Please refer to the attached Rehabilitation and Maintenance Plan for a full description of the proposed work.

The subject property meets three of the five Priority Considerations: Necessity, Investment and Distinctiveness. The proposed rehabilitation will require significant associated costs to ensure the preservation of the subject property. The property owner will invest additional money towards the rehabilitation other than for routine maintenance. Finally, the proposed rehabilitation project will preserve a distinctive example of a pre-1906 carriage house. The subject property does not meet the Recently Designated City Landmarks or the Legacy Business criteria. Jackson Square was designated an Article 10 landmark district in 1972 and therefore is not a recent landmark. A Legacy Business is not located at the subject property.

- B. **1315 Waller Street:** The subject property is listed on the National Register of Historic Places and is thus a qualified historical property. The subject property is currently valued by the Assessor's Office as over

\$3,000,000 and required a Historic Structure Report (see attached). The property meets the requirements for granting exemption from the limitations on eligibility. The property is a particularly significant resource it is a Queen Anne style building designed by local shipbuilder John A. Whelan in 1896 and known as “Winter,” it is one in a row of four homes referred to as the “Four Seasons” for their associated ornamental detailing. Although the property is fully occupied and the Historic Structure Report prepared for the property found the property to be in fair to good condition, staff supports an eligibility exemption because of the applicant’s commitment to address deferred maintenance. The applicant has proposed replacement of the missing front landing, select dry rot repair of ornamental wood elements at the front elevation, and full roof replacement. This work will be completed in addition to scopes of rehabilitation work to repair and replace some windows.

The owner of the qualified historical property submitted an application with the required Historic Structure Report for a historical property contract to the Department by the May 1, 2020 application deadline.

The Assessor-Recorder estimated the property owner will receive \$20,467 in property tax savings as a result of the Mills Act Contract. Please refer to the attached Market Analysis and Income Approach Report and Preliminary Valuation spreadsheet prepared by the Assessor-Recorder for detailed information.

As detailed in the application, the applicant proposes to rehabilitate and maintain the historic property. The proposed Rehabilitation Plan (Exhibit A) includes restore front entry marble steps and iron handrail, restore missing front entry landing, repair or replace select windows, replace roof, and fully repaint and repair all elevations. In 2018, the applicant had replaced the building foundation, added shear walls and structural steel beams. Rehabilitation work is estimated to cost \$416,635 over ten years.

The proposed Maintenance Plan (Exhibit B) includes annual inspection of roof, gutters and downspouts, windows, doors, foundation, and wood siding and trim. Any needed repairs will be made in kind and will avoid altering, removing or obscuring character-defining features of the building. Maintenance work is estimated to cost approximately \$9,920 annually.

No changes to the use of the property are proposed. The Department has determined that the proposed work, as detailed in Exhibits A and B, will be in conformance with the Secretary of Interior’s Standards for Rehabilitation. Please refer to the attached Rehabilitation and Maintenance Plan for a full description of the proposed work.

The subject property meets three of the five Priority Considerations: Necessity, Investment and Distinctiveness. The proposed rehabilitation will require significant associated costs to ensure the preservation of the subject property. The property owner will invest additional money towards the rehabilitation other than for routine maintenance. Finally, the proposed rehabilitation project will preserve a distinctive example of Victorian style home. The subject property does not meet the Recently Designated City Landmarks or the Legacy Business criteria. Although the building was recently nominated for listing on the National Register of Historic Places, it is not a City Landmark under Article 10. A Legacy Business is not located at the subject property.

- D. **59 Potomac Street:** The subject property is a contributor to the Duboce Park Historic District and is thus



a qualified historical property. The subject property is currently valued by the Assessor's Office as under \$3,000,000 and did not require a Historic Structure Report. The owner of the qualified historical property submitted an application for a historical property contract to the Department by the May 1, 2020 application deadline.

The Assessor-Recorder estimated the property owner will receive \$23,165 in property tax savings as a result of the Mills Act Contract. Please refer to the attached Market Analysis and Income Approach Report and Preliminary Valuation spreadsheet prepared by the Assessor-Recorder for detailed information.

As detailed in the application, the applicant proposes to rehabilitate and maintain the historic property. The proposed Rehabilitation Plan (Exhibit A) includes seismic strengthening, roof replacement, wood siding repair and painting, window replacement, front stair replacement, and permeable driveway. Rehabilitation work is estimated to cost \$296,500 over ten years.

The proposed Maintenance Plan (Exhibit B) includes annual inspection of roof, gutters and downspouts, windows, and wood siding and trim an inspection of the roof every five years. Any needed repairs will be made in kind and will avoid altering, removing or obscuring character-defining features of the building. Maintenance work is estimated to cost approximately \$2,000 annually.

No changes to the use of the property are proposed. The Department has determined that the proposed work, as detailed in Exhibits A and B, will be in conformance with the Secretary of Interior's Standards for Rehabilitation. Please refer to the attached Rehabilitation Plan and Maintenance Plan for a full description of the proposed work.

The subject property meets three of the five Priority Considerations: Necessity, Investment and Distinctiveness. The proposed rehabilitation will require significant associated costs to ensure the preservation of the subject property. The property owner will invest additional money towards the rehabilitation other than for routine maintenance. Finally, the proposed rehabilitation project will preserve a distinctive example of Victorian style home. The subject property does not meet the Recently Designated City Landmarks or the Legacy Business criteria. The building was designated an Article 10 landmark district in 2013 and therefore is not a recent landmark. A Legacy Business is not located at the subject property.

## **Public/Neighborhood Input**

The Department has received no inquiries from the public about the proposed project.

## **Environmental Review Status**

The Project is exempt from the California Environmental Quality Act ("CEQA") as a Class 1 categorical exemption.



## Basis for Recommendation

- A. **450 Pacific Avenue:** The Department recommends APPROVAL of the Mills Act Historical Property Contract as it meets the provisions of Chapter 71 of the Administration Code and the Priority Considerations. The proposed rehabilitation and maintenance work conforms with the *Secretary of Interior's Standards for Rehabilitation*. Granting the Mills Act historical property contract will help the property owner mitigate rehabilitation expenditures and adequately maintain the property in the future.
- B. **1315 Waller Street:** The Department recommends APPROVAL of the Mills Act Historical Property Contract as it meets the provisions of Chapter 71 of the Administration Code and the Priority Considerations. The proposed rehabilitation and maintenance work conforms with the *Secretary of Interior's Standards for Rehabilitation*. Granting the Mills Act historical property contract will help the property owner mitigate rehabilitation expenditures and adequately maintain the property in the future.
- C. **59 Potomac Street:** The Department recommends APPROVAL of the Mills Act Historical Property Contract as it meets the provisions of Chapter 71 of the Administration Code and the Priority Considerations. The proposed rehabilitation and maintenance work conforms with the *Secretary of Interior's Standards for Rehabilitation*. Granting the Mills Act historical property contract will help the property owner mitigate rehabilitation expenditures and adequately maintain the property in the future.

## Attachments

### Attachment A - 450 Pacific Avenue

- Maps and Context Photos
- Draft Resolution
- Draft Mills Act Contract
- Exhibits A & B: Draft Rehabilitation and Maintenance Plan
- Draft Mills Act Valuation provided by the Assessor-Recorder's Office
- Categorical Exemption
- Pre-Approval Inspection Report
- Mills Act Application & Historic Structure Report

### Attachment B – 1315 Waller Street

- Maps and Context Photos
- Draft Resolution
- Draft Mills Act Contract
- Exhibits A & B: Draft Rehabilitation and Maintenance Plan
- Draft Mills Act Valuation provided by the Assessor-Recorder's Office
- Categorical Exemption
- Pre-Approval Inspection Report
- Mills Act Application & Historic Structure Report

### Attachment C – 59 Potomac Street

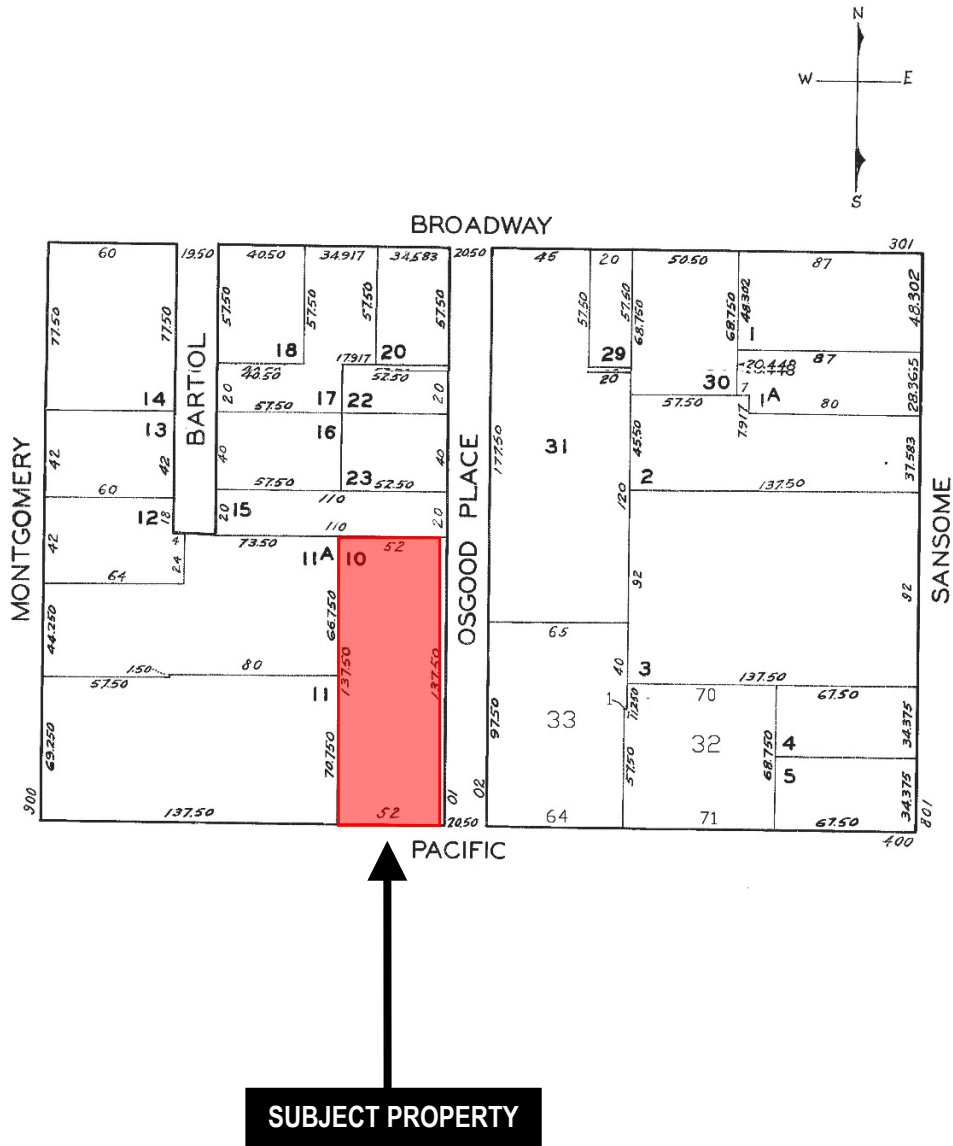
- Maps and Context Photos

Draft Resolution  
Draft Mills Act Contract  
Exhibits A & B: Draft Rehabilitation and Maintenance Plan  
Draft Mills Act Valuation provided by the Assessor-Recorder's Office  
Categorical Exemption  
Pre-Approval Inspection Report  
Mills Act Application

Attachment D - Departmental Monitoring Report

**Attachment A**  
**450 Pacific Avenue**

# Parcel Map



**Record Number: 2020-004819MLS**  
450 Pacific Avenue  
Mills Act Historical Property Contract

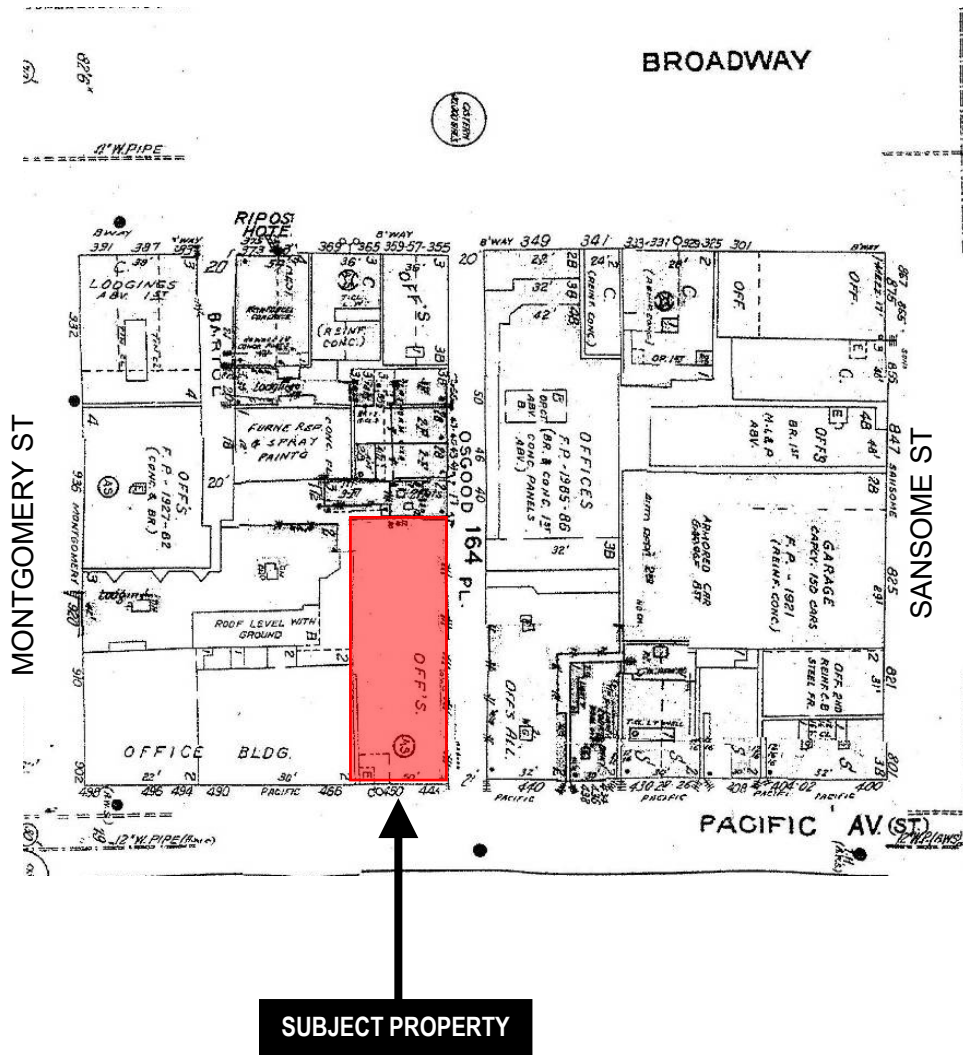
# Zoning Map



# Jackson Square Landmark District



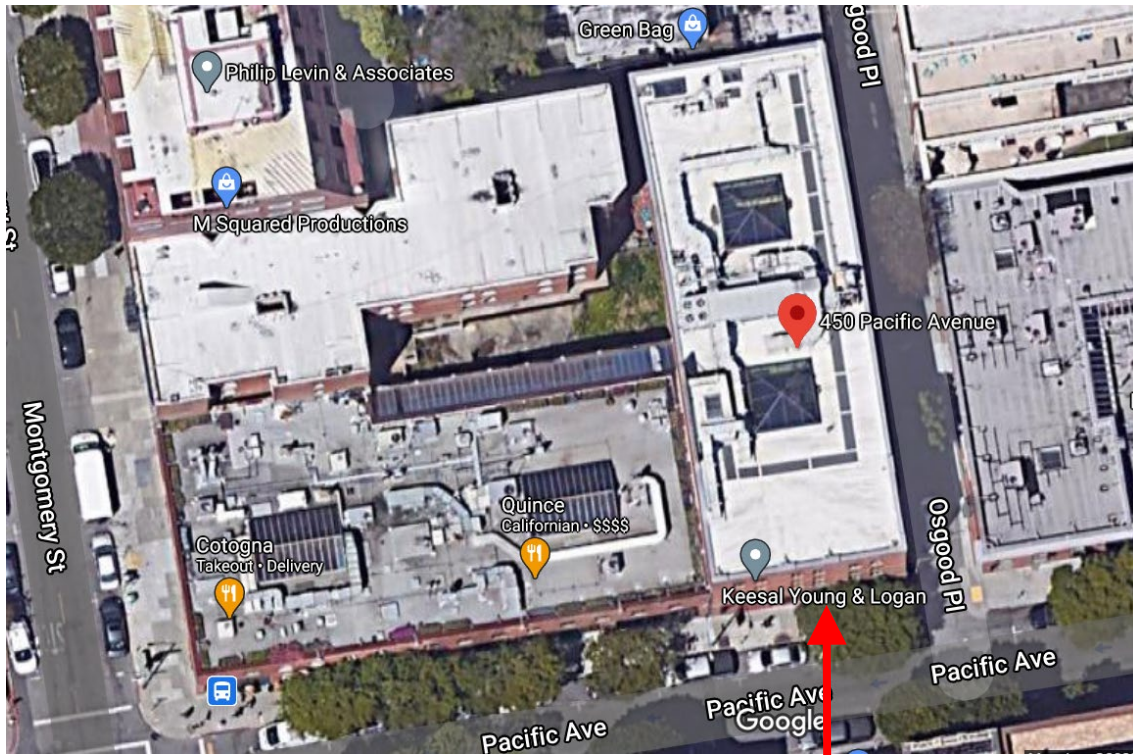
# Sanborn Map\*



\*The Sanborn Maps in San Francisco have not been updated since 1998, and this map may not accurately reflect existing conditions.

**Record Number: 2020-004819MLS**  
450 Pacific Avenue  
Mills Act Historical Property Contract

# Aerial Photo – View 1



**SUBJECT PROPERTY**

**Record Number: 2020-004819MLS**  
450 Pacific Avenue  
Mills Act Historical Property Contract



# Site Photo



**Record Number: 2020-004819MLS**  
450 Pacific Avenue  
Mills Act Historical Property Contract



# HISTORIC PRESERVATION COMMISSION DRAFT RESOLUTION

**HEARING DATE: OCTOBER 7, 2020**

**Record No.:** 2020-004819MLS  
**Project Address:** 450 PACIFIC AVE  
**Zoning:** C-2 (Community Business) Zoning District  
**Height/Bulk:** 65-A Height and Bulk District  
**Historic District:** Jackson Square Historic District  
**Block/Lot:** 0164/010  
**Project Sponsor:** Jesse Feldman  
**Property Owner:** Pacific Stables Property Owner LLC  
590 Pacific Avenue  
San Francisco, CA 94133  
**Staff Contact:** Alexandra Kirby – (628) 652-7336  
alexandra.kirby@sfgov.org

ADOPTING FINDINGS RECOMMENDING TO THE BOARD OF SUPERVISORS APPROVAL OF THE DRAFT MILLS ACT HISTORICAL PROPERTY CONTRACT, REHABILITATION PROGRAM, AND MAINTENANCE PLAN FOR 450 PACIFIC AVENUE.

WHEREAS, The Mills Act, California Government Code Sections 50280 et seq. (“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, 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 those provided for in the Mills Act; and

WHEREAS, Ordinance No. 191-96 amended the San Francisco Administrative Code by adding Chapter 71, to implement Mills Act locally; 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 450 Pacific Avenue is a contributor to the Jackson Square Historic District and thus qualifies as a historical property for purposes of the Mills Act; and

WHEREAS, The Planning Department has reviewed the Mills Act Application, draft Historical Property Contract, Rehabilitation Program, and Maintenance Plan for 450 Pacific Avenue, which are located in Case Docket No. 2020-004819MLS. The Planning Department recommends approval of the draft Mills Act historical property contract, rehabilitation program, and maintenance plan; and

WHEREAS, The Historic Preservation Commission (HPC) recognizes the historic building at 450 Pacific Avenue 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, 2020, the HPC reviewed documents, correspondence and heard oral testimony on the Mills Act Application, Draft Historical Property Contract, Rehabilitation Program, and Maintenance Plan for 450 Pacific Avenue, which are located in Case Docket No. 2020-004819MLS.

THEREFORE, BE IT RESOLVED That the HPC hereby recommends that the Board of Supervisors approve the Draft Mills Act Historical Property Contract, including the Rehabilitation Program, and Maintenance Plan for the historic building located at 450 Pacific Avenue, attached herein as Exhibits A and B, and fully incorporated by this reference.

BE IT FURTHER RESOLVED That the HPC hereby directs its Commission Secretary to transmit this Resolution, the Draft Mills Act Historical Property Contract, including the Rehabilitation Program, and Maintenance Plan for 450 Pacific Avenue, and other pertinent materials in the case file 2020-004819MLS to the Board of Supervisors.

I hereby certify that the foregoing Resolution was ADOPTED by the Historic Preservation Commission on October 7, 2020.

Jonas P. Ionin  
Commissions Secretary

AYES:

NOES:

ABSENT:

ADOPTED: October 7, 2020

## EXHIBITS A & B

Mills Act Historical Property Contract, including the Rehabilitation Program (Exhibit A), and Maintenance Plan (Exhibit B) for the historic building located at 450 Pacific Avenue.

Recording Requested by, and  
when recorded, send notice to:  
Shannon Ferguson  
49 South Van Ness Avenue, Suite 1400  
San Francisco, CA 94103

## **CALIFORNIA MILLS ACT HISTORIC PROPERTY AGREEMENT**

THIS AGREEMENT is entered into by and between the City and County of San Francisco, a California municipal corporation (“City”) and Pacific Stables Property Owner LLC (“Owners”).

### RECITALS

Owners are the owners of the property located at 450 Pacific Avenue, in San Francisco, California (Block 0164, Lot 010). The building located at 450 Pacific Avenue is designated as a contributor to the Jackson Square Historic District pursuant to Article 10 of the Planning Code, and is also known as the “Historic Property”. The Historic Property is a Qualified Historic Property, as defined under California Government Code Section 50280.1.

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 seven hundred eighty-two thousand six hundred and fifty-five dollars (\$782,655.00). (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 fourteen thousand seven hundred twenty-five dollars (\$14,725.00) 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 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 within no more 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 12 and 13 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 within no more 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 13 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 and Compliance Monitoring. Prior to entering into this Agreement and every five years thereafter, and upon seventy-two (72) hours advance notice, Owners shall permit any representative of the City, the Office of Historic Preservation of the California Department of Parks and Recreation, or the State Board of Equalization, to inspect of the interior and exterior of the Historic Property, to determine Owners' compliance with this Agreement. Throughout the duration 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 ("Term"). As provided in Government Code section 50282, one year shall be added automatically to the Term, on each anniversary date of this Agreement, unless notice of nonrenewal is given as set forth in Paragraph 9 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. Notice of Nonrenewal. If in any year of this Agreement either the Owners or the City desire 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 either party serves notice of nonrenewal of this Agreement, this Agreement shall remain in effect for the balance of the period remaining since the original execution or the last renewal of the Agreement, as the case may be. Thereafter, 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 expiration of this Agreement.

10. Payment of Fees. As provided for in Government Code Section 50281.1 and San Francisco Administrative Code Section 71.6, upon filing an application to enter into a Mills Act Agreement with the City, Owners shall pay the City the reasonable costs related to the preparation and approval of the Agreement. In addition, Owners shall pay the City for the actual costs of inspecting the Historic Property, as set forth in Paragraph 6 herein.

11. 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 as set forth in Exhibit B, 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 or requests for information, as provided in Paragraph 6 herein;

(e) Owners' failure to pay any fees requested by the City as provided in Paragraph 10 herein;

(f) Owners' failure to maintain adequate insurance for the replacement cost of the Historic Property, as required by Paragraph 5 herein; or

(g) 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 12 and 13 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 13 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 12 herein prior to cancellation of this Agreement.

12. 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 11 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.

13. Cancellation Fee. If the City cancels this Agreement as set forth in Paragraph 12 above, and as required by Government Code Section 50286, 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.

14. 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 do 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 12 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.

15. 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.

16. 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.

17. Binding on Successors and Assigns. The covenants, benefits, restrictions, and obligations contained in this Agreement shall run with the land and shall be binding upon and inure to the benefit of all successors in interest and assigns of the Owners. Successors in interest and assigns shall have the same rights and obligations under this Agreement as the original Owners who entered into the Agreement.

18. 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.

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

20. Recordation. Within 20 days from the date of execution of this Agreement, the parties shall cause this Agreement to be recorded with the Office of the Recorder of the City and County of San Francisco. From and after the time of the recordation, this recorded Agreement shall impart notice to all persons of the parties' rights and obligations under the Agreement, as is afforded by the recording laws of this state.

21. 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.

22. 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.

23. 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 Owners have 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.

24. 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.

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

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

27. 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: \_\_\_\_\_ DATE: \_\_\_\_\_  
Carmen Chu, Assessor-Recorder

By: \_\_\_\_\_ DATE: \_\_\_\_\_  
Rich Hillis, Director of Planning

APPROVED AS TO FORM:  
DENNIS J. HERRERA  
CITY ATTORNEY

By: \_\_\_\_\_ DATE: \_\_\_\_\_  
Andrea Ruiz-Esquide, Deputy City Attorney

OWNERS

By: \_\_\_\_\_ DATE: \_\_\_\_\_  
Jesse Feldman, authorized signatory for Pacific Stables Property Owner LLC

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

Exhibit A: Rehabilitation/Restoration Plan for 450 Pacific Avenue

Scope: #1		Building Feature: Parapet	
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
Contract year work completion: 2025			
Total Cost: \$49,271.00			
Description of work: Replace parapet flashing with more appropriate profile to restore historic configuration and appearance. Paint flashing to match brickwork.			

Scope: #2		Building Feature: Exterior brickwork (primary facades)	
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
Contract year work completion: 2025			
Total Cost: \$170,865.00			
Description of work: Building cleaning, and spot-treatment to remove graffiti as occurs, repointing with appropriate mortar, repair, patching of brick and holes as needed, selective brick replacements as needed where would create a water shedding issue. Seal conduit and fixture penetrations as needed. All work to be completed in accordance to NPS Preservation Brief #2: Repointing Mortar Joints in Historic Masonry Buildings.			

Scope: #3		Building Feature: Brick Projections (Pacific and Osgood facades)	
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
Contract year work completion: 2025			
Total Cost: \$58,282.00			
Description of work: Assess and repair parge coat as needed and where exists at windowsills, brick projections at parapet inset panels, and at ground floor watertable. Perform mortar analysis. All new parge to match historic color, texture, and appearance. All surrounding mortar joints shall be assessed and repointed as necessary prior to re-parging. Water-repellent coating will not be applied unless need is substantiated by further testing. If a water-repellent coating is need, the coating will meet the Secretary's Standards for Rehabilitation.			

Scope: #4		Building Feature: Brickwork on secondary facades	
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
Contract year work completion: 2025			
Total Cost: \$100,811.00			
Description of work: Building cleaning, and spot-treatment to remove graffiti as occurs. Repointing with appropriate mortar, repair, patching of brick and holes as needed, selective brick replacements as needed where would create a water shedding issue. Seal conduit and fixture penetrations as needed. All work to be			

completed in accordance to NPS Preservation Brief #2: Repointing Mortar Joints in Historic Masonry Buildings.

<b>Scope: #5</b>		<b>Building Feature: Osgood Pl. window grilles and tie rods</b>	
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
Contract year work completion: 2025			
Total Cost: \$36,776			
Description of work: Treat corrosion and paint exposed metal work with appropriate rust inhibitive paint to prevent corrosion and deterioration. Coordinate with brick masonry repair work.			

<b>Scope: #6</b>		<b>Building Feature: Osgood Pl. window grilles and tie rods</b>	
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
Contract year work completion: 2031			
Total Cost: \$19,640.00			
Description of work: Treat corrosion and paint exposed steel structure with appropriate rust inhibitive paint to prevent corrosion and deterioration.			

<b>Scope: #7</b>		<b>Building Feature: Roof</b>	
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
Contract year work completion: 2029			
Total Cost: \$311,920.00			
Description of work: Roofing was last replaced in 2009. Repair or replace roofing as needed. Treat corrosion and paint metal parapet braces with appropriate rust inhibitive paint to prevent corrosion and deterioration. Repair or replace associated flashings and replace sealant joints as needed.			

<b>Scope: #8</b>		<b>Building Feature: Roof Skylights</b>	
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
Contract year work completion: 2029			
Total Cost: \$17,997.00			
Description of work: Treat corrosion and paint skylight with appropriate rust inhibitive paint to prevent corrosion and deterioration as needed. Repair or replace associated flashings and replace sealant joints as needed. Clean weeps. Coordinate with roof work.			

Scope: #9		Building Feature: Pacific Ave Storefronts	
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
Contract year work completion: 2029			
Total Cost: \$514,766.00			
<p>Description of work:</p> <p>Remove non-historic non-compatible materials and install new appropriate compatible storefronts at ground level to replace missing storefronts at current open-air arcade based on further historic documentation and investigation. Consideration should be given to ADA compliance requirements. All work to be completed in accordance to NPS Preservation Brief #11: Rehabilitating Historic Storefronts and #32: Making Historic Properties Accessible.</p> <p>Although not a Mills Act eligible scope, the new storefront will trigger improvements in the existing arcade that will become interior space. Improvements include tying the adjacent interior space with the storefront and consist of new finishes, required upgrades to the fire life/safety systems and alterations to the mechanical and electrical systems. This portion of the improvements will cost approximately \$342,426.00 (non-qualifying portion).</p>			

Exhibit B: Maintenance Plan for 450 Pacific Avenue

Scope: #1		Building Feature: Pacific Ave & Osgood Pl. Brickwork	
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
Contract year work completion: 2022 and annually thereafter			
Total Cost: \$1,790			
Description of work: Perform visual inspection of brick masonry annually for signs of deterioration and biogrowth. Prior to 2025 rehabilitation work, clean or treat immediate needs, including graffiti removal as occurs. Following 2025 rehabilitation work, clean or treat biogrowth and repair as needed. All work to be completed in accordance to NPS Preservation Brief #1: Cleaning and Water-Repellent Treatments for Historic Masonry Buildings.			

Scope: #2		Building Feature: Window sills and brick projections	
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
Contract year work completion: 2022 and annually thereafter			
Total Cost: \$1,790.00			
Description of work: Perform visual inspection annually of parge coats where exist at windowsills, brick projections at parapet inset panels, and at ground floor watertable. Prior to 2025 rehabilitation work, treat immediate needs. Following 2025 rehabilitation work, repair as needed.			

Scope: #3		Building Feature: Secondary North & West Facades	
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
Contract year work completion: 2022 and annually thereafter			
Total Cost: \$1,790.00			
Description of work: Perform visual inspection of brick masonry annually for signs of deterioration and biogrowth. Prior to 2025 rehabilitation work, clean or treat immediate needs. Following 2025 rehabilitation work, clean or treat biogrowth and repair as needed, including graffiti removal as occurs. All work to be completed in accordance to NPS Preservation Brief #1: Cleaning and Water-Repellent Treatments for Historic Masonry Buildings.			

Scope: #4		Building Feature: Osgood Pl. Metal Balcony Rail, Window grilles and tie rods	
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
Contract year work completion: 2022 and annually thereafter			
Total Cost: \$1,790.00			
Description of work: Perform visual inspection annually of metal balcony rail, window grilles, tie rods, and other miscellaneous metal work for paint deterioration and signs of corrosion. Treat corrosion and paint with appropriate rust inhibitive paint as needed.			

Scope: #5		Building Feature: Pacific Ave Storefronts	
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
Contract year work completion: 2022 and annually thereafter			
Total Cost: \$895.00			
Description of work: Perform visual inspection annually of exposed steel structure for paint deterioration and signs of corrosion. Treat corrosion and paint with appropriate rust inhibitive paint as needed.			

Scope: #6		Building Feature: Roof	
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
Contract year work completion: 2022 and annually thereafter			
Total Cost: \$1,790.00			
Description of work: Perform annual inspection of roofing, including roof membrane and associated flashings, parapet flashings, sealants, etc. for leaks and signs of deterioration. Repair as needed; prepare, prime, and paint metal as needed.			

Scope: #7		Building Feature: Roof Drainage System	
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
Contract year work completion: 2022 and annually thereafter			
Total Cost: \$895.00			
Description of work: Perform annual inspection of roof drainage system, and clean drains, downspouts, and gutters as needed.			

Scope: #8		Building Feature: Roof Skylights	
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
Contract year work completion: 2022 and annually thereafter			
Total Cost: \$895.00			
Description of work: Perform annual inspection of skylights for leaks and deterioration, including flashings, and sealants. Clean weeps. Repair as needed.			

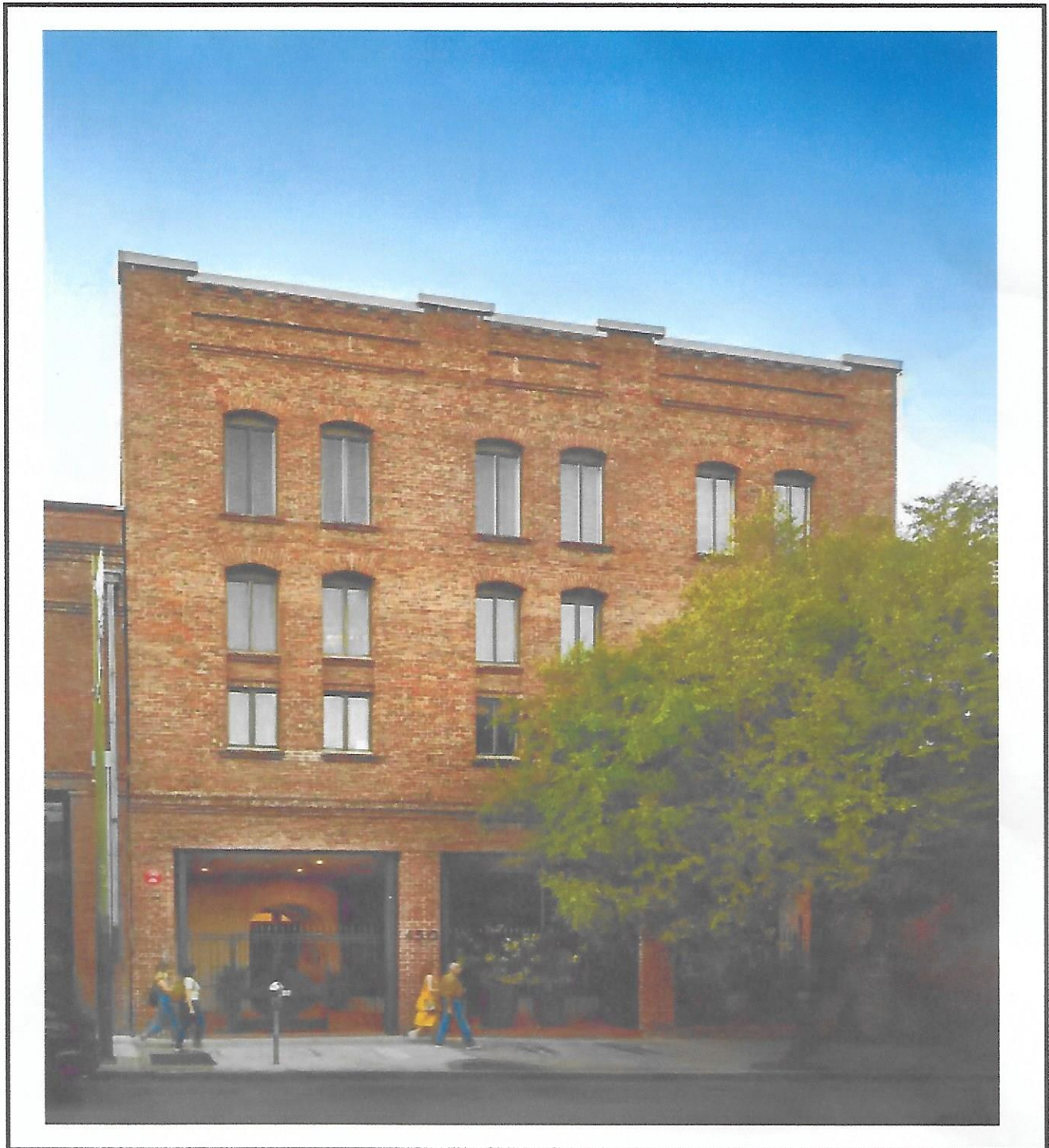
Scope: #9	Building Feature: Pacific Ave and Osgood Pl. Windows		
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
Contract year work completion: 2022 and annually thereafter			
Total Cost: \$3,581.00			
<p>Description of work:</p> <p>Perform visual inspection of windows and associated sealants and waterproofing for leaks and deterioration, and clean weeps. Repair as needed. When 60% or more of the windows on either the Pacific Avenue or Osgood Place facades are deteriorated beyond repair, replace all the windows within that façade with new wood double hung windows that are compatible with the historic character of the building. Follow the Secretary of the Interior’s Standards for the Rehabilitation of Historic Buildings as guidance for the window replacements.</p>			

Scope: #10	Building Feature: Interior Historic Timber Framing		
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
Contract year work completion: 2022 and annually thereafter			
Total Cost: \$1,790.00			
<p>Description of work:</p> <p>Perform visual inspection annually of historic interior timber framing for signs of stress/deterioration or necessary repairs, and repair as needed.</p>			





**Office of the Assessor / Recorder - City and County of San Francisco  
Mills Act Valuation**



**450 Pacific Avenue  
As of 07/01/2020**

**OFFICE OF THE ASSESSOR-RECORDER - CITY & COUNTY OF SAN FRANCISCO  
MILLS ACT VALUATION**

<b>APN:</b>	0164-010	<b>Lien Date:</b>	7/1/2020
<b>Address:</b>	450 Pacific Avenue	<b>Application Date:</b>	5/1/2020
<b>SF Landmark No.:</b>		<b>Application Term:</b>	10 years
<b>Applicant's Name:</b>	Pacific Stables Property Owner LLC	<b>Last Sale Date:</b>	9/16/2019
<b>Agt./Tax Rep./Atty:</b>	Jesse Feldman	<b>Last Sale Price:</b>	\$31,771,200
<b>Fee Appraisal Provided:</b>	Yes		

FACTORED BASE YEAR (Roll) VALUE		INCOME CAPITALIZATION APPROACH		SALES COMPARISON APPROACH	
Land	\$19,063,000	Land	\$14,017,800	Land	\$19,723,800
Imps.	\$12,708,200	Imps.	\$9,345,200	Imps.	\$13,149,200
Personal Prop	\$0	Personal Prop	\$0	Personal Prop	\$0
<b>Total</b>	<b>\$31,771,200</b>	<b>Total</b>	<b>\$ 23,363,000</b>	<b>Total</b>	<b>\$ 32,873,000</b>

**Property Description**

<b>Property Type:</b>	Commercial	<b>Year Built:</b>	1907/2009	<b>Neighborhood:</b>	Jackson Square/Fin. District North
<b>Type of Use:</b>	Office	<b>(Total) Rentable Area:</b>	28,586	<b>Land Area:</b>	7,150
<b>Owner-Occupied:</b>	No	<b>Stories:</b>	4	<b>Zoning:</b>	C2
<b>Unit Types:</b>	Commercial	<b>Parking Spaces:</b>	No parking		

**Total No. of Units:** 1

**Special Conditions (Where Applicable)**

See Additional Comments Tab.

**Conclusions and Recommendations**

	Per SF	Total
Factored Base Year Roll	\$ 1,111	\$ 31,771,200
Income Approach - Restricted Direct Capitalization	\$ 817	\$ 23,363,000
Sales Comparison Approach	\$ 1,150	\$ 32,873,000
<b>Recommended Value Estimate</b>	<b>\$ 817</b>	<b>\$ 23,363,000</b>

**Appraiser:** Marcus Chan

**Principal Appraiser:** James Bias

**Hearing Date:**



### Additional Comments

Address: 450 Pacific Avenue  
 APN: 0164-010  
 Event Date: 7/1/2020

**Objective:** Summarize and document the Mills Act information obtained under 441(d) and conversation/communication with co-owner Jesse Feldman. The files provided are the original lease and lease amendments, lease offering memo, 7/23/19 fee appraisal, partial 2019-2020 cash-flow statement, 11-years pro-forma, summary of capital expenditure and annual maintenance related to Mills Act.

#### Summary of work performed:

The subject property was sold by owner-user "450 Pacific LP" (owned by Keesal, Young & Logan, PC (KYL)) on 09/16/19. The seller and buyer agreed on a 6 months leaseback from 09/10/19 to 03/11/20. The original leaseback agreement was for 26,476 SF (90% of rentable space), \$65/SF annual, with expense terms that requires the tenant to reimburse landlord for all operating expenses and property taxes based on FBV before sale. Later in March 2020, an amendment was executed for additional 36 months of lease under the same conditions of the original lease. Per conversation with co-owner Jesse Feldman, on 08/12/20, he disclosed the owners tried to lease building to new tenants without success. He said, the owners were able to negotiate for the current tenant to extend the lease. I asked him about the rent that appears below market. He claimed they were lucky to keep the current tenant because they feared the building would undergo foreclosure without any income.

Per review of lease amendment, the rent and expense terms remain the same. Additionally, there would be 3 months of rent deferral, payable in the future without interest. The 3-month rent (\$430,235) is to be repaid in 33 equal installments starting 09/01/20. The annual increase is 3%. The landlord was also required to reimburse \$110,000 to the tenant as lease contract costs. The tenant pays all operating costs, which are comprised of utilities, insurance, janitorial, maintenance and adm costs. Other expenses are the property taxes equivalent based on the seller's old FBV. Per lease agreement, the landlord pays the tax portion of the supplemental assessment.

The appraisal report states the As-Is fee simple interest as of 07/31/19 to be \$31,800,000 and the prospective stabilized 08/01/20 value to be \$40,800,000. The estimated 08/01/20 prospective rent is \$90/SF NNN with TI allowance of \$150/SF and 6 months free to new tenant.

Per reported cost estimates, the maintenance cost between 2022 and 2025 is \$17,006 annually. The estimated total restoration cost is \$1,622,754. The restoration is estimated to start in phases, beginning in 2025 and ending by 2031.

Per co-owner J. Feldman, the owner-use stated in the Mills Act application is incorrect. He confirmed that total rentable of the building is 28,586 SF; and initially the company used 2,858 SF as a leasing office and the remaining 26,476 SF for the leaseback to the seller. He claimed the company no longer occupies that space and now is left for the tenant KYL to use without additional charge. He claimed that there is no additional amendment or agreement for the use of that area. Based on owner's disclosure, the building is fully tenant occupied.

#### Conclusion:

Based on available information is concluded the following:

- The total rentable area is 28,586 SF to be used in the Mills Act valuation.
- Industrial Gross Rents (IG) typically cover the commercial property operating expenses on top of the Base Rent. IG rents may include, but are not limited to, property taxes, maintenance, insurance and others expenses, depending on the negotiated terms. Per lease agreement with landlord, tenant KYL pays base rent of \$65/SF and reimburses the landlord for all operating expenses, as defined in the agreement. Per review of cash-flow and pro-forma reports, the amount reimbursable to the landlord (portion of taxes, adm expenses, insurance, others) is estimated to be \$8.42/SF. Under the lease agreement terms, the rent is equivalent to \$73.42/SF IG. Accept in-place rent and landlord concessions as market due to leasing environment under COVID-19 conditions. See breakdown of estimated reimbursable to the landlord.
- Accept and use owners' reported operating expenses as reported actual is in line with projected expenses.
- Under the lease agreement, the tenants pays equivalent to 35% of property taxes whereas the landlord pays 65%. Will use tax rate component equal to 0.7671% (or 1.1801% x 65%),

#### Reported Operating Expenses

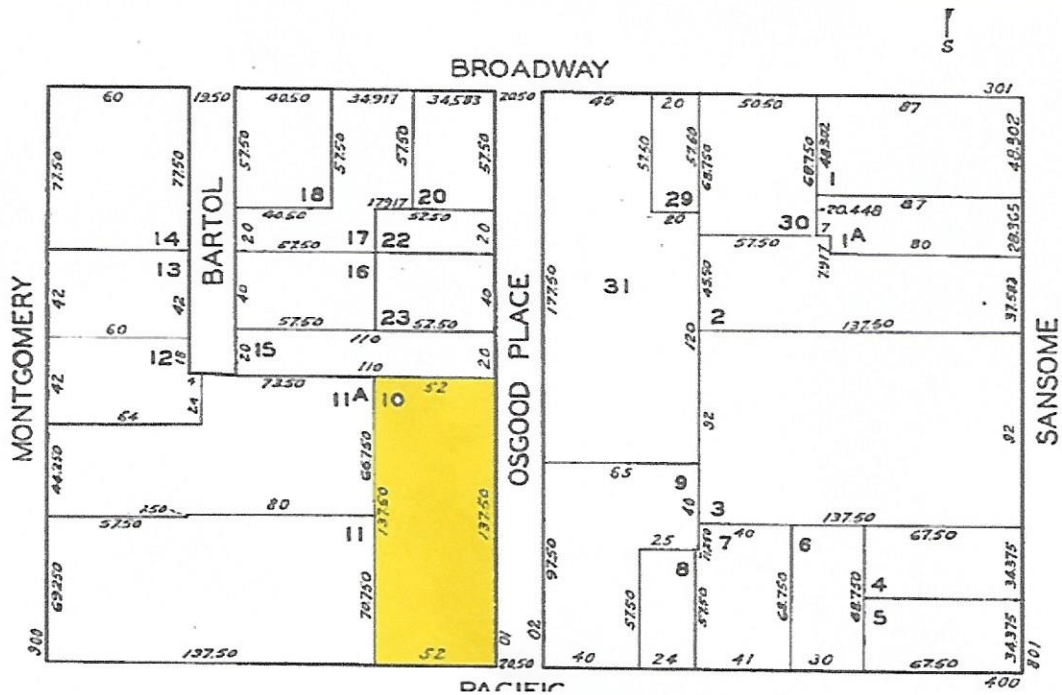
Expense Name	Annual Expense	Exp/ SF
Regular Tax (tenant)	\$111,742.00	\$3.91
Adm Expenses	\$44,000.00	\$1.54
Insurance	\$63,057.00	\$2.21
Professional Fee	\$20,000.00	\$0.70
Accounting Fee	\$2,000.00	\$0.07
<b>Total</b>	<b>\$240,799.00</b>	<b>\$8.42</b>



SUBJECT PHOTOGRAPHS AND LOCATOR MAP

Address: 450 Pacific Avenue

APN: 0164-010

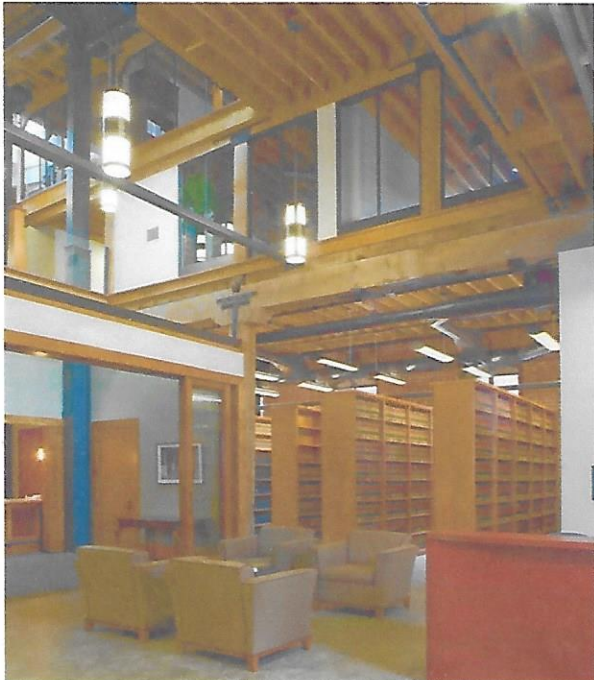
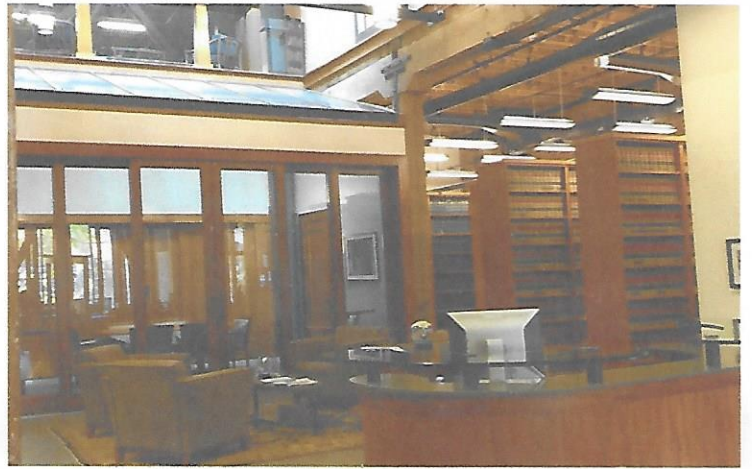




**SUBJECT PHOTOGRAPHS AND LOCATOR MAP**

**Address:** 450 Pacific Avenue

**APN:** 0164-010





**INCOME APPROACH**

**Address:** 450 Pacific Avenue

**Lien Date:** 7/1/2020

	<u>Sq. Ft.</u>		<u>Annual Rent/SF</u>		
Potential Gross Income	28,586	x	\$73.42	IG	\$2,098,889
Less: Vacancy & Collection Loss			3%		<u>(\$62,967)</u>
Effective Gross Income					\$2,035,922
Less: Anticipated Operating Expenses (Pre-Property Tax)*			\$8.42		<u>(\$240,799)</u> 12%
<b>Net Operating Income (Pre-Property Tax)</b>					<b>\$1,795,123</b>

**Restricted Capitalization Rate**

2020 interest rate per State Board of Equalization			4.2500%		4.2500%
Risk rate (4% owner occupied / 2% all other property types)			2.0000%		2.0000%
2019 property tax rate **			1.1801%	65%	0.7671%
Amortization rate for improvements only					
Remaining economic life (in years)	60	0.0167	<u>0.6667%</u>		<u>0.6667%</u>
Improvements constitute % of total property value		40%			<u>7.6837%</u>

**RESTRICTED VALUE ESTIMATE**

Rounded Value      **\$23,362,650**  
**\$23,363,000**

**Rent Roll as of**

<u>Unit</u>	<u>Bdrm/Ba</u>	<u>SF</u>	<u>Move In Date</u>	<u>Monthly Contract Rent</u>	<u>Annual Rent</u>	<u>Annual Rent / Foot</u>
All		28,586	9/10/2019	\$143,412	\$1,720,940.04	\$60.20
<b>Total:</b>		<b>28,586</b>		<b>\$143,412</b>	<b>\$1,720,940</b>	<b>\$60.20</b>

**Summary of Subject and Comparable Leases**

Address: 450-490 Pacific Ave.  
 APN: 0164 010  
 Event Date: 7/1/2020

No.	Block/Lot	Address	Tenant	Floor	Lease Signed	Lease Start	Term - Mo's	NRA	Starting Rent	Effective Rent	Lease Type	T.I./S.F.	Mo's Free Rent	Escalations/Comments
<b>Subject Property Leases</b>														
Avg #DIV/0!														
<b>Comparable Rents (Sorted by Property Type)</b>														
0164 030	350 Broadway	Knotel		1 & 2		9/4/2019	180	5,898	\$71.00		IG			3% inc annual. Tenant pays ull. & janitorial.
0164 030	350 Broadway	Knotel		3		9/4/2019	180	1,021	\$73.00		IG			3% inc annual. Tenant pays ull. & janitorial.
0262 021	201 California #440	Two Six Capital Lic				4/1/2019	36	2,651	\$75.00		FSG			Renewal (2017 rent roll show lease expire 3/31/2019)
0241 027	600 California #900	Bridge Housing Corp.				4/1/2019	60	20,945	\$75.50		FSG			From rent roll.
0168 001	747 Front St	Minted				2/1/2019	38	33,000	\$77.00		IG	\$20.00		3% inc annual. Source: Brick+Timber Confidential Memo
0175 003	727 Sansome St	H20 Plus				12/1/2018	60	5,000	\$90.00		IG	None		3% inc annual. Source: Brick+Timber Confidential Memo
0174 008	710 Sansome St	OneLogIn				10/1/2018	86	40,125	\$92.00		FSG	\$15.00		3% inc annual. Source: Brick+Timber Confidential Memo
0196 027	415 Jackson St	01 Advisors				3/1/2018	96	3,545	\$75.00		FSG	None		3% inc annual. Source: Brick+Timber Confidential Memo
0141 013	855 Front St	Craft Ventures				12/1/2018	120	16,433	\$85.00		NNN	None		2% inc annual. Source: Brick+Timber Confidential Memo
0084 008	1265 Battery St (Levi's Plaza)	Pereira & O'Dell Advertising				2/1/2019	100	17,237	\$94.00		FSG	\$100.00		3% inc annual. Source: Brick+Timber Confidential Memo
0136 001	55 Green St	Getaround		All		10/1/2018	120	45,527	\$73.90		NNN	\$110.00		3% inc annual. Lease includes 17 pkfg spaces.
									\$77.40					
<b>Comparable Rental Active Listings</b>														
0175 011	478-478 Jackson St	Loopnet Lease offering memo		2 & 3				2,600	\$91.50					Listing date 10/02/19
0138 004A	940 Battery St	Loopnet Lease offering memo		1,2,3,4				26,720	\$95.00					Listing date 01/02/20
0175 004	402 Jackson St	Loopnet Lease offering memo						1,800	\$95.00		IG			Sublease. Listed 03/10/20. Updated 7/14/20.
0175 024	477 Pacific Ave	Loopnet Lease offering memo		3				3,280	\$78.00		FSG			Small Bldg. Listed 03/28/20. Updated 7/28/20.
<b>Average</b>									<b>\$82.38</b>					

San Francisco Q2 2020 Quarterly Office Market Report

**Market By The Numbers**

Submarket	Total RBA (SF)	Vacancy Rate Class A	10.2%	10.6%	15.0%	Net Absorp Class B (SF)	Under Construction (SF)	Avg Ask Total	Avg Asking Rent Class A	Direct Avg Ask Total	Avg Direct Rent Class A
North Financial	27,474,560	7.1%	10.2%	10.6%	15.0%	-605,944	0	\$87.66	\$88.14	\$89.29	\$90.40
South Financial	27,702,873	6.4%	6.2%	9.0%	7.2%	-685,120	1,250,000	\$93.16	\$93.70	\$95.91	\$96.10
<b>CBD Average</b>	<b>55,177,433</b>	<b>6.8%</b>	<b>8.5%</b>	<b>9.8%</b>	<b>11.8%</b>	<b>-1,291,064</b>	<b>1,250,000</b>	<b>\$90.55</b>	<b>\$91.50</b>	<b>\$92.67</b>	<b>\$93.83</b>
SOMA*	7,573,690	8.5%	8.4%	9.0%	7.4%	-344,106	766,537	\$82.91	\$92.64	\$87.75	\$97.50
									\$80.19	\$87.50	\$84.56



**Income and Expense History**

Address: 450 Pacific Avenue  
 APN: 0164-010  
 Value Date: 7/1/2020

Bsmt Storage  
 Flrs 2 - 4  
 Mezzanine

Occupancy as of Sales Date: **100%**

Total NRA (not including Bsmt) 28,586

	Historical Income and Expenses					
	Period = Sep 2019-Jun 2020		Pro-Forma 2021		Pro-Forma 2022	
	Total	Per S.F.	Total	Per S.F.	Total	Per S.F.
<b>Income</b>						
Rental Income	\$ 1,362,411	\$ 47.66	\$ 1,742,452	\$ 60.95	\$ 1,794,725	\$ 62.78
Rental Abatement	(286,823)	(10.03)				
BY Escalations/Recoveries	129,144	4.52	198,844	6.96	202,821	7.10
Storage Income	-	-				
Misc.Income	-	-				
Other Income*	-	-				
<b>Total Income</b>	<b>\$ 1,204,732</b>	<b>\$ 42.14</b>	<b>\$ 1,941,296</b>	<b>\$ 67.91</b>	<b>\$ 1,997,546</b>	<b>\$ 69.88</b>
<b>Expenses</b>						
Real Estate Taxes	89,151	3.12	319,931	11.19	326,330	11.42
Utilities	-	-				
Insurance	24,801	0.87	63,057	2.21	64,319	2.25
Janitorial	100	0.00				
Security	3,673	0.13				
Payroll	-	-				
Repairs & Maintenance	-	-				
Legal & Professional	22,000	0.77	22,440	0.78	22,889	0.80
General & Administrative	41,965	1.47	44,880	1.57	45,778	1.60
Management Fee	-	-				
State Tax	2,500	0.09				
<b>Total Expenses</b>	<b>\$ 184,190</b>	<b>\$ 6.44</b>	<b>\$ 450,308</b>	<b>\$ 15.75</b>	<b>\$ 459,316</b>	<b>\$ 16.07</b>
Less: Property Taxes	89,151	3.12	319,931	11.19	326,330	11.42
<b>Pre-Tax Total Expenses</b>	<b>\$ 95,039</b>	<b>\$ 3.32</b>	<b>\$ 130,377</b>	<b>\$ 4.56</b>	<b>\$ 132,986</b>	<b>\$ 4.65</b>
<b>Pre Tax Net Operating Income</b>	<b>\$ 1,109,693</b>	<b>\$ 38.82</b>	<b>\$ 1,810,919</b>	<b>\$ 63.35</b>	<b>\$ 1,864,560</b>	<b>\$ 65.23</b>

\* Other income includes: Reimbursable share of Op.expenses

Management Fee % 0.00%

0.00%

0.00%



## SALES COMPARISON ANALYSIS

	ADDRESS	SALE PRICE \$ PER SQ.FT.	Value Per SQ.FT NRA	NEIGHBORHOOD	Location	LOT SIZE	YEAR BUILT	NRA SQ.FT.	CONDITION	OVERALL ADJUSTMENT	ADJ Sales Price \$/SF NRA
Subj. APN	450 Pacific Avenue 0164-010	\$31,771,200 \$1,111	Jackson Square/Fin.	District North	7,150	1907/2009	28,586	Good			
1	450 Pacific Avenue 0164-010	9/16/2019 \$31,771,200	<b>SUBJECT</b> <b>\$1,111</b>	Jackson Square/ Fin.	Similar	7,150	1907/2009	28,586	Good	0%	\$1,111
2	747 Front St APN: 0166-001	9/12/2019 \$68,385,000	<b>\$918</b>	Fin. District North	Inferior 10%	17,542	1909/2014	74,510 5%	Average 5%	20%	\$1,101
3	600 Battery St APN: 0173-001/009	1/18/2019 \$115,000,000	<b>\$1,025</b>	Fin. District North	Inferior 5%	39,737	1927/1999	112,208 5%	Good	10%	\$1,127
4	451 Pacific Ave APN: 0175-027	1/17/2020 \$12,850,000	<b>\$1,252</b>	Jackson Square/ Fin.	Similar	3,436	1908/1980	10,264	Good	0%	\$1,252
										0%	\$0

RANGE OF VALUES	\$1,111	to	\$1,127
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Estimated Market Value of SQ.FT: \$1,120

NRA	X	\$/SQ.FT
28,586	X	\$1,150
		\$32,873,900

**ESTIMATED MARKET VALUE \$32,873,000**



# CEQA CATEGORICAL EXEMPTION DETERMINATION

## Property Information/Project Description

<b>Project Address</b>	<b>Block/Lot(s)</b>
450 Pacific Avenue	0164/010
<b>Case No.</b>	<b>Permit No.</b>
<b>2020-004819MLS</b>	N/A
<input checked="" type="checkbox"/> <b>Addition Alteration</b> <input type="checkbox"/> <b>Demolition</b> (requires HRE for Category B Building) <input type="checkbox"/> <b>New Construction</b>	
<b>Project Description</b>	
Mills Act Historical Property Contract	

## STEP 1: Exemption Class

<input checked="" type="checkbox"/> <b>Class 1 - Existing Facilities.</b> Interior and exterior alterations; additions under 10,000 sq. ft.
<input type="checkbox"/> <b>Class 3 - New Construction.</b> Up to three new single-family residences or six dwelling units in one building; commercial/office structures; utility extensions; change of use under 10,000 sq. ft. if principally permitted or with a CU.
<input type="checkbox"/> <b>Class 32 - In-Fill Development.</b> New Construction of seven or more units or additions greater than 10,000 sq. ft. and meets the conditions described below: <ol style="list-style-type: none"> <li>The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.</li> <li>The proposed development occurs within city limits on a project site of no more than 5 acres substantially surrounded by urban uses.</li> <li>The project site has no value as habitat for endangered rare or threatened species.</li> <li>Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.</li> <li>The site can be adequately served by all required utilities and public services.</li> </ol> <p>FOR ENVIRONMENTAL PLANNING USE ONLY</p>
<input type="checkbox"/> <b>Class _____</b>

**STEP 2: CEQA Impacts**

To Be Completed By Project Planner

If any box is checked below, an <i>Environmental Evaluation Application</i> is required.	
<input type="checkbox"/>	<p><b>Air Quality:</b> Would the project add new sensitive receptors (specifically, schools, day care facilities, hospitals, residential dwellings, and senior-care facilities within an Air Pollution Exposure Zone? Does the project have the potential to emit substantial pollutant concentrations (e.g., backup diesel generators, heavy industry, diesel trucks, etc.)? <i>(refer to EP_ArcMap &gt; CEQA Catex Determination Layers &gt; Air Pollution Exposure Zone)</i></p>
<input type="checkbox"/>	<p><b>Hazardous Materials:</b> If the project site is located on the Maher map or is suspected of containing hazardous materials (based on a previous use such as gas station, auto repair, dry cleaners, or heavy manufacturing, or a site with underground storage tanks): Would the project involve 50 cubic yards or more of soil disturbance – or a change of use from industrial to residential? If yes, this box must be checked and the project applicant must .  <i>Exceptions: do not check box if the applicant presents documentation of enrollment in the San Francisco Department of Public Health (DPH) Maher program, a DPH waiver from the Maher program, or other documentation from Environmental Planning staff that hazardous material effects would be less than significant (refer to EP_ArcMap &gt; Maher layer).</i></p>
<input type="checkbox"/>	<p><b>Transportation:</b> Does the project involve a child care facility or school with 30 or more students, or a location 1,500 square feet or greater? Does the project have the potential to adversely affect transit, pedestrian and/or bicycle safety (hazards) or the adequacy of nearby transit, pedestrian and/or bicycle facilities?</p>
<input type="checkbox"/>	<p><b>Archeological Resources:</b> Would the project result in soil disturbance/modification greater than two (2) feet below grade in an archeological sensitive area or eight (8) feet in a non-archeological sensitive area?  <i>(refer to EP_ArcMap &gt; CEQA Catex Determination Layers &gt; Archeological Sensitive Area)</i></p>
<input type="checkbox"/>	<p><b>Subdivision/Lot Line Adjustment:</b> Does the project site involve a subdivision or lot line adjustment on a lot with a slope average of 20% or more? <i>(refer to EP_ArcMap &gt; CEQA Catex Determination Layers &gt; Topography)</i></p>
<input type="checkbox"/>	<p><b>Slope = or &gt; 25%:</b> Does the project involve any of the following: (1) square footage expansion greater than 500 sq. ft. outside of the existing building footprint, (2) excavation of 5,000 cubic yards or more of soil, (3) new construction? <i>(refer to EP_ArcMap &gt; CEQA Catex Determination Layers &gt; Topography)</i> <b>If box is checked, a geotechnical report is required and Environmental Planning must issue the exemption.</b></p>
<input type="checkbox"/>	<p><b>Seismic: Landslide Zone:</b> Does the project involve any of the following: (1) square footage expansion greater than 500 sq. ft. outside of the existing building footprint, (2) excavation of 5,000 cubic yards or more of soil, (3) new construction? <i>(refer to EP_ArcMap &gt; CEQA Catex Determination Layers &gt; Seismic Hazard Zones)</i> <b>If box is checked, a geotechnical report is required.</b></p>
<input type="checkbox"/>	<p><b>Seismic: Liquefaction Zone:</b> Does the project involve any of the following: (1) square footage expansion greater than 500 sq. ft. outside of the existing building footprint, (2) excavation of 5,000 cubic yards or more of soil, (3) new construction? <i>(refer to EP_ArcMap &gt; CEQA Catex Determination Layers &gt; Seismic Hazard Zones)</i> <b>If box is checked, a geotechnical report will likely be required.</b></p>
<p><b>Comments and Planner Signature (optional):</b></p>   	

**STEP 3: Property Status - Historic Resource**

To Be Completed By Project Planner

PROPERTY IS ONE OF THE FOLLOWING: ( refer to Parcel Information Map )	
<input checked="" type="checkbox"/>	<b>Category A:</b> Known Historical Resource. <b>GO TO STEP 5.</b>
<input type="checkbox"/>	<b>Category B:</b> Potential Historical Resource (over 45 years of age). <b>GO TO STEP 4.</b>
<input type="checkbox"/>	<b>Category C:</b> Not a Historical Resource or Not Age Eligible (under 45 years of age). <b>GO TO STEP 6.</b>

**STEP 4: Proposed Work Checklist**

To Be Completed By Project Planner

Check all that apply to the project.	
<input type="checkbox"/>	<b>1. Change of use and new construction.</b> Tenant improvements not included.
<input checked="" type="checkbox"/>	<b>2. Regular maintenance or repair</b> to correct or repair deterioration, decay, or damage to building.
<input type="checkbox"/>	<b>3. Window replacement</b> that meets the Department’s <i>Window Replacement Standards</i> . Does not include storefront window alterations.
<input type="checkbox"/>	<b>4. Garage work.</b> A new opening that meets the <i>Guidelines for Adding Garages and Curb Cuts</i> , and/or replacement of a garage door in an existing opening that meets the Residential Design Guidelines.
<input type="checkbox"/>	<b>5. Deck, terrace construction, or fences</b> not visible from any immediately adjacent public right-of-way.
<input type="checkbox"/>	<b>6. Mechanical equipment installation</b> that is not visible from any immediately adjacent public right-of-way.
<input type="checkbox"/>	<b>7. Dormer installation</b> that meets the requirements for exemption from public notification under <i>Zoning Administrator Bulletin No. 3: Dormer Windows</i> .
<input type="checkbox"/>	<b>8. Addition(s)</b> that are not visible from any immediately adjacent public right-of-way for 150 feet in each direction; does not extend vertically beyond the floor level of the top story of the structure or is only a single story in height; does not have a footprint that is more than 50% larger than that of the original building; and does not cause the removal of architectural significant roofing features.
Note: Project Planner must check box below before proceeding.	
<input type="checkbox"/>	Project is not listed. <b>GO TO STEP 5.</b>
<input type="checkbox"/>	Project does not conform to the scopes of work. <b>GO TO STEP 5.</b>
<input type="checkbox"/>	Project involves four or more work descriptions. <b>GO TO STEP 5.</b>
<input type="checkbox"/>	Project involves less than four work descriptions. <b>GO TO STEP 6.</b>

**STEP 5: CEQA Impacts - Advanced Historical Review**

To Be Completed By Project Planner

Check all that apply to the project.	
<input type="checkbox"/>	<b>1. Project involves a known historical resource (CEQA Category A)</b> as determined by Step 3 and conforms entirely to proposed work checklist in Step 4.
<input type="checkbox"/>	<b>2. Interior alterations to publicly accessible spaces.</b>
<input type="checkbox"/>	<b>3. Window replacement</b> of original/historic windows that are not “in-kind” but are consistent with existing historic character.
<input type="checkbox"/>	<b>4. Façade/storefront alterations</b> that do not remove, alter, or obscure character-defining features.
<input type="checkbox"/>	<b>5. Raising the building</b> in a manner that does not remove, alter, or obscure character-defining features.
<input checked="" type="checkbox"/>	<b>6. Restoration</b> based upon documented evidence of a building’s historic condition, such as historic photographs, plans, physical evidence, or similar buildings.
<input type="checkbox"/>	<b>7. Addition(s)</b> , including mechanical equipment that are minimally visible from a public right-of-way and meet the <i>Secretary of the Interior’s Standards for Rehabilitation</i> .
<input checked="" type="checkbox"/>	<b>8. Other work consistent</b> with the Secretary of the Interior Standards for the Treatment of Historic Properties (specify or add comments):
<input type="checkbox"/>	<b>9. Other work</b> that would not materially impair a historic district (specify or add comments):
(Requires approval by Senior Preservation Planner/Preservation Coordinator)	
<input type="checkbox"/>	<b>10. Reclassification of property status.</b> (Requires approval by Senior Preservation Planner/Preservation
<input type="checkbox"/>	Reclassify to Category A a. Per HRER dated b. Other (specify):
<input type="checkbox"/>	Reclassify to Category C (attach HRER)
Note: If ANY box in STEP 5 above is checked, a Preservation Planner MUST check one box below.	
<input checked="" type="checkbox"/>	<b>Project can proceed with categorical exemption review.</b> The project has been reviewed by the Preservation Planner and can proceed with categorical exemption review. <b>GO TO STEP 6.</b>
<b>Comments (optional):</b>	
<b>Preservation Planner Signature:</b>	

**STEP 6: Categorical Exemption Determination**

To Be Completed By Project Planner

**No further environmental review is required. The project is categorically exempt under CEQA. There are no unusual circumstances that would result in a reasonable possibility of a significant effect.**

**Project Approval Action:**

Board of Supervisors Approval

If Discretionary Review before the Planning Commission is requested, the Discretionary Review hearing is the Approval Action for the project.

**Signature:**

Alexandra Kirby, Senior Planner  
9/25/2020

Once signed or stamped and dated, this document constitutes a categorical exemption pursuant to CEQA Guidelines and Chapter 31 of the Administrative Code.

In accordance with Chapter 31 of the San Francisco Administrative Code, an appeal of an exemption determination can only be filed within 30 days of the project receiving the first approval action. Please note that other approval actions may be required for the project. Please contact the assigned planner for these approvals.







# SAN FRANCISCO PLANNING DEPARTMENT

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## PRE-APPROVAL INSPECTION REPORT

*Report Date:* June 1, 2020  
*Inspection Date:* May 22, 2020; 3:30pm  
*Filing Date:* May 1, 2020  
*Case No.:* **2020-004819MLS**  
*Project Address:* **450 Pacific Avenue**  
*Block/Lot:* 0164/010  
*Eligibility* Contributor to the Jackson Square Historic District  
*Zoning:* C-2 – Community Business  
*Height & Bulk:* 65-A  
*Supervisor District:* District 3 (Aaron Peskin)  
*Project Sponsor:* Pacific Stables Property Owner LLC  
*Address:* 590 Pacific Avenue  
San Francisco, CA 94133  
310-756-3478  
jesse@brickandtimbercollective.com  
*Staff Contact:* Alexandra Kirby – (415) 575-9133  
alexandra.kirby@sfgov.org  
*Reviewed By:* Elizabeth Gordon-Jonckheer – (415) 575-8728  
[Elizabeth.Gordon-Jonckheer@sfgov.org](mailto:Elizabeth.Gordon-Jonckheer@sfgov.org)

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

Reception:  
**415.558.6378**

Fax:  
**415.558.6409**

Planning  
Information:  
**415.558.6377**

### PRE-INSPECTION

Application fee paid

Record of calls or e-mails to applicant to schedule pre-contract inspection

5/21/20: Email applicant to schedule site visit. Confirm site visit for 5/22/20. Inspection Conducted by Michelle Taylor without project sponsor due to social distancing requirements.

5/26/20: Email applicant to schedule virtual meeting. Confirm meeting for 5/29/20.

5/29/20: Discuss proposed Rehabilitation and Maintenance Plan and Mills Act timeline and terms with Page & Turnbull and applicant.



## INSPECTION OVERVIEW

Date and time of inspection: Friday, May 22, 2020, 3:30pm

Parties present: Michelle Taylor

- Provide applicant with business cards – n/a, contact information provided via email.
- Inform applicant of contract cancellation policy – completed during follow up conference call on 5/29/20
- Inform applicant of monitoring process – completed during follow up conference call on 5/29/20

Inspect property. If multi-family or commercial building, inspection included a:

- Thorough sample of units/spaces
- Representative
- Limited
- Review any recently completed and in progress work to confirm compliance with Contract.
- Review areas of proposed work to ensure compliance with Contract.
- Review proposed maintenance work to ensure compliance with Contract.
- Identify and photograph any existing, non-compliant features to be returned to original condition during contract period.

- Yes**       **No**      Does the application and documentation accurately reflect the property's existing condition? If no, items/issues noted:
- Yes**       **No**      Does the proposed scope of work appear to meet the Secretary of the Interior's Standards? If no, items/issues noted: See below
- Yes**       **No**      Does the property meet the exemption criteria, including architectural style, work of a master architect, important persons or danger of deterioration or demolition without rehabilitation? If no, items/issues noted: **HSR provided**
- Yes**       **No**      Does the property meet priority considerations including necessity, investment, distinctiveness, recently designated city landmark or legacy business?

## **NOTES**

**450 Pacific Avenue (District 3)** is located on the north side of Pacific Avenue between Montgomery and Sansome streets at the northwest corner of Osgood Place, Assessor's Block 0164, Lot 010. The subject property is located within a C-2 (Community Business District) zoning district and a 65-A Height and Bulk district. The subject property is a contributing building to the Jackson Square Article 10 Historic District. It is a four-story brick-masonry commercial building that was originally constructed as a livery stable prior to 1887 and expanded with a fourth-floor addition at an unknown date.

The subject property is currently valued by the Assessor's Office at over \$5,000,000. Therefore, an exemption from the tax assessment value is required. The applicant has provided a Historic Structures Report ("HSR") prepared by Page & Turnbull.

The applicant completed a seismic upgrade of the property in 2007. The rehabilitation plan proposes to restore the historic storefront; replace parapet flashing; repair roofing and parge; treat all exterior or exposed steel and skylights; and repointing, patching and cleaning of brickwork. The estimated cost of the proposed rehabilitation work is \$1,280,328.

The maintenance plan proposes to inspect and make any necessary repairs to the roofing, flashing, pointing, metal corrosion, drainage points, and biological growth management on an annual basis. The estimated cost of maintenance work is \$17,006 annually.

The application is complete and will be forwarded to the Assessor-Recorder on June 2, 2020.

PHOTOGRAPHS

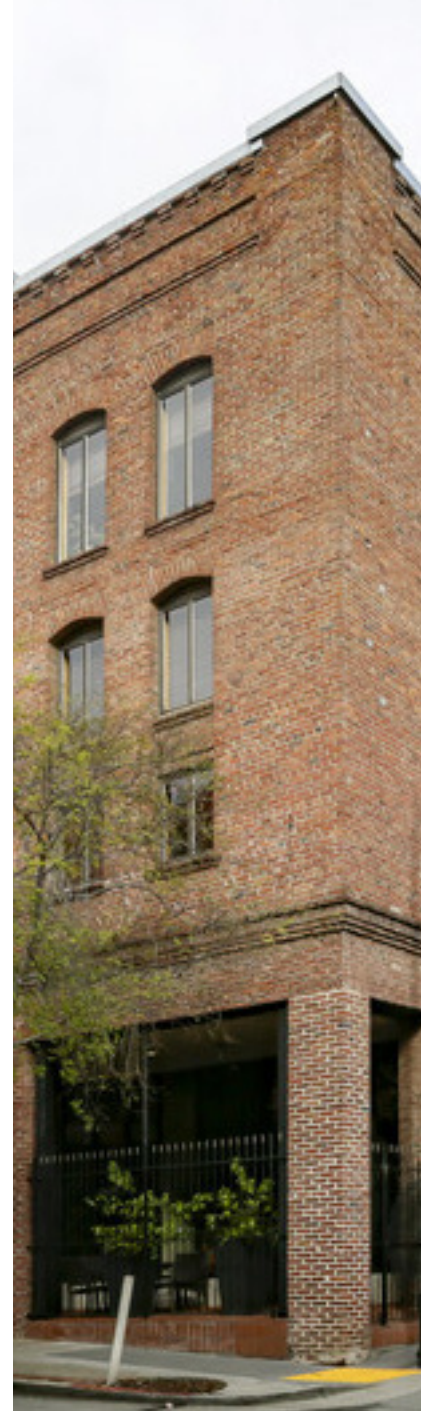


**Mills Act Pre-Approval Inspection Report**  
**May 28, 2020**

**Case Number: 2020-004819MLS**  
**450 Pacific Avenue**

MILLS ACT APPLICATION  
450 PACIFIC AVENUE  
SAN FRANCISCO, CALIFORNIA  
[19404]

PREPARED FOR: PACIFIC STABLES PROPERTY OWNER LLC  
PROJECT REVIEW MEETING  
PRIMARY PROJECT CONTACT:  
Elisa Skaggs  
Page & Turnbull, 170 Maiden Lane, 5th floor  
San Francisco, CA 94108  
415.593.3224/ 415.362.5560 fax  
skaggs@page-turnbull.com



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## **I. APPLICATION FORM**



# MILLS ACT HISTORICAL PROPERTY CONTRACT

## INFORMATIONAL PACKET AND APPLICATION GUIDE

State Law and Chapter 71 of the San Francisco Administrative Code allows the City and County of San Francisco to enter into a preservation contract with local property owners who restore and preserve qualified historic properties. In exchange for maintaining and preserving a historic property, the owner receives a property tax reduction. Planning staff are available to advise you in the preparation of this application. Call (415) 558-6377 for further information.

**Español:** Si desea ayuda sobre cómo llenar esta solicitud en español, por favor llame al 415.575.9010. Tenga en cuenta que el Departamento de Planificación requerirá al menos un día hábil para responder

中文：如果您希望獲得使用中文填寫這份申請表的幫助，請致電 415.575.9010。請注意，規劃部門需要至少一個工作日來回應。

**Tagalog:** Kung gusto mo ng tulong sa pagkumpleto ng application na ito sa Filipino, paki tawagan ang 415.575.9120. Paki tandaan na mangangailangan ang Planning Department ng hindi kukulangin sa isang araw na pantrabaho para makasagot.

### WHAT IS A MILLS ACT PROPERTY CONTRACT?

The Mills Act Contract is an agreement between the City and County of San Francisco and the owner of a qualified property based on California Government Code, Article 12, Sections 50280-50290 (Mills Act). This state law, enacted in 1972, grants the City and County of San Francisco the authority to enter into contracts with owners of qualified historic properties who actively participate in the restoration and maintenance of their historic properties while receiving property tax relief. Owners of qualifying historic properties who agree to comply with certain preservation restrictions receive a potential property tax savings to help offset the costs to restore, rehabilitate, and maintain their historic property according to the *Secretary of the Interior's Standards* and the California Historical Building Code. The Mills Act allows historic property owners to restore their historic buildings; obligates future owners to the maintenance and care of the property; and may provide significant property tax savings to the property owner, particularly to smaller, single-family homeowners. The San Francisco Board of Supervisors approves all final contracts. Once executed, the contract is recorded on the property and leads to reassessment of the property the following year.

### WHO MAY APPLY FOR A MILLS ACT PROPERTY CONTRACT?

The Mills Act is for qualified historic property owners who agree to rehabilitate, restore and maintain their property and in conformance with the *Secretary of the Interior's Treatment of Historic Properties*, in particular the Standards for Rehabilitation, and the California Historical Building Code. Rehabilitation, restoration and maintenance work to the property must begin and be completed during the initial ten year term of the Mills Act Contract. Qualified historic properties are those that have been designated as a City Landmark or those listed on the National Register or California Register of Historic Places. Eligibility for Historical Property Contracts shall be limited to residential buildings or structures with a pre-contract assessed valuation of \$3,000,000 or less and commercial and industrial buildings with a pre-contract assessed valuation of \$5,000,000 or less, unless the individual property is granted an exemption from those limits by the Board of Supervisors.

If a property has multiple owners, all property owners of the subject property must enter into the contract simultaneously.



## THE APPLICATION PACKET

This Application Packet is a summary of the Mills Act Historical Property Contract (“Mills Act Contract”) Program’s features. The complete details are described in the legal texts of the San Francisco Administrative Code, Chapter 71, California Government Code Sections 50280-50290 (Appendix A to this packet.) and California Taxation Code Article 1.9, Sections 439-439.4. (Appendix B to this packet.)

**IMPORTANT: Please read the entire application packet before getting started. Applicants are responsible for all of the information contained in the Application Guide. Be sure to review the Application Checklist to ensure that you are submitting all of the required documents. Incomplete applications may not meet the schedule outlined in this application.**

A Mills Act Historical Property Contract application provides the potential for property tax reduction. It is not a guarantee. Each property varies according to its income-generating potential and current assessed value. Mills Act properties are reassessed annually and periodically inspected for contract compliance.

## WHICH PROPERTIES ARE ELIGIBLE TO APPLY?

In order to participate in the Mills Act Contract Program, properties must meet the following four criteria:

### Criteria 1: Qualified Historic Property

The following are qualifying historic properties eligible for the Mills Act program.

- **Individually Designated Pursuant to Article 10 of the Planning Code.** Properties that have been designated as an individual city landmark.
- **Buildings in Landmark Districts Designated Pursuant to Article 10 of the Planning Code.** Properties that have been listed as a contributor to a city landmark district.
- **Properties Designated as Significant (Category I or II) Pursuant to Article 11 of the Planning Code.** Properties located in the C-3 Zoning District that have been determined to be a Category I or II, Significant Building.
- **Properties Designated as Contributory (Category III and IV) to a Conservation District Pursuant to Article 11 of the Planning Code.** Properties located in the C-3 Zoning District that have been determined to be Category III and IV.
- **Individual Landmarks under the California Register of Historical Resources.** Properties that have been officially designated as a California Register individual landmark.
- **Contributory Buildings in California Register of Historical Resources Historic Districts.** Properties that have been identified as a contributory building in a California Register Historic District.
- **Individual Landmarks listed in the National Register of Historic Places.** Properties that have been individually listed in the National Register.
- **Contributory Buildings listed in the National Register of Historic Places as a Historic District.** Properties that have been identified as a contributory building to a National Register Historic District.

*NOTE: Properties with outstanding violations issued by the San Francisco Planning Department or the Department of Building Inspection are not eligible to apply for the Mills Act. Outstanding violations must be corrected before submitting a Mills Act application.*

*To be considered a qualifying historic property, the property owner must submit a complete application for listing or designation on or before December 31 of the year before the Mills Act application is made.*

If there are any questions about whether your property is eligible, please contact the Planning Department at [CPC.MillsActInfo@sfgov.org](mailto:CPC.MillsActInfo@sfgov.org).

## Criteria 2. Tax Assessment Value

Qualified historic properties must also meet a tax assessment value to be eligible for a Mills Act Contract. All owners of the property must enter into the Mills Act contract with the City.

**For Residential Buildings:** Eligibility is limited to a property tax assessment value of less than \$3,000,000.

**For Commercial, Industrial or Mixed-Use Buildings:** Eligibility is limited to a property tax assessment value of less than \$5,000,000.

**Exceptions To Property Value Limits:** A property may be exempt from the tax assessment value if it meets 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 the property meets the exemption criteria. This evidence must be documented by a qualified historic preservation consultant in a Historic Structure Report or Conditions Assessment to substantiate the circumstances for granting the exemption. Please contact Planning Department Preservation Staff to determine which report your property requires.

The Historic Preservation Commission shall make specific findings to the Board of Supervisors recommending approval or denial of the exemption. Final approval of this exemption is under the purview of the Board of Supervisors.

*NOTE: Owners of properties with comparatively low property taxes due to Proposition 13 may not see a benefit with a Mills Act Contract. The assessed value under the Mills Act may be higher than the existing base-year value of the property. Generally, owners who have purchased their properties within the last ten years are more likely to benefit from entering into a Mills Act contract. As the Planning Department cannot give tax advice, applicants should consult with financial and tax professionals to assess the merits of applying for the Mills Act.*

## Criteria 3. Priority Considerations

All applications are reviewed on the merits of the Priority Consideration Criteria. An application must meet a minimum of three out of five criteria to be given priority for the program and must demonstrate a need for restoration, rehabilitation and preservation. If fewer than three of the criteria are met your application will still be considered, but may not be given priority. Properties requiring only routine maintenance may not be given priority. Properties needing financial assistance to commence or complete rehabilitation work will be given priority.

Historic properties must meet three or more of the following priority consideration criteria in order to be given priority for a Mills Act Contract:

- **Necessity:** The project will require a financial incentive to help ensure the preservation of the property. This criterion will establish that the property is in danger of deterioration and in need of substantial rehabilitation and restoration that has significant associated costs. Properties with open complaints, enforcement cases or violations will not meet this criterion.
- **Investment:** The project will result in additional private investment in the property other than for routine maintenance. This may include seismic retrofitting and substantial rehabilitation and restoration work. This criterion will establish that the owner is committed to investing in the restoration, rehabilitation and maintenance the property.
- **Distinctiveness:** The project preserves a distinctive example of a property that is especially deserving of a contract due to its exceptional nature.
- **Recently Designated City Landmarks:** properties that have been recently designated landmarks will be given priority consideration.

- **Legacy Business:** The project will preserve a property at which a business included in the Legacy Business Registry is located. This criterion will establish that the owner is committed to preserving the property, including physical features that define the existing Legacy Business.

#### **Criteria 4. Rehabilitation/Restoration and Maintenance Plans**

The purpose of a Mills Act Contract is to restore, rehabilitate and maintain historic properties. Program participants shall have Rehabilitation/Restoration and Maintenance plans with qualifying scopes of work that rehabilitate, restore and maintain the property. Qualifying scopes of work are those that prolong the life of the building. Examples of qualifying scopes of work include the following:

- Exterior restoration, rehabilitation, and preservation associated with the creation of an Accessory Dwelling Unit
- Façade restoration, rehabilitation, preservation
- Accessibility and Life Safety improvements, such as seismic retrofit
- Window repair or restoration
- Front stair/entrance repair or restoration
- Roof replacement
- Structural improvements, such as a new foundation
- Storefront repair or restoration
- Façade stabilization and repair, such as terra cotta repair, repair of historic stucco or wood cladding
- Theater marquee repair, restoration, or reconstruction
- Materials conservation, such as murals, frescos, and decorative plasterwork

*NOTE: Additional scopes of work that are not listed above may be included as necessary to rehabilitate, restore and maintain the property. Scopes of work must be completed in conformance with the Secretary of the Interior's Standards for Rehabilitation and the California Historical Building Code. Critical infrastructure and rehabilitation tasks should be completed first. Scopes of work may be completed within the same calendar year as the application is made. All proposed scopes of work must be completed during the initial ten-year term of the contract. Permits and entitlements for scopes of work identified within the first three years of the Rehabilitation Plan must be filed prior to or during the Mills Act application process. All remaining permits and entitlements for scopes of work beyond year three must be secured and completed prior to the end of the ten-year Contract.*

### **MILLS ACT TIMELINE**

**DECEMBER 31:** Property owners submits a complete application for listing or designation as a qualified historical property before December 31 of the year before the Mills Act application is made.

**JANUARY 1:** Mills Act application period open. All Mills Act applications must be filed no later than May 1.

**MARCH:** To be given priority consideration, property owner must schedule a Project Review Meeting no later than March 15. Preservation staff will review completed DRAFT Mills Act application and offer guidance on next steps. Project Review Meeting Applications are available San Francisco Planning Department Website at [www.sfplanning.org](http://www.sfplanning.org). **When completing the application, please state the purpose of the Project Review Meeting and check the box requesting the presence of Preservation Planner.**

Please note that meetings occur on a first come first basis. We recommend applying early to ensure that Preservation staff is available to meet with you prior to March 15.

**APRIL:** Schedule an Intake Appointment to submit your Mills Act application. Only complete submittals will be accepted! To ensure you have a complete application with all required materials, please refer to the checklist at the end of the application packet. Intake Application forms are available on the San Francisco Planning Department Website at [www.sfplanning.org](http://www.sfplanning.org).

**MAY 1:** Mills Act applications due.

**MID-MAY:** Planning staff schedules site visit of property with property owner.

**JUNE 1:** Planning transmits applications to Office of Assessor-Recorder.

**SEPTEMBER 1:** Estimated valuation from the Office of Assessor-Recorder submitted to property owner.

**SEPTEMBER 15:** Property owner has until September 15 to review the valuation and ask the Office of Assessor-Recorder questions.

**SEPTEMBER/OCTOBER:**

- **Historic Preservation Commission Hearing.** Planning Department staff presents application to Historic Preservation Commission (HPC) for their review. HPC may recommend, modify, or deny approval to the Board of Supervisors (BOS).

The HPC meets the first and third Wednesday of each month. The HPC Hearing will be the third Wednesday in September or the first Wednesday in October.

- **Government and Audit Oversight Committee Hearing.** Government and Audit Oversight (GAO) Committee may Recommend, Not Recommend, or forward without Recommendation to the Full Board.

**NOVEMBER: Board of Supervisors Final Hearing.** Clerk of the Board Schedules Final Board of Supervisors (BOS) hearing. BOS may approve, modify or deny the contract.

**DECEMBER:**

- **City Attorney's Office finalizes contracts.** City Attorney verifies, prints and signs final contracts and returns to Planning.
- **Owners pick up contracts from Planning.** Owners sign and notarize contracts.

**DECEMBER 15: Owners return signed and notarized contracts to Planning**  
Planning transmits contracts to Office of Assessor-Recorder to review and sign contracts.

**DECEMBER 30: Owner records contracts at Office of Assessor-Recorder**

- Office of the Assessor-Recorder  
City Hall, Room 190  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102  
Recording Hours of Operation: Mon-Fri (8-4pm)

- Owner responsible for all recording fees

**JANUARY: Contracts are distributed**

- Original contract is mailed to the Planning Department. Owner pays for conformed copy for their records.

**FEBRUARY/MARCH: Mills Act Monitoring**

- Planning mails contract compliance affidavits to owners.  
Onsite property inspections occur every three years with Planning and the Assessor Recorder's Office.
- Owner returns affidavits to Planning no later than March 31.

# MILLS ACT PROCESS & TIMELINE

Detailed timeline information provided on previous page under "Important Dates and Milestones"

## Be Prepared

- Review the Informational Packet
- Determine whether your property qualifies for the Mills Act
- Gather estimates for all proposed scopes of work

### Phase 1:

#### Planning Department Reviews Application

- Schedule a Project Review meeting with Preservation staff by March 15.
- Property owner schedules an Intake Appointment to submit the Mills Act application (April)
- Property owner submits completed application to Planning (Deadline May 1)
- Planning Department and the Office of Assessor-Recorder schedule site visits with the Owner for a property inspection.

### Phase 2:

#### Assessor Calculates Valuations

- Planning transmits applications to Office of Assessor-Recorder. (June 1)
- Final valuation submitted to property owners. (September 1)
- Property owner reviews valuations. (Deadline September 15)

### Phase 3:

#### Approvals: Historic Preservation Commission (HPC) Hearing

- The HPC may recommend, modify, or deny approval to the Board of Supervisors.

### Phase 4:

#### Approvals: Government Audit and Oversight (GAO) Committee Hearing

- GAO Committee may Recommend, Not Recommend, or forward without Recommendation to the Full Board.

### Phase 5:

#### Approvals: Board of Supervisors (BoS) Final Hearing

- Clerk of the Board schedules Final BoS hearing according to availability on the committee agenda. The Board of Supervisors may approve, modify, or deny the contract.

### Phase 6:

#### Final Contracts Issued and Recorded

- City Attorney verifies, prints, and signs final contracts and returns to Planning.
- Owners pick up contracts from Planning, signs and has contracts notarized.
- Owners return contracts to Planning Department. (Deadline December 15)
- Planning transmits to Office of Assessor-Recorder to review and sign contracts.
- Owner records contracts at Office of Assessor-Recorder. (Deadline December 30)

### Phase 7:

#### Contracts are distributed

- Original contract is mailed to the Planning Department. Owner pays for conformed copy for their records.

### Phase 8:

#### Mills Act Monitoring

- Planning mails compliance affidavits to owners; owner then returns affidavit to Planning. (Deadline March 31)

**San Francisco Planning Department**  
1650 Mission St, 4th Floor, 9am – 5pm  
San Francisco, CA 94103  
415.558.6378  
www.sfplanning.org

**Office of Assessor Recorder**  
City Hall, Room 190, 8am-4pm  
San Francisco, CA 94103  
415.554.5596  
www.sfassessor.org

# TERMS AND ROLES OF THE MILLS ACT HISTORICAL PROPERTY CONTRACT

## Duration of Contract

The Mills Act contract is for a minimum term of ten years. Absent non-renewal or cancellation as set forth below, an additional year is automatically added to the contract each year on its anniversary date, so the contract remains valid for ten years. Under these circumstances, the contract runs (essentially in perpetuity) with the land, which means it is binding on all future owners of the property.

## Non-Renewal of the Contract

Should either party desire not to renew the contract for an additional year at any point, they can issue a notice of non-renewal giving the other party such notice. The owner may notify the Planning Department at least ninety days prior to the annual renewal date. The City may notify the owner at least sixty days prior to the annual renewal date. The owner may make a written protest. After either party issues a notice of non-renewal, the contract remains in effect for the balance of the 10-year term of the contract beyond the notice of non-renewal.

## Rehabilitation and Maintenance of the Historic Property

Any work performed to the property must conform to the *Secretary of the Interior's Standards for the Treatment of Historic Properties*, specifically, the Standards for Rehabilitation and the California Historical Building Code. The owner must apply for and receive any necessary building permits or approvals, such as a Certificate of Appropriateness, for the first three years of work outlined in the Rehabilitation/Restoration or Maintenance plans during the Mill Act application process. All work outlined in the Rehabilitation/Restoration and Maintenance Plans must be completed during the ten year term of the Mills Act Contract. Work completed in the same calendar year as the Mills Act application is made may be included in the Rehabilitation Plan. The Rehabilitation/Restoration and Maintenance Plans must include Qualifying Scopes of Work or work that is necessary to prolong the life of the building. Qualifying Scopes of work may include restoration, seismic upgrades, accessibility, and other life-safety upgrades. Additional work may also be necessary.

## Annual Monitoring and Periodic Inspections

The Planning Department issues an Affidavit for Annual Monitoring requiring the property owner to self-inspect and report to the Planning Department on the progress of rehabilitating and maintaining their property. The City may conduct periodic inspections of the property to confirm work has been completed in conformance with the approved Mills Act Contract. In compliance with state law, onsite inspections of the property by the Planning Department and the Office of the Assessor-Recorder will occur every five years. All site visits will be scheduled in advance with the property owner.

## Breach of Contract

If the property owner is found to be in breach of contract, the City may cancel the contract whereupon the Assessor-Recorder will collect a cancellation fee of 12 1/2 percent (12.5%) of the fair market value of the property as determined by the Assessor-Recorder. Failure to rehabilitate or maintain the property are grounds for cancellation, among others, as set forth in the contract.

## Recordation

A complete Mills Act contract must be recorded with the Office of the Assessor-Recorder. In order to record the contract, all approvals, signatures, recordation attachments must be included and all applicable recording fees must be paid by the property owner. A contract may be considered incomplete if all components are not adequately satisfied. To see the current recording fee schedule, go to [www.sfassessor.org](http://www.sfassessor.org).

## Transfer of Ownership

A Mills Act Contract runs with the property. Subsequent owners are bound by the terms and conditions of the contract, and obligated to complete any work identified in the contract that the prior owner did not complete, or partially completed and perform required maintenance, as well as all other owner obligations under the contract. For example, if an owner completes some of the contract mandated work in the first five years and then sells the property, the new buyer would have five years to complete the rehabilitation/restoration of the property. Prospective buyers will receive notice of the contract because it will be recorded.

## **Role of the Planning Department**

The Planning Department oversees all Mills Act applications, presents applications before the appropriate hearing bodies and monitors the City's existing Mills Act properties. Preservation Planners work with property owners to complete their applications and develop rehabilitation and maintenance plans that are specific to each property. Planners keep the applicants informed throughout the year, as the application moves forward through the Office of the Assessor-Recorder, the Historic Preservation Commission, and the Board of Supervisors. The Planning Department also serves as the main point of contact for annual monitoring.

## **Role of the Office of Assessor-Recorder**

The role of the Office of the Assessor-Recorder is to locate and accurately assess all taxable property in San Francisco and also serve as the county's official record-keeper of documents such as deeds, liens, maps and property contracts. In a Mills Act Historical Property contract, the Office of the Assessor-Recorder assesses qualified properties based on a state prescribed approach and records the fully executed contract. All Mills Act properties will receive an initial valuation during the application process and will be assessed annually by the January 1st lien date and in subsequent years, as required by state law.

## **Role of the Historic Preservation Commission**

The Historic Preservation Commission (HPC) will hold a hearing to make a recommendation to the Board of Supervisors whether to approve, modify or deny the application. The HPC may include recommendations regarding the proposed rehabilitation, restoration, and maintenance work, the historic value of the qualified property and any proposed restrictions or maintenance requirements to be included in the final Historical Property Contract. The HPC's recommendation will be forwarded to the Board of Supervisors.

If the Historic Preservation Commission recommends disapproval of the contract, such decision shall be final unless the property owner files an appeal with the Clerk of the Board of Supervisors within 10 days of final action of the Historic Preservation Commission.

## **Role of the Board of Supervisors**

The Mills Act Application is referred by the Planning Department to the Board of Supervisors. Every contract must be scheduled in a Committee of the Board of Supervisors. A report prepared by the Board of Supervisors Budget & Legislative Analysts Office will detail the property tax savings and the potential impact this may have on the City's finances. The Committee may recommend, not recommend or forward the application without recommendation to the full Board of Supervisors.

The Board of Supervisors has complete discretion whether to approve, disapprove, or approve with modifications the Mills Act Historical Property Contract. The final decision rests with the Board of Supervisors. The legislative process may take a minimum of five weeks.

## **FEES**

Check the current fee schedule at the San Francisco Planning Department website for Mills Act and Project Review application fees.

### **Mills Act Contract Recording Fee**

Contract recording fees are determined by the Office of the Assessor-Recorder. Contracts must be recorded in-person by the property owner at Office of the Assessor-Recorder.

### **Cancelations and Refunds**

Applicant may withdraw a Mills Act application at any time during the application cycle. Applicant may request a refund for any remaining fees (once staff time and materials are deducted) if the application is canceled prior to the Historic Preservation Commission Hearing.



# MILLS ACT HISTORICAL PROPERTY CONTRACT APPLICATION CHECKLIST:

Applicants should complete this checklist and submit along with the application to ensure that all necessary materials have been provided. **Any application found to be incomplete may nullify the timelines in this application.**

Applications must be submitted as a hard copy and a digital copy to the Planning Department Mills Act Coordinator by **May 1st** in order to comply with the established timelines.

## 1. Mills Act Application

YES  NO Has each property owner signed?

YES  NO Has each signature been notarized?

## 2. High Property Value Exemption Form & Historic Structure Report (if applicable)

Required for Residential properties with an assessed value over \$3,000,000 and Commercial/Industrial properties with an assessed value over \$5,000,000.

YES  NO Have you included a separate sheet of paper adequately justifying how the property meets the following exemption criteria and why it should be exempt from the property tax valuations?

YES  NO Have you included a copy of the Historic Structure Report completed by a qualified consultant?

## 3. Priority Consideration Criteria Checklist

YES  NO Have you included a separate sheet of paper adequately justifying how the property meets three or more priority consideration criteria?

## 4. Draft Mills Act Historical Property Contract

YES  NO Have you reviewed the Planning Department's standard "Historical Property Contract"?

## 5. Notary Acknowledgement Form

YES  NO Is the Acknowledgement Form complete?

YES  NO Do the signatures match the names and capacities of signers?

## 6. Draft Rehabilitation/Restoration and Draft Maintenance Plans

YES  NO Have you identified and completed the Rehabilitation/Restoration, and Maintenance Plans organized by contract year, including all supporting documentation, such as photographs and contractor's estimates related to the scopes of work?

## 7. Photographic Documentation

YES  NO Have you provided both interior and exterior images (either digitally or on separate sheets of paper)? Are the images properly labeled?



## 8. Site Plan

- YES  NO Does your site plan show all buildings on the property including lot boundary lines, street name(s), north arrow and dimensions?

## 9. Tax Bill

- YES  NO Did you include a copy of your most recent tax bill?

## 10. Rental Income Information

- YES  NO Did you include information regarding any rental income on the property, including anticipated annual expenses, such as utilities, garage, insurance, building maintenance, etc.?

## 11. Application Fee Payment

- YES  NO Did you include a check payable to the San Francisco Planning Department? The current fee schedule for applications can be found on the Planning Department website.

[Application fee is ready to be submitted pending instructions from the San Francisco Planning Department.](#)

## 12. Eligibility

- YES  NO Is your property a qualified historic property?

- YES  NO If no, did you submit a complete city landmark designation application before December 31 of the previous year.

## 13. Project Review Meeting

- YES  NO Did you attend a Project Review Meeting with Preservation Staff?

If yes, please provide date of Project Review Meeting. Date: \_\_\_\_\_



# MILLS ACT HISTORICAL PROPERTY CONTRACT

## SUPPLEMENTAL APPLICATION

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

### Property Information

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Project Address: \_\_\_\_\_

Block/Lot(s): \_\_\_\_\_

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). Attach a separate sheet of paper if necessary.

### Rental Income Information

Include information regarding any rental income on the property, including anticipated annual expenses, such as utilities, garage, insurance, building maintenance, etc.? Attach a separate sheet of paper if necessary.

### Property Owner's Information

(If more than three owners attach additional sheets as necessary. Property owner names must be listed exactly as listed on the deed)

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Name (Owner 1): \_\_\_\_\_

Company/Organization: \_\_\_\_\_

Address: \_\_\_\_\_

Email Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Name (Owner 2): \_\_\_\_\_

Company/Organization: \_\_\_\_\_

Address: \_\_\_\_\_

Email Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Name (Owner 3): \_\_\_\_\_

Company/Organization: \_\_\_\_\_

Address: \_\_\_\_\_

Email Address: \_\_\_\_\_

Telephone: \_\_\_\_\_



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Do you own other property in the City and County of San Francisco?

Yes  No

If **YES**, please list the addresses and Block/Lot(s) for all other property owned within the City of San Francisco.

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**Applicant Information**  Same as above

Name:

Company/Organization:

Address:

Email Address:

Telephone:

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**Please Select Billing Contact**  Owner  Applicant

Name:

Email Address:

Telephone:

Please Select Primary Project Contact:  Owner  Applicant

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**Qualified Historic Property**

- Individually Designated Pursuant to Article 10 of the Planning Code.  
Landmark No.:\_\_\_\_ Landmark Name: \_\_\_\_\_
- Contributing Building in a Landmark District Designated Pursuant to Article 10 of the Planning Code.  
Landmark District Name: \_\_\_\_\_
- Significant (Category I or II) Pursuant to Article 11 of the Planning Code.
- Contributory (Category III) Pursuant to Article 11 of the Planning Code
- Contributory (Category IV) to a Conservation District Pursuant to Article 11 of the Planning Code.
- Individual Landmark under the California Register of Historical Resources
- Contributory Building in California Register of Historical Resources Historic Districts.
- Individual Landmark listed in the National Register of Historic Places.
- Contributory Building listed in the National Register of Historic Places as a Historic District.
- Submitted a complete application for listing or designation on or before December 31 of the year before the application is made.

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Are there any outstanding violations on the property from the San Francisco Planning Department or the Department of Building Inspection? If **YES**, all outstanding violations must be abated and closed for eligibility for the Mills Act.

Yes  No

Are taxes on all property owned within the City and County of San Francisco paid to date? If **NO**, all property taxes must be paid for eligibility for the Mills Act.

Yes  No

**NOTE:** All property owners are required to include a copy of their most recent property tax bill.

## Tax Assessment Value

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Most Recent Assessed Value: \$

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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

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## Exemption from Tax Assessment Value

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If the property value exceeds the Tax Assessment Value, please explain below how the property meets the following two criteria and why it should be exempt from the Tax Assessment Value.

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;

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.

**NOTE:** A Historic Structures Report, completed by a qualified historic preservation consultant, must be submitted in order to apply for an exemption from the tax assessment value.

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  No

## Priority Consideration Criteria

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Please check the appropriate criteria as they apply to your property and explain on a separate piece of paper how the property meets the stated Priority Consideration Criteria. Only properties qualifying in three of the five categories are given priority consideration.

- Necessity:** The project will require a financial incentive to help ensure the preservation of the property. This criterion will establish that the property is in danger of deterioration and in need of substantial rehabilitation and restoration that has significant associated costs. Properties with open complaints, enforcement cases or violations will not meet this criterion.
  
  
  
  
  
  
  
  
  
  
  
  
  
  
  
- Investment:** The project will result in additional private investment in the property other than for routine maintenance. This may include seismic retrofitting and substantial rehabilitation and restoration work. This criterion will establish that the owner is committed to investing in the restoration, rehabilitation and maintenance the property.
  
  
  
  
  
  
  
  
  
  
  
  
  
  
  
- Distinctiveness:** The project preserves a distinctive example of a property that is especially deserving of a contract due to its exceptional nature.
  
  
  
  
  
  
  
  
  
  
  
  
  
  
  
- Recently Designated City Landmarks:** properties that have been recently designated landmarks will be given priority consideration.
  
  
  
  
  
  
  
  
  
  
  
  
  
  
  
- Legacy Business:** The project will preserve a property at which a business included in the Legacy Business Registry is located. This criterion will establish that the owner is committed to preserving the property, including physical features that define the existing Legacy Business.



## Photographic Documentation

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Provide both interior and exterior images (either on separate sheets of paper or digitally) and label the images properly.

## Site Plan

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On a separate sheet of paper, show all buildings on the property including lot boundary lines, street name(s), north arrow and dimensions on a site plan.

## Rehabilitation/Restoration & Maintenance Plans

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A 10 Year Rehabilitation/Restoration Plan, including estimates prepared by qualified contractors, has been submitted detailing work to be performed on the subject property

Yes  No Estimate has been prepared by JR Conkey, a professional estimating company.

A 10 Year Maintenance Plan has been submitted detailing work to be performed on the subject property

Yes  No

Proposed work will meet the *Secretary of the Interior's Standards for the Treatment of Historic Properties*, the California Historic Building Code and all applicable Codes and Guidelines, including the Planning Code and Building Code.

Yes  No



## Rehabilitation/Restoration Plan (Exhibit A)

---

Use this form to outline your Rehabilitation/Restoration Plan. Copy this page as necessary to include all rehabilitation and restoration scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b>	<b>Building Feature:</b>
<input type="checkbox"/> Maintenance <input type="checkbox"/> Rehab/Restoration <input type="checkbox"/> Completed <input type="checkbox"/> Proposed	Flashing
Contract year work completion:	
Total Cost: \$	
Description of work:	

## Rehabilitation/Restoration Plan (Exhibit A)

---

Use this form to outline your Rehabilitation/Restoration Plan. Copy this page as necessary to include all rehabilitation and restoration scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b>	<b>Building Feature:</b>		
<input type="checkbox"/> Maintenance	<input type="checkbox"/> Rehab/Restoration	<input type="checkbox"/> Completed	<input type="checkbox"/> Proposed
Contract year work completion:			
Total Cost: \$			
Description of work:			

## Rehabilitation/Restoration Plan (Exhibit A)

---

Use this form to outline your Rehabilitation/Restoration Plan. Copy this page as necessary to include all rehabilitation and restoration scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b>	<b>Building Feature:</b>
<input type="checkbox"/> Maintenance <input type="checkbox"/> Rehab/Restoration <input type="checkbox"/> Completed <input type="checkbox"/> Proposed	Brick Projections
Contract year work completion:	
Total Cost: \$	
Description of work:	

## Rehabilitation/Restoration Plan (Exhibit A)

---

Use this form to outline your Rehabilitation/Restoration Plan. Copy this page as necessary to include all rehabilitation and restoration scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b>	<b>Building Feature:</b>
<input type="checkbox"/> Maintenance <input type="checkbox"/> Rehab/Restoration <input type="checkbox"/> Completed <input type="checkbox"/> Proposed	Brickwork
Contract year work completion:	
Total Cost: \$	
Description of work:	

## Rehabilitation/Restoration Plan (Exhibit A)

---

Use this form to outline your Rehabilitation/Restoration Plan. Copy this page as necessary to include all rehabilitation and restoration scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b>	<b>Building Feature:</b>
<input type="checkbox"/> Maintenance <input type="checkbox"/> Rehab/Restoration <input type="checkbox"/> Completed <input type="checkbox"/> Proposed	Grilles, and Tie Rods
Contract year work completion:	
Total Cost: \$	
Description of work:	

## Rehabilitation/Restoration Plan (Exhibit A)

---

Use this form to outline your Rehabilitation/Restoration Plan. Copy this page as necessary to include all rehabilitation and restoration scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b>	<b>Building Feature:</b>		
<input type="checkbox"/> Maintenance	<input type="checkbox"/> Rehab/Restoration	<input type="checkbox"/> Completed	<input type="checkbox"/> Proposed
Contract year work completion:			
Total Cost: \$			
Description of work:			

## Rehabilitation/Restoration Plan (Exhibit A)

---

Use this form to outline your Rehabilitation/Restoration Plan. Copy this page as necessary to include all rehabilitation and restoration scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b>	<b>Building Feature:</b>		
<input type="checkbox"/> Maintenance	<input type="checkbox"/> Rehab/Restoration	<input type="checkbox"/> Completed	<input type="checkbox"/> Proposed
Contract year work completion:			
Total Cost: \$			
Description of work:			

## Rehabilitation/Restoration Plan (Exhibit A)

---

Use this form to outline your Rehabilitation/Restoration Plan. Copy this page as necessary to include all rehabilitation and restoration scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b>	<b>Building Feature:</b>		
<input type="checkbox"/> Maintenance	<input type="checkbox"/> Rehab/Restoration	<input type="checkbox"/> Completed	<input type="checkbox"/> Proposed
Contract year work completion:			
Total Cost: \$			
Description of work:			



## Rehabilitation/Restoration Plan (Exhibit A)

---

Use this form to outline your Rehabilitation/Restoration Plan. Copy this page as necessary to include all rehabilitation and restoration scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b>	<b>Building Feature:</b>
<input type="checkbox"/> Maintenance	<input type="checkbox"/> Rehab/Restoration
<input type="checkbox"/> Completed	<input type="checkbox"/> Proposed
Contract year work completion:	
Total Cost: \$	
Description of work:	

## Maintenance Plan (Exhibit B)

---

Use this form to outline your Maintenance Plan. Copy this page as necessary to include all maintenance scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b>	<b>Building Feature:</b>		
<input type="checkbox"/> Maintenance	<input type="checkbox"/> Rehab/Restoration	<input type="checkbox"/> Completed	<input type="checkbox"/> Proposed
Contract year work completion: Annually			
Total Cost: \$			
Description of work:			

## Maintenance Plan (Exhibit B)

---

Use this form to outline your Maintenance Plan. Copy this page as necessary to include all maintenance scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b>	<b>Building Feature:</b>
<input type="checkbox"/> Maintenance <input type="checkbox"/> Rehab/Restoration <input type="checkbox"/> Completed <input type="checkbox"/> Proposed	Brick Projections
Contract year work completion: Annually	
Total Cost: \$	
Description of work:	

## Maintenance Plan (Exhibit B)

---

Use this form to outline your Maintenance Plan. Copy this page as necessary to include all maintenance scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b>	<b>Building Feature:</b>
<input type="checkbox"/> Maintenance <input type="checkbox"/> Rehab/Restoration <input type="checkbox"/> Completed <input type="checkbox"/> Proposed	Brickwork
Contract year work completion: Annually	
Total Cost: \$	
Description of work:	

## Maintenance Plan (Exhibit B)

---

Use this form to outline your Maintenance Plan. Copy this page as necessary to include all maintenance scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b>	<b>Building Feature:</b>
<input type="checkbox"/> Maintenance <input type="checkbox"/> Rehab/Restoration <input type="checkbox"/> Completed <input type="checkbox"/> Proposed	Grilles, and Tie Rods
Contract year work completion: Annually	
Total Cost: \$	
Description of work:	

## Maintenance Plan (Exhibit B)

---

Use this form to outline your Maintenance Plan. Copy this page as necessary to include all maintenance scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b>	<b>Building Feature:</b>
<input type="checkbox"/> Maintenance <input type="checkbox"/> Rehab/Restoration <input type="checkbox"/> Completed <input type="checkbox"/> Proposed	
Contract year work completion: Annually	
Total Cost: \$	
Description of work:	

## Maintenance Plan (Exhibit B)

---

Use this form to outline your Maintenance Plan. Copy this page as necessary to include all maintenance scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b>	<b>Building Feature:</b>		
<input type="checkbox"/> Maintenance	<input type="checkbox"/> Rehab/Restoration	<input type="checkbox"/> Completed	<input type="checkbox"/> Proposed
Contract year work completion: Annually			
Total Cost: \$			
Description of work:			

## Maintenance Plan (Exhibit B)

---

Use this form to outline your Maintenance Plan. Copy this page as necessary to include all maintenance scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b>	<b>Building Feature:</b>
<input type="checkbox"/> Maintenance	<input type="checkbox"/> Rehab/Restoration
<input type="checkbox"/> Completed	<input type="checkbox"/> Proposed
Contract year work completion: Annually	
Total Cost: \$	
Description of work:	



## Maintenance Plan (Exhibit B)

---

Use this form to outline your Maintenance Plan. Copy this page as necessary to include all maintenance scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b>	<b>Building Feature:</b>		
<input type="checkbox"/> Maintenance	<input type="checkbox"/> Rehab/Restoration	<input type="checkbox"/> Completed	<input type="checkbox"/> Proposed
Contract year work completion: Annually			
Total Cost: \$			
Description of work:			

## Maintenance Plan (Exhibit B)

---

Use this form to outline your Maintenance Plan. Copy this page as necessary to include all maintenance scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b>	<b>Building Feature:</b>
<input type="checkbox"/> Maintenance <input type="checkbox"/> Rehab/Restoration <input type="checkbox"/> Completed <input type="checkbox"/> Proposed	
Contract year work completion: Annually	
Total Cost: \$	
Description of work:	

## Maintenance Plan (Exhibit B)

---

Use this form to outline your Maintenance Plan. Copy this page as necessary to include all maintenance scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b>	<b>Building Feature:</b>
<input type="checkbox"/> Maintenance	<input type="checkbox"/> Rehab/Restoration
<input type="checkbox"/> Completed	<input type="checkbox"/> Proposed
Contract year work completion: Annually	
Total Cost: \$	
Description of work:	

## Signature and Notary Acknowledgement Form

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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. Attach notary acknowledgement.

\_\_\_\_\_  
Name (Print)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Print)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Print)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

## Public Information Release

---

Please read the following statements and check each to indicate that you agree with the statement. Then sign below in the space provided.

I understand that submitted documents will become public records under the California Public Records Act, and that these documents will be made available upon request to members of the public for inspection and copying.

I acknowledge that all photographs and images submitted as part of the application may be used by the City without compensation.

\_\_\_\_\_  
Name (Print)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

## Public Information Release

---

Please read the following statements and check each to indicate that you agree with the statement. Then sign below in the space provided.

- I understand that submitted documents will become public records under the California Public Records Act, and that these documents will be made available upon request to members of the public for inspection and copying.
  
- I acknowledge that all photographs and images submitted as part of the application may be used by the City without compensation.

---

Name (Print)

---

Date

---

Signature

Recording Requested by, and  
when recorded, send notice to:  
City and County of San Francisco  
Planning Department  
Attn: [Planner Name]  
1650 Mission Street, Suite 400  
San Francisco, CA 94103-2414

## CALIFORNIA MILLS ACT HISTORIC PROPERTY AGREEMENT

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

### RECITALS

Owner is the owner of the property located at [address], in San Francisco, California (Block 000, Lot 000). The building located at [address] is designated as a [list designation type here Historic District pursuant to Article 10 of the Planning Code, and is also known as the “Historic Property”. The Historic Property is a Qualified Historic Property, as defined under California Government Code Section 50280.1.

Owner desires to execute a rehabilitation and ongoing maintenance project for the Historic Property. Owner’s application calls for the rehabilitation and restoration of the Historic Property according to established preservation standards, which it estimates will cost [x] dollars (\$000.00). (See Rehabilitation Plan, Exhibit A.) Owner’s application calls for the maintenance of the Historic Property according to established preservation standards, which is estimated will cost approximately [x] dollars (\$000.00) 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.

Owner desires to enter into a Mills Act Agreement (also referred to as a "Historic Property Agreement") with the City to help mitigate 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 Owner 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. Owner 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 Owner shall proceed diligently in applying for any necessary permits for the work and shall apply for such permits within no more 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 Owner, the Zoning Administrator, at his or her discretion, may grant an extension of the time periods set forth in this paragraph. Owner 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 12 and 13 herein.

3. Maintenance. Owner 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, Owner shall replace and repair the damaged area(s) of the Historic Property. For repairs that do not require a permit, Owner 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), Owner shall proceed diligently in applying for any necessary permits for the work and shall apply for such permits within no more 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 Owner, the Zoning Administrator, at his or her discretion, may grant an extension of the time periods set forth in this paragraph. Owner 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 Owner may mutually agree to terminate this Agreement. Upon such termination, Owner shall not be obligated to pay the cancellation fee set forth in Paragraph 13 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 Owner shall pay property taxes to the City based upon the valuation of the Historic Property as of the date of termination.

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

6. Inspections and Compliance Monitoring. Prior to entering into this Agreement and every five years thereafter, and upon seventy-two (72) hours advance notice, Owner shall permit any representative of the City, the Office of Historic Preservation of the California Department of Parks and Recreation, or the State Board of Equalization, to inspect of the interior and exterior of the Historic Property, to determine Owner's compliance with this Agreement. Throughout the duration of this Agreement, Owner 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 ("Term"). As provided in Government Code section 50282, one year shall be added automatically to the Term, on each anniversary date of this Agreement, unless notice of nonrenewal is given as set forth in Paragraph 9 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. Notice of Nonrenewal. If in any year of this Agreement either the Owner or the City desire not to renew this Agreement, that party shall serve written notice on the other party in advance of the annual renewal date. Unless the Owner 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 Owner 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 Owner. Upon receipt by the Owner of a notice of nonrenewal from the City, Owner may make a written protest. At any time prior to the renewal date, City may withdraw its notice of nonrenewal. If either party serves notice of nonrenewal of this Agreement, this Agreement shall remain in effect for the balance of the period remaining since the original execution or the last renewal of the Agreement, as the case may be. Thereafter, the Owner 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 expiration of this Agreement.

10. Payment of Fees. As provided for in Government Code Section 50281.1 and San Francisco Administrative Code Section 71.6, upon filing an application to enter into a Mills Act Agreement with the City, Owner shall pay the City the reasonable costs related to the preparation and approval of the Agreement. In addition, Owner shall pay the City for the actual costs of inspecting the Historic Property, as set forth in Paragraph 6 herein.

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

- (a) Owner's failure to timely complete the rehabilitation work set forth in Exhibit A, in accordance with the standards set forth in Paragraph 2 herein;
- (b) Owner's failure to maintain the Historic Property as set forth in Exhibit B, in accordance with the requirements of Paragraph 3 herein;
- (c) Owner's failure to repair any damage to the Historic Property in a timely manner, as provided in Paragraph 4 herein;



(d) Owner's failure to allow any inspections or requests for information, as provided in Paragraph 6 herein;

(e) Owner's failure to pay any fees requested by the City as provided in Paragraph 10 herein;

(f) Owner's failure to maintain adequate insurance for the replacement cost of the Historic Property, as required by Paragraph 5 herein; or

(g) Owner's 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 12 and 13 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 13 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 12 herein prior to cancellation of this Agreement.

12. Cancellation. As provided for in Government Code Section 50284, City may initiate proceedings to cancel this Agreement if it makes a reasonable determination that Owner has breached any condition or covenant contained in this Agreement, has defaulted as provided in Paragraph 11 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 Owner 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.

13. Cancellation Fee. If the City cancels this Agreement as set forth in Paragraph 12 above, and as required by Government Code Section 50286, Owner 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 Owner 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.

14. 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 Owner has breached this Agreement, the City shall give the Owner written notice by registered or certified mail setting forth the grounds for the breach. If the Owner does not correct the breach, or do 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 12 and bring any action necessary to enforce the obligations of the Owner set forth in this Agreement. The City does not waive any claim of default by the Owner if it does not enforce or cancel this Agreement.

15. Indemnification. The Owner 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 Owner, their Agents or Invitees; (c) the condition of the Historic Property; (d)

any construction or other work undertaken by Owner on the Historic Property; or (e) any claims by unit or interval Owner 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 Owner's obligation to indemnify City, Owner specifically acknowledges and agrees 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 Owner by City, and continues at all times thereafter. The Owner's obligations under this Paragraph shall survive termination of this Agreement.

16. 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.

17. Binding on Successors and Assigns. The covenants, benefits, restrictions, and obligations contained in this Agreement shall run with the land and shall be binding upon and inure to the benefit of all successors in interest and assigns of the Owner. Successors in interest and assigns shall have the same rights and obligations under this Agreement as the original Owner who entered into the Agreement.

18. Legal Fees. In the event that either the City or the Owner fails 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.

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

20. Recordation. Within 20 days from the date of execution of this Agreement, the parties shall cause this Agreement to be recorded with the Office of the Recorder of the City and County of San Francisco. From and after the time of the recordation, this recorded Agreement shall impart notice to all persons of the parties' rights and obligations under the Agreement, as is afforded by the recording laws of this state.

21. 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.

22. No Implied Waiver. No failure by the City to insist on the strict performance of any obligation of the Owner 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.

23. Authority. If the Owner signs as a corporation or a partnership, each of the persons executing this Agreement on behalf of the Owner 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 Owner is authorized to do so.

24. 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.

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

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

27. 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: \_\_\_\_\_ DATE: \_\_\_\_\_  
\_\_\_\_\_, Assessor-Recorder

By: \_\_\_\_\_ DATE: \_\_\_\_\_  
\_\_\_\_\_, Director of Planning

APPROVED AS TO FORM:  
DENNIS J. HERRERA  
CITY ATTORNEY

By: \_\_\_\_\_ DATE: \_\_\_\_\_  
\_\_\_\_\_, City Attorney

OWNERS

By: \_\_\_\_\_ DATE: \_\_\_\_\_  
\_\_\_\_\_, Owner

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

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

Form fields for ASSESSOR'S PARCEL NUMBER, SELLER/TRANSFEROR, BUYER'S DAYTIME TELEPHONE NUMBER, and BUYER'S EMAIL ADDRESS.

Form fields for STREET ADDRESS OR PHYSICAL LOCATION OF REAL PROPERTY, MAIL PROPERTY TAX INFORMATION TO (NAME), ADDRESS, CITY, STATE, ZIP CODE, and occupancy information.

PART 1. TRANSFER INFORMATION

Please complete all statements.

This section contains possible exclusions from reassessment for certain types of transfers.

YES NO

- List of transfer types A through O with checkboxes for YES/NO and explanatory text for each.

\* 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.

# HOW ARE MY PROPERTY TAX SAVINGS CALCULATED?

To calculate your property tax savings, the Assessor-Recorder will perform a three-way value comparison test. The lowest of these three values will determine your taxable value for the year.

1. Restricted income approach (income capitalization method) per the Mills Act as prescribed by the California State Board of Equalization
2. Market value based upon comparable sales
3. Factored base year value of your property and use

The following example shows how the Assessor-Recorder will calculate your property tax savings. Some components of the formula will vary each year (i.e. property tax rates and interest rates).

## Step 1: Restricted Income Approach (per the Mills Act) is calculated.

<b>Current Market Rent</b> (annual)	<b>\$ 72,000</b>
Vacancy & Collection Loss of 2%	\$ 1,440
Effective Annual Income	\$ 70,560
Less Anticipated Operating Expenses of 15% <i>(i.e. – utilities, water, garbage, insurance, maintenance, management fee)</i>	\$ 10,584
<b>Net Income</b>	<b>\$ 59,976</b>
<b>Capitalization Rate Components:</b>	
Interest rate <i>(Interest rate is determined annually by the State Board of Equalization – 4%)</i>	.04000
Risk rate <i>(4% for owner occupied or 2% for all other property types)</i>	.04000
Property tax rate of 1.188% <i>(2013 Tax Rate)</i>	.01188
Amortization rate <i>(60 year remaining life; improvements constitute 40% of total property value - .0167 x .40)</i>	.00667
Restricted Capitalization Rate	.09855

## Step 2: Three-Way Value Comparison is performed.

<b>Restricted Income Approach (per the Mills Act)</b>	<b>\$ 610,000</b>
Market Value Using Comparable Sales	\$ 1,500,000
Factored Base Year Value	\$ 1,064,403

## Step 3: Estimated property tax savings are calculated.

<b>Restricted Income Approach (per the Mills Act)</b>	<b>\$ 610,000</b>
(or the lowest of the three values)	
x Property tax rate of 1.188%	.01188
= Estimated property taxes under a Mills Act contract	\$ 7,247
- Current property taxes (\$1,064,403 x .01188)	\$ 12,645
<b>Estimated annual property tax savings</b>	<b>\$ 5,398</b>



# FREQUENTLY ASKED QUESTIONS

## **If I own an historic property am I obligated to participate in the program?**

No. Participation is voluntary. The contracts are intended for property owners who have a strong commitment to historic preservation and to assist property owners who plan to rehabilitate their property.

## **What is the term of a Mills Act Historical Property Contract?**

The contract is written for an initial term of 10 years. However, the contract automatically renews each year on its anniversary date. The contract, in effect, runs in perpetuity with the land. The initial 10-year term is the period of time in which major rehabilitation projects should be substantially completed. If an owner desires to be released from the contract, a letter of non-renewal is submitted to the City within 60 days of the contract renewal date. The owner is released from the contract ten years after the notice of non-renewal is submitted.

## **Are certain properties more likely to benefit from the Mills Act?**

- Properties purchased within the last ten years are most likely to receive the highest reduction.
- Properties purchased more than ten years ago will likely receive a minimal reduction.
- Properties purchased prior to 1978 (Proposition 13) are unlikely to receive a tax reduction.

## **How are my property taxes reduced?**

Please refer to the example calculation on page 29 of the Application Guide.

## **How much of a reduction will I receive?**

The Mills Act Historical Property Contract Program does not guarantee a reduction amount for any property. Properties that have more recently been purchased are likely to see greater tax reductions. Projects to date have identified property tax reductions ranging from 5% to 64%.

## **What happens if I want to sell my property after I have a Mills Act Contract?**

The contract will always remain with the property, and the new owner is obligated to meet the contract requirements. This can enhance the marketability of the property because it is not

reassessed at its new market value when it changes hands. The new owners will likely pay property taxes based on the existing or proximate Mills Act Valuation notice.

## **Are there potential penalties for property owners with a Mills Act Contract?**

Yes. If a property is not maintained under the terms of the contract, is improperly altered, or if rehabilitation work is not performed, the owner could be found in breach of contract. If the breach of contract cannot be resolved to satisfy the contract, the Contract is cancelled and the owner is assessed a 12.5 percent penalty based on the current fair-market value of the property.

## **How long does it take to process a Mills Act Application?**

Please refer the process flowchart in the Application Guide.

## **If I apply for a Mills Act Historic Property Contract, is the City obligated to enter into the contract?**

No. The City will evaluate each individual contract application alongside a set of priority criteria and determine which applications are most likely to yield the greatest public benefit.

## **Am I required to open my property to the public?**

No. The Mills Act Historic Property Program does not require the property owner to grant public access to the property. The contract does specify that with an appointment, period inspections will be made by City officials to determine compliance with the terms and provisions of the contract.

## **Where can I learn more about the Mills Act?**

The California State Office of Historic Preservation (OHP) is responsible for the administration of Federally and State mandated historic preservation programs in California. The OHP website offers information on a wide range of historic preservation topics including the Mills Act. The link to the OHP website is: <http://www.ohp.parks.ca.gov>. The direct link to the Mills Act program is: [http://ohp.parks.ca.gov/?page\\_id=21412](http://ohp.parks.ca.gov/?page_id=21412).

## **How often will a property with a Mills Act Contract be assessed?**

The Office of the Assessor-Recorder reassesses properties with a Mills Act Contract annually on the lien date, January 1st.

**Can I expect the same amount of property tax savings every year?**

No. The Office of the Assessor-Recorder, as mandated by state law, reappraises all properties annually. Interest rates, market rates (the fair market rent your property can generate as of January 1st of each year) and the property tax rate change annually, which impacts the taxable value of the property.

**Is my contract final once it is approved by the San Francisco Board of Supervisors?**

No. The Board of Supervisors is the final hearing body in the approvals process. However, your contract is not finalized until it has been recorded with the Office of the Assessor-Recorder. The absolute deadline to have your property contract recorded is December 31st by 4pm. If the contract is not recorded by this date, the property cannot be reassessed on January 1st under the Mills Act valuation and the property owner will not receive a tax savings until the following tax year.

Contracts must be recorded in-person by the property owner at:

Office of the Assessor-Recorder  
City Hall, Room 190  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102  
Website: [www.sfassessor.org](http://www.sfassessor.org)  
Recording Hours of Operation: Mon-Fri (8-4pm)

**Is there a fee to have my Mills Act Contract recorded?**

Yes. The Office of the Assessor-Recorder requires \$15 for the first page and \$3 for each additional page that is recorded.

**If I disagree with the Mills-Act assessed value of my property, can I appeal the taxable value?**

Yes. If a property owner disagrees with the assessed value or the results of the Mills Act Assessment, they may file a formal “Application for Changed Assessment” with the Assessment Appeals Board, an independently appointed review board. The application may be obtained in person, downloaded from the website, or requested in writing from:

Clerk of the Assessment Appeals Board  
City Hall, Room 405  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102  
Website: [www.sfgov.org/aab](http://www.sfgov.org/aab)

**What is the deadline for filing an “Application for Changed Assessment” with the Assessment Appeals Board?**

Assessment appeals applications may be filed between July 2nd and September 15th of the current year. Applications must be filed in on time to be considered. There are no exceptions to these dates.

**I received a “Notification of Assessed Value” letter for the current tax year. What is this letter and do I need to take any action?**

This is an informational letter used to notify property owners of their assessed property value for the current tax year. The assessed value minus exemptions is the basis for your property tax bill. The tax bill covers the fiscal year starting July 1st and ending June 30th.

You do not need to take any action unless you believe the market value of your property as of January 1st was less than the assessed value. If this is the case, a timely assessment appeal application must be filed.

**The “Notification of Assessed Value” letter states, “The assessed value shown may reflect an assessment that is not up to date”. How will I know if my assessment is up to date?**

If the Mills Act contract was recorded on time (on December 31st or before), the assessed value indicated in this letter is up to date – unless the property was recently purchased and ownership changes or if any new construction occurred on your property.

**I received a “Notification of Assessed Value” letter, but I have recently sold that property. Do I need to take any action?**

If you are no longer the current owner of the property, you may disregard this letter. The Office of the Assessor-Recorder will update the change in ownership accordingly.

**When will I receive my property tax bill?**

The fiscal year annual secured property tax bill is mailed in October of each year. Property owners will receive their property tax bills each year by November 1st. Please contact the Tax Collector’s Office if you do not receive your tax bill.

# GOVERNMENT CODES

## APPENDIX A: CALIFORNIA GOVERNMENT CODE SECTIONS 50280-50290

50280. Upon the application of an owner or the agent of an owner of any qualified historical property, as defined in Section 50280.1, the legislative body of a city, county, or city and county may contract with the owner or agent to restrict the use of the property in a manner which the legislative body deems reasonable to carry out the purposes of this article and of Article 1.9 (commencing with Section 439) of Chapter 3 of Part 2 of Division 1 of the Revenue and Taxation Code. The contract shall meet the requirements of Sections 50281 and 50282.

50280.1. “Qualified historical property” for purposes of this article, means privately owned property which is not exempt from property taxation and which meets either of the following:

- (a) Listed in the National Register of Historic Places or located in a registered historic district, as defined in Section 1.191-2(b) of Title 26 of the Code of Federal Regulations.
- (b) Listed in any state, city, county, or city and county official register of historical or architecturally significant sites, places, or landmarks.

50281. Any contract entered into under this article shall contain the following provisions:

- (a) The term of the contract shall be for a minimum period of 10 years.
- (b) Where applicable, the contract shall provide the following:
  - (1) For the preservation of the qualified historical property and, when necessary, to restore and rehabilitate the property to conform to the rules and regulations of the Office of Historic Preservation of the Department of Parks and Recreation, the United States Secretary of the Interior’s Standards for Rehabilitation, and the State Historical Building Code.
  - (2) For the periodic examinations of the interior and exterior of the premises by the assessor, the Department of Parks and Recreation, and the State Board of Equalization as may be necessary to determine the owner’s compliance with the contract.
  - (3) For it to be binding upon, and inure to the benefit of, all successors in interest of the owner. A successor in interest shall have the same rights and obligations under the contract as the original owner who entered into the contract.
- (c) The owner or agent of an owner shall provide written notice of the contract to the Office of Historic Preservation within six months of entering into the contract.

50281.1. The legislative body entering into a contract described in this article may require that the property owner, as a condition to entering into the contract, pay a fee not to exceed the reasonable cost of administering this program.

50282. (a) Each contract shall provide that on the anniversary date of the contract or such other annual date as is specified in the contract, a year shall be added automatically to the initial term of the contract unless notice of nonrenewal is given as provided in this section. If the property owner or the legislative body desires in any year not to renew the contract, that party shall serve written notice of nonrenewal of the contract on the other party in advance of the annual renewal date of the contract. Unless the notice is served by the owner at least 90 days prior to the renewal date or by the legislative body at least 60 days prior to the renewal date, one year shall automatically be added to the term of the contract.

(b) Upon receipt by the owner of a notice from the legislative body of nonrenewal, the owner may make a written protest of the notice of nonrenewal. The legislative body may, at any time prior to the renewal date, withdraw the notice of nonrenewal.

(c) If the legislative body or the owner serves notice of intent in any year not to renew the contract, the existing contract shall remain in effect for the balance of the period remaining since the original execution or the last renewal of the contract, as the case may be.

(d) The owner shall furnish the legislative body with any information the legislative body shall require in order to enable it to determine the eligibility of the property involved.

(e) No later than 20 days after a city or county enters into a contract with an owner pursuant to this article, the clerk of the legislative body shall record with the county recorder a copy of the contract, which shall describe the property subject thereto. From and after the time of the recordation, this contract shall impart a notice thereof to all persons as is afforded by the recording laws of this state.

50284. The legislative body may cancel a contract if it determines that the owner has breached any of the conditions of the contract

provided for in this article or has allowed the property to deteriorate to the point that it no longer meets the standards for a qualified historical property. The legislative body may also cancel a contract if it determines that the owner has failed to restore or rehabilitate the property in the manner specified in the contract.

50285. No contract shall be canceled under Section 50284 until after the legislative body has given notice of, and has held, a public hearing on the matter. Notice of the hearing shall be mailed to the last known address of each owner of property within the historic zone and shall be published pursuant to Section 6061.

50286. (a) If a contract is canceled under Section 50284, the owner shall pay a cancellation fee equal to 12 ½ percent of the current fair market value of the property, as determined by the county assessor as though the property were free of the contractual restriction.

(b) The cancellation fee shall be paid to the county auditor, at the time and in the manner that the county auditor shall prescribe, and shall be allocated by the county auditor to each jurisdiction in the tax rate area in which the property is located in the same manner as the auditor allocates the annual tax increment in that tax rate area in that fiscal year.

(c) Notwithstanding any other provision of law, revenue received by a school district pursuant to this section shall be considered property tax revenue for the purposes of Section 42238 of the Education Code, and revenue received by a county superintendent of schools pursuant to this section shall be considered property tax revenue for the purposes of Article 3 (commencing with Section 2550) of Chapter 12 of Part 2 of Division 1 of Title 1 of the Education Code.

50287. As an alternative to cancellation of the contract for breach of any condition, the county, city, or any landowner may bring any action in court necessary to enforce a contract including, but not limited to, an action to enforce the contract by specific performance or injunction.

50288. In the event that property subject to contract under this article is acquired in whole or in part by eminent domain or other acquisition by any entity authorized to exercise the power of eminent domain, and the acquisition is determined by the legislative body to frustrate the purpose of the contract, such contract shall be canceled and no fee shall be imposed under Section 50286. Such contract shall be deemed null and void for all purposes of determining the value of the property so acquired.

50289. In the event that property restricted by a contract with a county under this article is annexed to a city, the city shall succeed to all rights, duties, and powers of the county under such contract.

50290. Local agencies and owners of qualified historical properties may consult with the State Historical Resources Commission for its advice and counsel on matters relevant to historical property contracts.

# GOVERNMENT CODES

## APPENDIX B: CALIFORNIA REVENUE AND TAXATION CODE, ARTICLE 1.9, SECTIONS 439-439.4

### 439. HISTORICAL PROPERTY RESTRICTIONS; ENFORCIBLY RESTRICTED PROPERTY.

For the purposes of this article and within the meaning of Section 8 of Article XIII of the Constitution, property is “enforceably restricted” if it is subject to an historical property contract executed pursuant to Article 12 (commencing with Section 50280) of Chapter 1 of Part 1 of Division 1 of Title 5 of the Government Code.

#### 439.1. HISTORICAL PROPERTY; DEFINITIONS.

For purposes of this article “restricted historical property” means qualified historical property, as defined in Section 50280.1 of the Government Code, that is subject to a historical property contract executed pursuant to Article 12 (commencing with Section 50280) of Chapter 1 of Part 1 of Division 1 of Title 5 of the Government Code. For purposes of this section, “qualified historical property” includes qualified historical improvements and any land on which the qualified historical improvements are situated, as specified in the historical property contract. If the historical property contract does not specify the land that is to be included, “qualified historical property” includes only that area of reasonable size that is used as a site for the historical improvements.

#### 439.2. HISTORICAL PROPERTY; VALUATION.

When valuing enforceably restricted historical property, the county assessor shall not consider sales data on similar property, whether or not enforceably restricted, and shall value that restricted historical property by the capitalization of income method in the following manner:

- (a) The annual income to be capitalized shall be determined as follows:
  - (1) Where sufficient rental information is available, the income shall be the fair rent that can be imputed to the restricted historical property being valued based upon rent actually received for the property by the owner and upon typical rentals received in the area for similar property in similar use where the owner pays the property tax. When the restricted historical property being valued is actually encumbered by a lease, any cash rent or its equivalent considered in determining the fair rent of the property shall be the amount for which the property would be expected to rent were the rental payment to be renegotiated in the light of current conditions, including applicable provisions under which the property is enforceably restricted.
  - (2) Where sufficient rental information is not available, the income shall be that which the restricted historical property being valued reasonably can be expected to yield under prudent management and subject to applicable provisions under which the property is enforceably restricted.
  - (3) If the parties to an instrument that enforceably restricts the property stipulate therein an amount that constitutes the minimum annual income to be capitalized, then the income to be capitalized shall not be less than the amount so stipulated. For purposes of this section, income shall be determined in accordance with rules and regulations issued by the board and with this section and shall be the difference between revenue and expenditures. Revenue shall be the amount of money or money’s worth, including any cash rent or its equivalent, that the property can be expected to yield to an owner-operator annually on the average from any use of the property permitted under the terms by which the property is enforceably restricted. Expenditures shall be any outlay or average annual allocation of money or money’s worth that can be fairly charged against the revenue expected to be received during the period used in computing the revenue. Those expenditures to be charged against revenue shall be only those which are ordinary and necessary in the production and maintenance of the revenue for that period. Expenditures shall not include depletion charges, debt retirement, interest on funds invested in the property, property taxes, corporation income taxes, or corporation franchise taxes based on income.
- (b) The capitalization rate to be used in valuing owner-occupied single family dwellings pursuant to this article shall not be derived from sales data and shall be the sum of the following components:
  - (1) An interest component to be determined by the board and announced no later than September 1 of the year preceding the assessment year and that was the yield rate equal to the effective rate on conventional mortgages as determined by the Federal Housing Finance Board, rounded to the nearest 1/4 percent.
  - (2) A historical property risk component of 4 percent.
  - (3) A component for property taxes that shall be a percentage equal to the estimated total tax rate applicable to the property for the assessment year times the assessment ratio.
  - (4) A component for amortization of the improvements that shall be a percentage equivalent to the reciprocal of the remaining life.

(c) The capitalization rate to be used in valuing all other restricted historical property pursuant to this article shall not be derived from sales data and shall be the sum of the following components:

(1) An interest component to be determined by the board and announced no later than September 1 of the year preceding the assessment year and that was the yield rate equal to the effective rate on conventional mortgages as determined by the Federal Housing Finance Board, rounded to the nearest 1/4 percent.

(2) A historical property risk component of 2 percent.

(3) A component for property taxes that shall be a percentage equal to the estimated total tax rate applicable to the property for the assessment year times the assessment ratio.

(4) A component for amortization of the improvements that shall be a percentage equivalent to the reciprocal of the remaining life.

(d) Unless a party to an instrument that creates an enforceable restriction expressly prohibits the valuation, the valuation resulting from the capitalization of income method described in this section shall not exceed the lesser of either the valuation that would have resulted by calculation under Section 110, or the valuation that would have resulted by calculation under Section 110.1, as though the property was not subject to an enforceable restriction in the base year.

(e) The value of the restricted historical property shall be the quotient of the income determined as provided in subdivision (a) divided by the capitalization rate determined as provided in subdivision (b) or (c).

(f) The ratio prescribed in Section 401 shall be applied to the value of the property determined in subdivision (d) to obtain its assessed value.

#### 439.3. HISTORICAL PROPERTY; NOTICE OF NON-RENEWAL.

Notwithstanding any provision of Section 439.2 to the contrary, if either the county or city or the owner of restricted historical property subject to contract has served notice of nonrenewal as provided in Section 50282 of the Government Code, the county assessor shall value that restricted historical property as provided in this section.

(a) Following the hearing conducted pursuant to Section 50285 of the Government Code, subdivision (b) shall apply until the termination of the period for which the restricted historical property is enforceably restricted.

(b) The board or assessor in each year until the termination of the period for which the property is enforceably restricted shall do all of the following:

(1) Determine the full cash value of the property pursuant to Section 110.1. If the property is not subject to Section 110.1 when the restriction expires, the value shall be determined pursuant to Section 110 as if the property were free of contractual restriction. If the property will be subject to a use for which this chapter provides a special restricted assessment, the value of the property shall be determined as if it were subject to the new restriction.

(2) Determine the value of the property by the capitalization of income method as provided in Section 439.2 and without regard to the fact that a notice of nonrenewal or cancellation has occurred.

(3) Subtract the value determined in paragraph (2) of this subdivision by capitalization of income from the full cash value determined in paragraph (1).

(4) Using the rate announced by the board pursuant to paragraph (1) of subdivision (b) of Section 439.2, discount the amount obtained in paragraph (3) for the number of years remaining until the termination of the period for which the property is enforceably restricted.

(5) Determine the value of the property by adding the value determined by the capitalization of income method as provided in paragraph (2) and the value obtained in paragraph (4).

(6) Apply the ratios prescribed in Section 401 to the value of the property determined in paragraph (5) to obtain its assessed value.

#### 439.4. HISTORICAL PROPERTY; RECORDATION.

No property shall be valued pursuant to this article unless an enforceable restriction meeting the requirements of Section 439 is signed, accepted and recorded on or before the lien date for the fiscal year in which the valuation would apply.



# GOVERNMENT CODES

## APPENDIX C: SAN FRANCISCO ADMINISTRATIVE CODE, CH. 71: MILLS ACT CONTRACT PROCEDURES

### SEC. 71.1. PURPOSE.

(a) This Chapter 71 implements the Mills Act, California Government Code Sections 50280 et seq. The Mills Act authorizes local governments to enter into contracts with owners of private historical property who will rehabilitate, restore, preserve, and maintain qualified historical property. As consideration for the rehabilitation, restoration, preservation and maintenance of the qualified historical property, the City and County of San Francisco may provide certain property tax reductions 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.

(b) San Francisco contains many historic buildings which add to its character and international reputation. Many of these buildings have not been adequately maintained, may be structurally deficient, or may need rehabilitation. The costs of properly rehabilitating, restoring and preserving historic buildings may be prohibitive for property owners. Implementation of the Mills Act in San Francisco will make the benefits of the Mills Act available to many property owners.

(c) The benefits of the Mills Act to the individual property owners must be balanced with the cost to the City and County of San Francisco of providing the property tax reductions set forth in the Mills Act as well as the historical value of individual buildings proposed for historical property contracts, and the resultant property tax reductions, under the Mills Act.

### SEC. 71.2. ELIGIBILITY.

Qualified Historical Property. An owner, or an authorized agent of the owner, of a qualified historical property may apply for a historical property contract. For purposes of this Chapter 71, “qualified historical property” shall mean privately owned property that is not exempt from property taxation and that either has submitted a complete application for listing or designation, or has been listed or designated in one of the following ways on or before December 31 of the year before the application is made:

- (a) Individually listed in the National Register of Historic Places or the California Register of Historical Resources;
- (b) Listed as a contributor to an historic district included on the National Register of Historic Places or the California Register of Historical Resources;
- (c) Designated as a City landmark pursuant to San Francisco Planning Code Article 10;
- (d) Designated as contributory to an historic 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) pursuant to San Francisco Planning Code Article 11.

### SEC. 71.3. APPLICATION FOR HISTORICAL PROPERTY CONTRACT.

An owner, or an authorized agent of an owner, of a qualified historical property may submit an application for a historical property contract to the Planning Department on forms provided by the Planning Department. The property owner shall provide, at a minimum, the address and location of the qualified historical property, evidence that the property is a qualified historical property, the nature and cost of the rehabilitation, restoration or preservation work to be conducted on the property, financial information necessary for the Assessor-Recorder to conduct the valuation assessment under the Mills Act, including any information regarding income generated by the qualified historical property, and a plan for continued maintenance of the property. The Planning Department, the Historic Preservation Commission, or the Assessor-Recorder may require any further information it determines necessary to make a recommendation on or conduct the valuation of the historical property contract.

### SEC. 71.4. APPROVAL PROCESS.

(a) Assessor-Recorder Review. The Planning Department shall refer the application for historical property contract to the Assessor-Recorder for his or her review and recommendation. Within 60 days of the receipt of a complete application, the Assessor-Recorder shall provide to the Board of Supervisors and the Historic Preservation Commission a report estimating the yearly property tax revenue to the City under the proposed Mills Act contract valuation method and under the standard method without the Mills Act contract and showing the difference in property tax assessments under the two valuation methods. If the Assessor-Recorder determines that the proposed rehabilitation includes substantial new construction or a change of use, or the valuation is otherwise complex, he or she may extend this period for up to an additional 60 days by providing written notice of the extension to the applicant. Such notice shall state the basis for the extension.

(b) Historic Preservation Commission Review. The Historic Preservation Commission shall have the authority to recommend approval, disapproval, or modification of historical property contracts to the Board of Supervisors. For this purpose,

the Historic Preservation Commission shall hold a public hearing to review the application for the historical property contract and make a recommendation regarding whether the Board of Supervisors should approve, disapprove, or modify the historical property contract within 90 days of receipt of the Assessor-Recorder's report. The recommendation of the Historic Preservation Commission may include recommendations regarding the proposed rehabilitation, restoration, and preservation work, the historical value of the qualified historical property, and any proposed preservation restrictions or maintenance requirements to be included in the historical property contract. The Planning Department shall forward the recommendation of the Historic Preservation Commission to approve or modify an historical property contract, with its application, to the Board of Supervisors. If the Historic Preservation Commission recommends disapproval of the historical property contract, such decision shall be final unless the property owner files an appeal with the Clerk of the Board of Supervisors within 10 days of the final action of the Historic Preservation Commission. Failure of the Historic Preservation Commission to act within the 90-day time limit shall constitute a recommendation of approval disapproval for the purposes of this subsection, and the Planning Department shall notify the property owner in writing of the Historic Preservation Commission's failure to act; provided, however, that the Board of Supervisors by resolution may grant an extension of time to the Historic Preservation Commission for its review.

(c) Budget Analyst Review. Upon receipt of the recommendation of the Historic Preservation Commission or upon receipt of a timely appeal, the Clerk of the Board of Supervisors shall forward the application and the Assessor-Recorder's report to the Budget Analyst, who, notwithstanding any other provision of this Code, shall prepare a report to the Board of Supervisors on the fiscal impact of the proposed historical property contract.

(d) Board of Supervisors Decision. The Board of Supervisors shall conduct a public hearing to review the Historic Preservation Commission's recommendation, the Assessor-Recorder's report, the Budget Analyst's report, and any other information the Board requires in order to determine whether the City should execute a historical property contract for a particular property. The Board of Supervisors shall have full discretion to determine whether it is in the public interest to enter a Mills Act historical property contract regarding a particular qualified historical property. The Board of Supervisors may approve, disapprove, or modify and approve the terms of the historical property contract. Upon approval, the Board of Supervisors shall authorize the Director of Planning and the Assessor-Recorder to execute the historical property contract.

#### SEC. 71.5. TERMS OF THE HISTORICAL PROPERTY CONTRACT.

(a) The historical property contract shall set forth the agreement between the City and the property owner that as long as the property owner properly rehabilitates, restores, preserves and maintains the qualified historical property as set forth in the contract, the City shall comply with California Revenue and Taxation Code Article 1.9 (commencing with Section 439) of Chapter 3 of Part 2 of Division 1, provided that the Assessor determines that the specific provisions of the Revenue and Taxation Code are applicable to the property in question. A historical property contract shall contain, at a minimum, the following provisions:

- (1) The initial term of the contract, which shall be for a minimum period of 10 years;
- (2) The owner's commitment and obligation to preserve, rehabilitate, restore and maintain the property in accordance with the rules and regulations of the Office of Historic Preservation of the California Department of Parks and Recreation and the United States Secretary of the Interior's standards for the Treatment of Historic Properties;
- (3) Permission to conduct periodic examinations of the interior and exterior of the qualified historical property by the Assessor-Recorder, 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 as may be necessary to determine the owner's compliance with the historical property contract;
- (4) That the historical property contract is binding upon, and shall inure to the benefit of, all successors in interest of the owner;
- (5) An extension to the term of the contract so that one year is added automatically to the initial term of the contract on the anniversary date of the contract or such other annual date as specified in the contract unless notice of nonrenewal is given as provided in the Mills Act and in the historical property contract;
- (6) Agreement that the Board of Supervisors may cancel the contract, or seek enforcement of the contract, when the Board determines, based upon the recommendation of any one of the entities listed in Subsection (3) above, that the owner has breached the terms of the contract. The City shall comply with the requirements of the Mills Act for enforcement or cancellation of the historical property contract. Upon cancellation of the contract, the property owner shall pay a cancellation fee of 12.5 percent of the full value of the property at the time of cancellation (or such other amount authorized by the Mills Act), as determined by the Assessor-Recorder without regard to any restriction on such property imposed by the historical property contract; and
- (7) The property owner's indemnification of the City for, and agreement to hold the City harmless from, any claims arising from any use of the property.

(b) The City and the qualified historical property owner shall comply with all provisions of the Mills Act, including amendments thereto. The Mills Act, as amended from time to time, shall apply to the historical property contract process and shall



be deemed incorporated into each historical property contract entered into by the City.

SEC. 71.6. FEES.

The Planning Department shall determine the amount of a fee necessary to compensate the City for processing and administering an application for a historical property contract. The fee shall pay for the time and materials required to process the application, based upon the estimated actual costs to perform the work, including the costs of the Planning Department, the City Attorney, and the Assessor-Recorder. The City may also impose a separate fee, following approval of the historical property contract, to pay for the actual costs of inspecting the qualified historical property and enforcing the historical property contract. Such estimates shall be provided to the applicant, who shall pay the fee when submitting the application. In the event that the costs of processing the application are lower than the estimates, such differences shall be refunded to the applicant. In the event the costs exceed the estimate, the Planning Department shall provide the applicant with a written analysis of the additional fee necessary to complete the review of the application, and applicant shall pay the additional amount prior to execution of the historical property contract. Failure to pay any fees shall be grounds for cancelling the historical property contract.

SEC. 71.7. DEPARTMENTAL MONITORING REPORT.

On March 31, 2013 and every three years thereafter, the Assessor-Recorder and the Planning Department shall submit a joint report to the Board of Supervisors and the Historic Preservation Commission providing the Departments' analysis of the historical property contract (Mills Act) program. The report shall be calendared for hearing before the Board of Supervisors and the Historic Preservation Commission.



**San Francisco**  
**Planning**

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No appointment is necessary.*

## II. EXEMPTION STATEMENT AND SIGNIFICANCE EVALUATION

The Mills Act Historical Property Contract requires all commercial properties that are assessed at a value of more than \$5M to include a Historic Structure Report (HSR) as part of the application. Representatives of the San Francisco Planning Department have indicated that the HSR may be limited in scope and should include, at a minimum, a brief history of the building, a description of the building's historic condition, a summary of its existing condition, and an outline of short-term and long-term recommendations for rehabilitation. This limited Historic Structure Report, together with the Rehabilitation/Restoration & Maintenance Plan, serves to fulfill this requirement of the Mills Act and primarily focuses on conditions and treatment recommendations for the exterior of the building.

The Mills Act Historical Property Contract also requires that all commercial properties that are assessed at a value of more than \$5M include justification for how the property meets the following criteria:

1. 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
2. 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.

The following addresses how the property meets both criteria:

Constructed as early as circa 1887 as the Kentucky Stables building, which served as a carriage house and livery stable, 450 Pacific Avenue survived the earthquake and fires of April 1906 without major damage, but appears to have undergone repair and expansion in the period directly after the earthquake. 450 Pacific Avenue is an important contributor to the Jackson Square Historic District, for its early construction date, its survival through the ravages of the 1906 earthquake and fires, its historic use as a livery stable – which was a common early San Francisco building type that has become increasingly rare – and for its architectural design, which includes its brick façade and simple classical design articulation. The building is older than originally found during the 1970s district nomination, and contributes to the narrative of Jackson Square as the only significant collection of structures that represent San Francisco's nineteenth-century commercial heritage and therefore meets Criteria 1.

Granting the exemption will aid in financing repairs, rehabilitation/restoration, and maintenance of the building including: the historic brick and mortar facades, the windows, the metal window grilles and balcony railing, as well as the roofing, flashings, and associated skylights. It will restore integrity to the building by replacing the non-compatible ground level storefronts and the non-compatible parapet cap flashing, and the proposed work will contribute to preserving the building. The enclosed Rehabilitation/Restoration and Maintenance Plan further elaborate on proposed work intended to preserve the building and meet Criteria 2.

### III. HISTORIC STRUCTURE REPORT

#### BRIEF HISTORY OF JACKSON SQUARE

450 Pacific Avenue is located within the Jackson Square Historic District. Jackson Square contains the largest remnant of San Francisco's historic Gold Rush-era business district, with some buildings in the district dating back to the early 1850s and 1860s. Originally dominated by commercial and retail buildings, Jackson Square was later augmented by rooming houses, saloons, dance halls, and other uses.<sup>1</sup> These establishments attracted sailors and prostitutes, so that in the second half of the nineteenth century, the Jackson Square area became known as the "Barbary Coast," as a reference to the North African coast from where pirates and slave traders launched raids.<sup>2</sup>

Jackson Square was originally developed as a waterfront extension of San Francisco's first urban commercial center at Portsmouth Square. During the 1850s and 1860s, Jackson Square prospered as mercantile establishments, offices, financial institutions, and stores moved into the area. The neighborhood also attracted producers and sellers of liquor, cigars, glassware, books, stoves, champagne, and chocolate, in addition to newspaper offices, ethnic organizations, and foreign consulates. After a string of disastrous fires during the 1850s and early 1860s, San Francisco authorities mandated that all new structures in the commercial core must be built of fireproof masonry construction. Because brick was less expensive and more readily available than stone, it became the material of choice in Jackson Square. By requiring businesses to build in more expensive materials, namely brick reinforced with iron ties, buildings in the Jackson Square area represented a substantial investment and were less likely to be razed and rebuilt as use or public taste changed, giving these structures additional longevity.

After 1870, San Francisco's business district began to gravitate both south and west of Jackson Square, causing it to lose many of its prestigious commercial tenants. The area transitioned to manufacturing and wholesale uses, and eventually evolved into a diverse, mixed-use district with saloons, lodging houses, and dance halls, in addition to its commercial manufacturing establishments.<sup>3</sup>

Many buildings in Jackson Square survived the 1906 earthquake and fires since they were built of sturdy materials. Still, a significant portion of Jackson Square buildings were built after 1906. Those buildings constructed after 1906 were often designed for industrial uses and were less ornamented and less oriented to the pedestrian; however, many had the same scale, fine brickwork, and use of arches as the earlier buildings, retaining the continuity still seen in the district today. After 1906, the area maintained its reputation as the Barbary Coast through World War I, and industrial and wholesale uses continued to function into the 1930s but declined due to the effects of the Great Depression.<sup>4</sup>

Between the 1930s and the 1950s, buildings within Jackson Square were increasingly vacant. Prohibition, which brought frequent raids to this 'vice district' and the financial hardships of the Great Depression had significantly impacted the area's nightlife and commercial businesses, and perceived diminishing value of downtown real estate through dis-investment during World War II, and continuing into the postwar period, further impacted the

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<sup>1</sup> San Francisco Department of City Planning, *Jackson Square* (Nomination Form), 1971, 2.

<sup>2</sup> *Jackson Square*, 8. See also: Rand Richards, *Historic Walks in San Francisco: 18 Trails Through the City's Past* (San Francisco: Heritage House Publishers, 2002), xiv.

<sup>3</sup> *Jackson Square*, 2-3.

<sup>4</sup> *Jackson Square*, 3.

neighborhood. The neighborhood experienced a renaissance, however, when the wholesale furnishings and decorator industry began to settle in the area.<sup>5</sup> This industry was still flourishing in the 1970s, along with some newer uses, when the district was nominated for the National Register of Historic Places and recognized by the City of San Francisco as an Article 10 Historic District for its architectural character and its historic building stock—fully one-quarter of the district’s buildings were erected prior to 1890.<sup>6</sup>

Despite the diversity of age and function, the design of buildings in Jackson Square is largely consistent in regard to scale, massing, materials, color, and fenestration. Over half of the buildings were constructed of masonry in an Italianate or Classical Revival style and reflect the trends of the late nineteenth and early twentieth century. Buildings in the district are generally continuous with the property line, are two or three stories in height, are built of brick with cast-iron detailing, and have high ground floors delineated by a storefront cornice. Red brick and earth tones are typical. Verticality is emphasized with narrow and high door openings and narrow and vertical windows. The ground floors often feature arches and multiple bays with deep-set openings separated by stripings or pillars, and the ground floors have an open feeling that is meant to attract the pedestrian, often with show windows. Fenestration on the upper stories is usually deeply recessed and occupies less than fifty percent of the surface. Detailed features include Classical elements such as pediments, columns, and pilasters.

It is important to note that while the district was recognized for the cohesion of its historic architecture, the role of compatible alterations and contextually designed new construction was considered a major benefit for the long-term legacy of the area. The 1971 *Jackson Square Report* and National Register nomination material specifically outlined the role of “imaginative remodeling and use[, where] private renewal and rebuilding have fused history with modern function and created a unique blending of old and new.”<sup>7</sup>

## BRIEF HISTORY OF 450 PACIFIC AVENUE

450 Pacific Avenue is believed to have been constructed in 1905, according to documentation in the *Jackson Square Report* and Historic District nomination material, however, the building appears to have been present as early as 1887 according to available Sanborn Map Company fire insurance maps. As seen in the 1887 map, the building was built to its lot lines and retains the same footprint that it has today but has been expanded from a two-story building to a four-story building (**Figure 1**). In 1887, the building was listed as Kentucky Livery and Carriages and had a saloon and office at the ground floor with a small living space on the second floor, likely for someone to manage the stable at all hours. Historic Sanborn Map Company maps show that the building had a wood cornice and a series of glass skylights along the roof that were present from 1887 through the 1905 Sanborn Map (**Figure 2**).

Information included in the *Jackson Square Report*, states that the subject building survived the earthquake of 1906 with little damage, despite its location within the boundaries of the ‘burned district.’ While the building likely survived, it appears to have undergone repair—and expansion—in the period directly after the earthquake.<sup>8</sup> In the absence of either historic photographs or building permits, it is unknown when the building was expanded to its

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<sup>5</sup> Richards, 164.

<sup>6</sup> Ord. 221-72, “Appendix B to Article 10—Jackson Square Historic District,” San Francisco Planning Code, August 9, 1972.

<sup>7</sup> *Jackson Square*, 10.

<sup>8</sup> Punnett Brothers. Map of part of San Francisco, California, showing buildings constructed and buildings under construction during two years after fire of April 18, 1906. San Francisco: California Promotion Committee, 1908. Map. <https://www.loc.gov/item/2006626079/>.



current four-story height, and the degree to which the façade was redesigned at the time of the expansion, however, at least a portion of the brick livery stable is believed to have survived the fire, and would have been integrated into the reconstruction.<sup>9</sup>

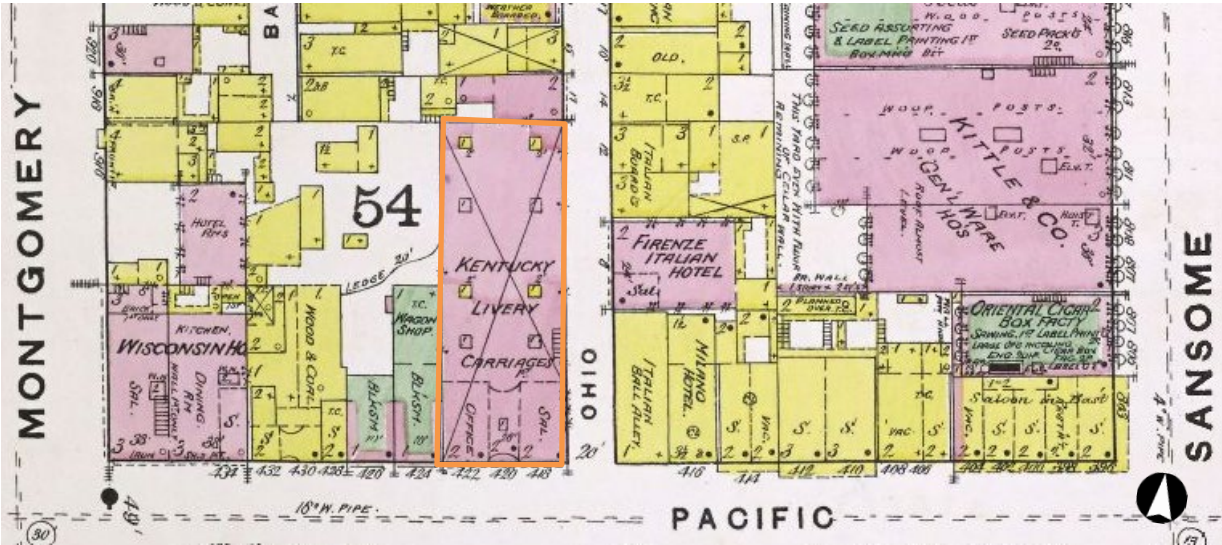


Figure 1: Sanborn Map Company map, 1887. Volume. 1, plate 8. Subject building outlined in orange.

Source: San Francisco Public Library. Edited by Page & Turnbull.

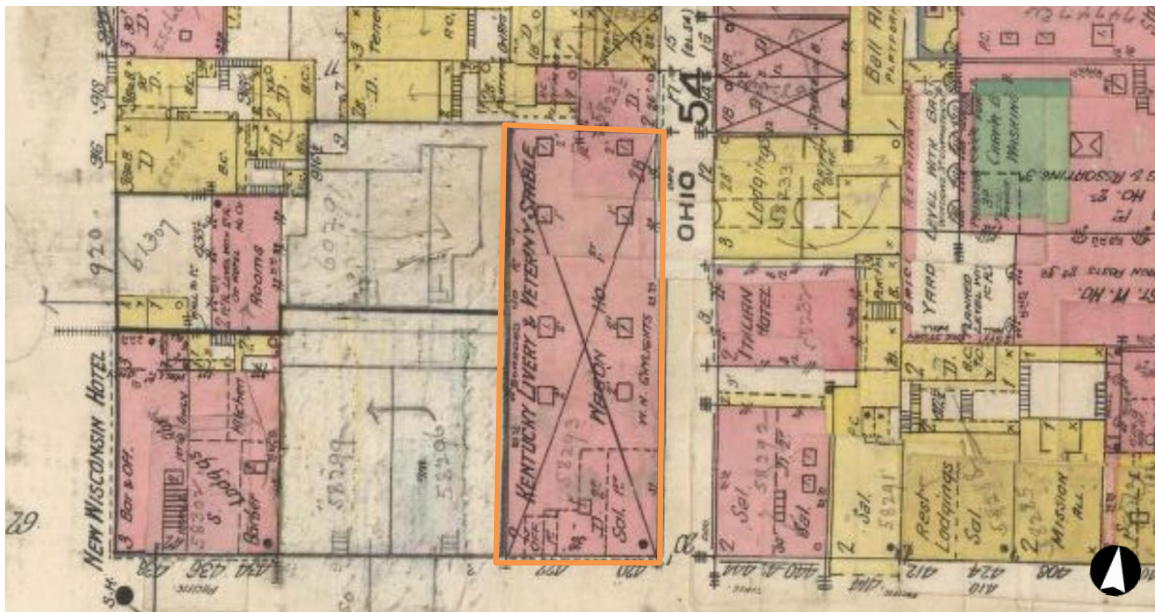
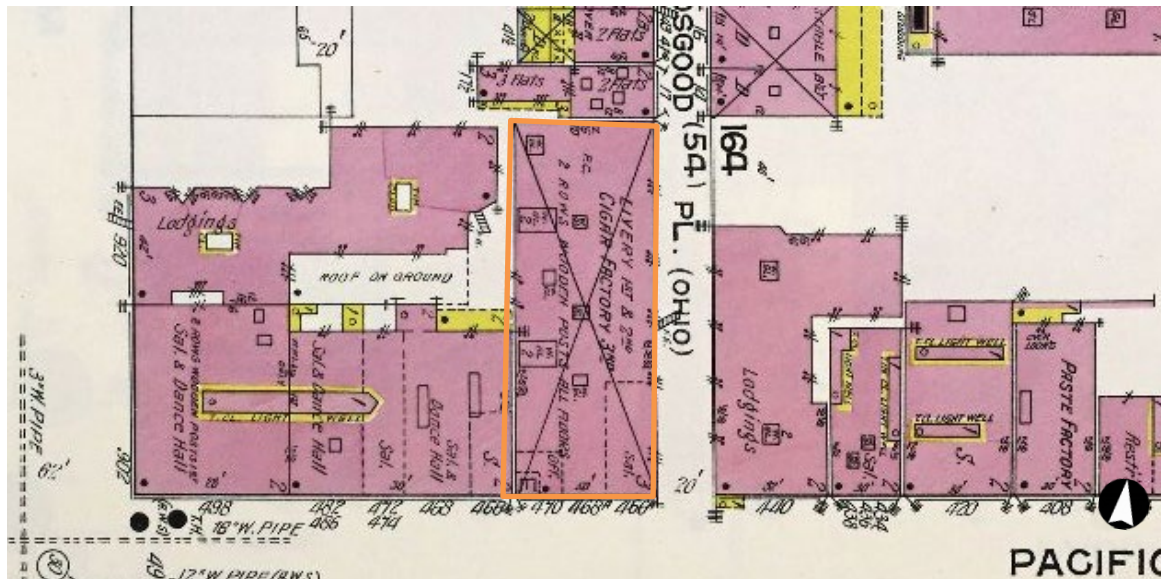


Figure 2: Sanborn-Perris Map Company map, 1905. Volume 1, plate 20. Subject building outlined in orange.

Source: San Francisco Public Library. Edited by Page & Turnbull.

<sup>9</sup> Permits on file at the San Francisco Department of Building Inspection from the 1940s through the 1980s refer to the building either as a three- or a four-story building with little consistency. One of the floors may have been a mezzanine level and this may explain why no record of the building’s expansion from three to four stories is known.

Constructed as early as circa 1887 as the Kentucky Stables Building, 450 Pacific Avenue was originally built as a carriage house and livery stable, and windows along the side façade were sized to allow hay and grain to more easily be transferred into the structure along Osgood Place (previously Ohio Place). Due to its proximity to Fire Engine Company No. 1, located at 419 Pacific Avenue until 1906, and then at 451 Pacific Avenue after 1908, the subject building also served the fire station, stabling and providing horses for the fire department's wagons.



**Figure 3: 1914 Sanborn Map Company map. Volume 1, plate 22. Subject building outlined in orange. Source: San Francisco Public Library. Edited by Page & Turnbull.**

The building also housed a saloon, which operated out of the corner commercial unit through at least 1914 (**Figure 3**).<sup>10</sup> Prior to 1925, when a permit to repair fire damage lists the main portion of the building as vacant, the lower floors were operated as a stable, while the top floor was used as a Chinese cigar factory.<sup>11</sup> The building was used in the 1930s and 1940s by Mont La Salle Vineyards – makers of sacramental wine – and from 1949 through the 1960s as a wholesale storage facility and showroom for Chong Kee Jan Company, a Chinese importing company with a main commercial location on Grant Avenue.<sup>12</sup> In 1949, a permit to create a glass and brick storefront was issued, and a signage permit in 1968 shows a sketch of a traditional glass storefront with a recessed entrance. At the time of the 1971 *Jackson Square Report*, the ground floor was described as featuring non-historic “stuccoed brick window and door openings” (**Figure 4**).<sup>13</sup>

In 1971, the building was converted from a warehouse to a commercial office building with significant alterations for tenant improvements that likely included changes to the ground floor entrance along Pacific Avenue. At this time, the roof of 450 Pacific Avenue was reconfigured and the small historic skylights were replaced with two larger

<sup>10</sup> Sanborn Map Company map, 1914. Available through the David Rumsey Historic Map Collection.

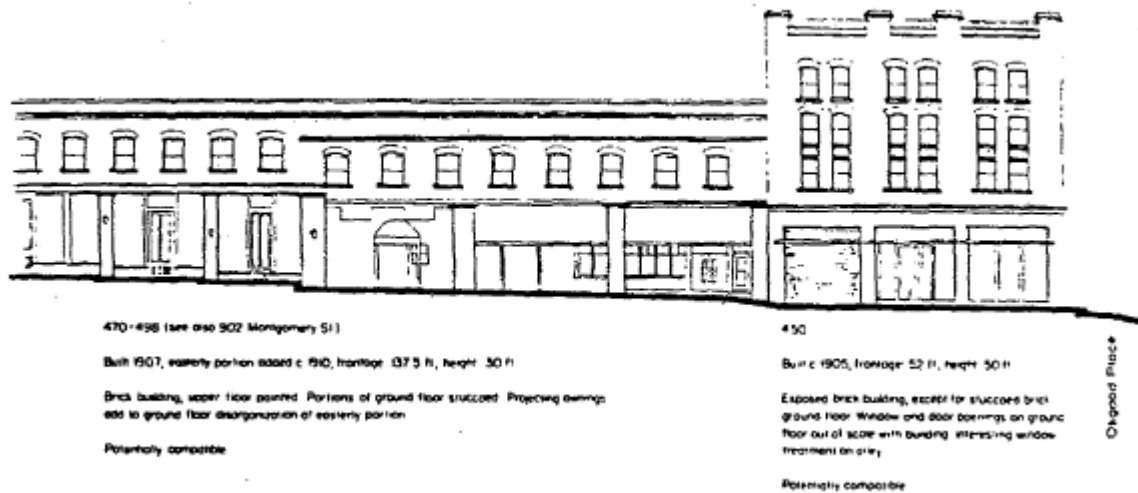
<sup>11</sup> *Jackson Square*, 32.; 1925 Permit on file at San Francisco Department of Building Inspection.

<sup>12</sup> San Francisco city directories. Accessed via the San Francisco Public Library.

<sup>13</sup> *Jackson Square*, unnumbered, “Façade elevations and Descriptions.”



groupings of sawtooth skylights.<sup>14</sup> In 1972, the building's brick cladding was sandblasted.<sup>15</sup> Parapet work and patching was undertaken in 1986, the building was reroofed in 1995, and a seismic upgrade for the building was completed in 2008, which included the installation of steel moment frames behind the non-historic brick columns at the ground floor.<sup>16</sup> In 2008, the 1971 sawtooth skylights were replaced with pyramidal skylights. The existing ground floor arcade and recessed entrance was installed at an unknown date between 1971 and 2008, likely during the building's transition to office use.



**Figure 4: Façade elevations and architectural description diagram for the block of the subject building (subject building at right). Source: Jackson Square Report.**

450 Pacific Avenue is an important contributor to the Jackson Square Historic District, for its early construction date, its partial survival through the ravages of the 1906 earthquake and fires, its historic use as a livery stable—which was a common early San Francisco building type that has become increasingly rare—and for its architectural design, which includes its brick façade and simple classical design articulation. Although originally determined to be only 'Potentially Compatible' to the historic district due to its height and ground-floor alterations, portions of the building appear to predate the findings of the 1971 district report, and adds to the narrative of Jackson Square as the only significant collection of structures that represent San Francisco's nineteenth century commercial heritage.

<sup>14</sup> Historic Aerials, [aerial photographs], 1968 and 1980, [historicaerials.com](http://historicaerials.com)

<sup>15</sup> Permit on file at the San Francisco Department of Building Inspection.

<sup>16</sup> Ibid. Work listed in the 2008 permit includes the installation of the existing ground floor entrance and the wall to the left of it, replacing a curved and more deeply recessed entrance. Curved glass partitions over a low bulkhead in east two bays remained from an earlier alteration.

## HISTORIC SIGNIFICANCE

450 Pacific Avenue is currently listed by the San Francisco Planning Department with a Historic Resource Status code of “A – Historic Resource Present,” due to its listing as a contributing building to the Article 10 listed Jackson Square Historic District and as a contributor to the National Register and the California Register-eligible Jackson Square Historic District.<sup>17</sup> The subject building embodies the construction history, development, and design of Jackson Square, which is considered the sole surviving early commercial area of San Francisco. Jackson Square demonstrates a strong visual identity through its use of materials, scale, and design, which gives the neighborhood a cohesive character.

In addition, the subject building was given a rating of 3 (out of a scale from -2 to 5, with 5 as the highest rating) by the 1976 DCP Survey and was given a rating of “C” (Contextual Importance) in the 1978 survey by the Foundation for San Francisco Architectural Heritage.<sup>18</sup>

### Jackson Square Historic District

The Jackson Square Historic District encompasses approximately ten blocks of various size bounded by Washington, Kearny, and Sansome streets, Columbus Avenue, and the north side of Pacific Avenue.<sup>19</sup> The area is known for containing the sole surviving buildings from San Francisco’s early central business district, which are considered the “sole physical reminders of the city’s beginnings as a great port and mercantile center.”<sup>20</sup> As described in the *Jackson Square Report*, the district displays “an intimacy of scale, a fineness of vertical proportion and especially in fenestration, a feeling for materials, and a use of decorative features which gives to many of the buildings a true architectural distinction; and numerous other structures possess the basic characteristics sufficiently to be in harmony with their more distinguished neighbors.”<sup>21</sup>

Prior to the designation of Jackson Square as a historic district, 16 buildings within the Jackson Square area were listed as city landmarks for their individual architectural merit. While these buildings formed the core of a potential historic district, the area was expanded to include additional historically significant buildings and ensure protections of the area’s overall character. For the purposes of the *Jackson Square Report*, buildings were categorized as either Compatible, Potentially Compatible, or Incompatible with the character-defining features of the historic district (outlined below).<sup>22</sup> The principal factors considered in this determination were “architectural materials, details, scale, proportion, color, facade treatment, and fenestration. In addition, [...] harmony with the building’s surroundings and the district was considered important.”<sup>23</sup> Most buildings were deemed Compatible, while only those that were out of scale or did not demonstrate many of the character-defining features of the district were found Incompatible. The Potentially Compatible designation was awarded to those buildings which “could be made compatible through façade remodeling with a reasonable amount of effort and expense.”<sup>24</sup> The district was formally approved in 1972.

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<sup>17</sup> San Francisco Planning Department, Property Information Map.

<sup>18</sup> Ibid.

<sup>19</sup> *Jackson Square*, Historic District map.

<sup>20</sup> Ibid., 2.

<sup>21</sup> Ibid., 9.

<sup>22</sup> Ibid., 6.

<sup>23</sup> Ibid.

<sup>24</sup> Ibid.

The period of significance of the Jackson Square Historic District is not expressly stated in the *Jackson Square Report*, however the report recognizes the stylistic consistency between buildings constructed prior to 1906, as well as those built during the post-earthquake reconstruction period, suggesting a likely period of significance for the district of ca. 1850-ca. 1915.

### Character-Defining Features

The exterior architectural features of Jackson Square, as described in the *Jackson Square Report* district nomination material, are as follows:<sup>25</sup>

- (a) **Overall Form and Continuity.** Building height is generally well-related to street width. Buildings are typically two or three stories high at the street. Most are under 40 feet, with some as low as 20 feet. Façades are continuous at the property line.
- (b) **Scale and Proportion.** Ground floors are high, about 20 feet from street level, often with a cornice separating them from the upper floors, providing continuity along the street frontage.

There is a regularity of overall form and proportion. On the ground floor this typically takes the form of bays closely spaced, 10 to 12 feet apart on center, with deep-set openings and inset entrances.

Ground floor treatment is definitely open in nature, with openings separated by narrow stripings or pillars of brick or cast iron. The open emphasis orients the ground floors toward the pedestrian, with attractive show windows.

- (c) **Fenestration.** Glazing is deeply recessed, producing a strong interplay between light and shade. Protruding window frames are common.

Windows are narrow and vertical in emphasis, rhythmically spaced, and match the bay spacing below and the shape and proportion of windows in nearby buildings. Door openings are frequently narrow and high.

At the upper floors, the proportion of windows to solid walls is typically less than 50 percent.

- (d) **Materials.** Standard brick masonry is predominant, at times exposed and at times painted, with thick bearing walls. Some buildings are stuccoed over the brick and some are concrete.

The sides of buildings are frequently of brick and form a significant part of the view from the street where they are higher than the adjacent buildings.

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<sup>25</sup> Ibid., 13-14.

Cast iron is often used in details and decorative features, notably in pilasters. Iron shutters are also found.

- (e) **Colors.** Red brick is typical. Earth tones predominate, with painted brick, where it occurs, typically in muted but not timid tones. Reds. Browns, yellows, greens, grays and blues are found.
- (f) **Texture.** Typical facing materials give a rough, textured appearance. Overall texture of the facades is fine grained.
- (g) **Detail.** Arches are common at ground floor, and frequently upper floors. Upper terminal cornices as well as lower cornices are typical, often heavy and projecting.

Classical features predominate, including pediments, columns or pilasters, and parapets.

Frequent exposed anchor plates are visible, holding in place the tie rods used to prevent the bearing walls from bulging.

450 Pacific Avenue is representative of the characteristics of contributing buildings within the Jackson Square Historic District, despite being of a slightly larger scale than is typical within the district. Overall, the building demonstrates regular fenestration and proportions; the use of red brick which supports the material palette, texture, and color seen throughout the district, and is simple in detail but retains features consistent with the detailing seen throughout the district's early twentieth century commercial buildings, including: segmental arched windows with flared lintels, recessed spandrel panels, a brick storefront cornice, a brick cornice, and large openings along the ground floor. The period of significance for 450 Pacific Avenue has not been previously established, however it is likely that the period of significance would include not only the original construction of the building, but any repairs or alterations to the structure undertaken directly after the 1906 earthquake.

## ARCHITECTURAL DESCRIPTION, EXISTING CONDITIONS, AND TREATMENT RECOMMENDATIONS

### Exterior

450 Pacific Avenue is a four-story brick-masonry commercial building originally constructed as a livery stable prior to 1887 and was expanded with a fourth-floor addition at an unknown date. Located at the northwest corner of Pacific Avenue and Osgood Place, the subject parcel has uneven topography that slopes down to the southeast corner, with the first floor partially below grade at the north end of the building.

The building features a common bond brick façade with five stretcher courses between each header course. Decoration is limited to patterns of brick laying, creating projecting sills, recessed spandrel panels between second- and third-story windows, flared lintels that are flush to the façade plane, a simple brick storefront cornice along the primary façade, and a decorative brick parapet with inset panels. The primary fenestration type consists of replacement metal square-head casement sash along the Osgood Place façade and on the upper floors of the primary (Pacific Avenue) façade. These replacement sash have an infill panel within the original segmental-arch window opening. Non-original recessed entrance and glazing systems have been introduced along the primary façade at the ground level. The building features a flat roof with a decorative parapet that has been topped with protective metal coping. The flat roof contains two large skylights and is covered in single-ply roofing membrane.



**Figure 5: Primary façade, 2019. Looking north. Courtesy of Henrik Kam.**



**Figure 6: Oblique view, looking northwest, at corner of Pacific Avenue and Osgood Place, 2019. Courtesy of Henrik Kam.**

### Primary (South) Façade

The primary (south) façade fronts Pacific Avenue and is divided into three bays. At the first story, the façade consists of three large rectangular openings (supplemented with steel columns and beams), with a recessed arcade enclosed

with metal fencing. A brick floor meets the sidewalk at grade at the left (west) of the façade. A metal gate with double-leaf doors is located within this first bay. An exposed brick sidewall defines the left (west) side of the arcade. The recessed rear wall of the arcade consists of a stucco portion within the left bay which contains the building's primary entrance. This entrance consists of a non-original segmental-arch opening with a tiled enframing with a keystone. The remaining two bays of the arcade consist of a curved center bay and a flat right (east) bay that contain fixed glazing in metal frames over a short tiled bulkhead. Both bays contain contemporary glass and metal doors. A simple storefront cornice separates the ground floor and second floor and consists of three projecting courses of header and stretcher brick topped by two (one recessed and one projecting) courses of header brick.

At the upper stories, each bay features a pair of non-historic metal casement windows. Windows at the second and third floors are grouped vertically within a double-height masonry opening with a single projecting sill, a recessed spandrel panel, and a flush flared lintel. Along the fourth floor, each window opening features a projecting sill and a flush flared lintel. Each bay is further emphasized along the parapet by projecting brick coursing and recessed panels separated by flat sections that correspond to the piers between bays below. These piers project above the line of the parapet, and along with the corbelling along the parapet cap, form a nearly crenellated parapet.

### East Façade (Osgood Place)

The east façade fronts Osgood Place, and extends the length of the parcel, approximately 137.5 feet. Fenestration is regularly spaced along this façade in 13 vertical groupings, but with varying types of window arrangements.

Along the first floor, the open arcade from the primary façade wraps the corner at the south (left) end of the façade and the brick storefront cornice also continues in line with the open arcade, ending beneath the first (south) set of windows on the east façade. First-floor windows change height with the grading of the sidewalk and are increasingly shortened as they reach the north end of the façade; these windows are covered with metal grilles. At the north end of the façade is a door opening with a segmental-arch head, a flush flared lintel, a concrete step, and a metal gate.

Along the upper stories, most window groupings are consistent with the primary façade's vertical grouping and detailing. Alternate window arrangements consist of a typical fourth-floor window enframing over a larger second-floor opening with a small metal balcony or metal grille (positions 3, 5, and 11, from left to right). A similar grouping at position 9 has an added third-floor window with a fixed center window and two flanking casement sash; the second and third floor windows in position 9 are not separated by a recessed brick spandrel panel, but by the primary brick wall plane itself. The final alternate window arrangement occurs at the north end of the façade (position 13) and consists of wide three-part windows at both second and third floors with a typical fourth-floor window and enframing above.





Figure 7: Oblique view, looking northwest, on Osgood Place, 2020.

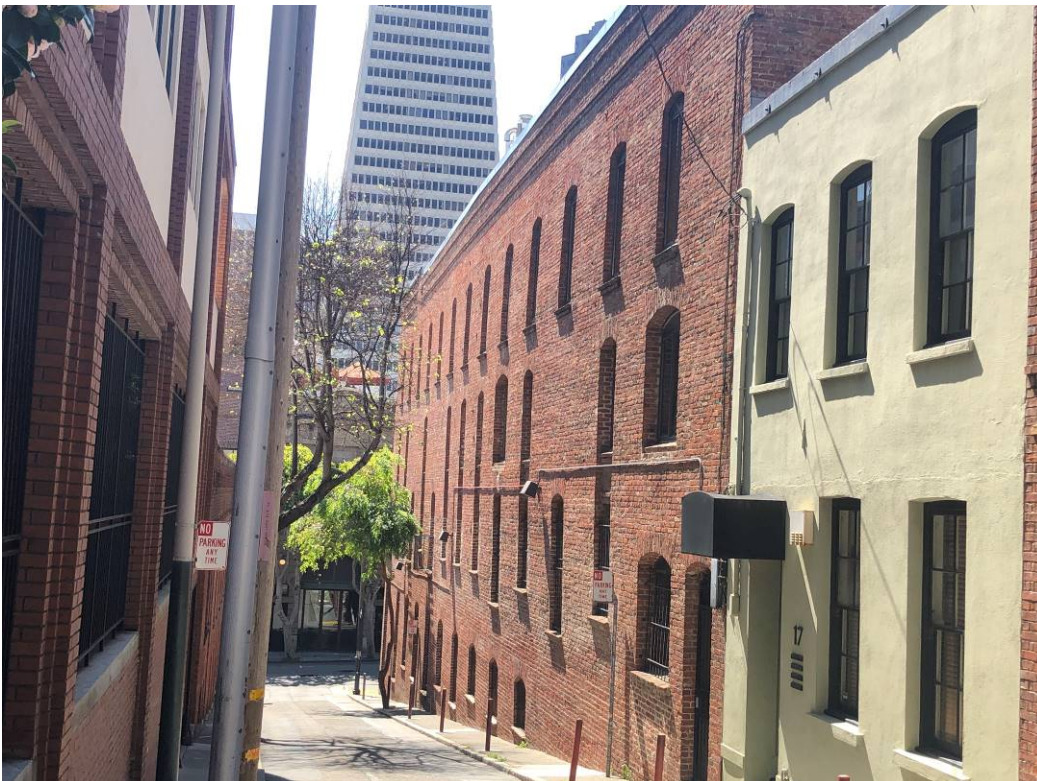


Figure 8: Oblique view, looking southwest, on Osgood Place, 2020.



### North (Rear) and West Façades

The north and west façades are only partially visible over the adjacent buildings and have no designed architectural detail due to their utilitarian purpose. Based on site observations and aerial photographs, neither the north nor west façades have any openings, but some metal tie rods were noted at the north façade.

### Interior

The interior spaces of 450 Pacific Avenue feature exposed brick walls along the exterior walls and have timber and steel framing around two large atriums that cut through the center of the building. The southern atrium is open from the ground-floor to the roof and is partially enclosed with floor to ceiling glazing on portions of the upper stories. The northern atrium is open to the third and fourth floor.

While the center volume of the building is largely open, the outer perimeter of the building consists of small rooms, including offices and conference rooms framed with a mix of glazing, drywall, and timber and steel framing.

## EXISTING CONDITIONS

### Primary Façade (Pacific Avenue) and East Façade (Osgood Place)

The brick is generally in fair condition at the building's primary façade and east façade. It exhibits some erosion and wear, consistent with that of masonry that may have been sandblasted or overly cleaned with an acidic cleaner. The mortar joints appear to be extensively eroded in various areas of the facades, especially at projecting coursing, sills, and water tables. The corner brick column/pier at the ground level arcade is a fairly decent match to the brick above, but appears to have been rebuilt at some point in time. The two intermediate piers on Pacific Avenue are even better matches to the brick above, but do not appear to have visible header courses. Further investigation at these piers is needed to understand their construction and age. Several windows at Osgood Place have had some brick repair work in the past, where portions of jambs appear to have been rebuilt/replaced by brick that more closely matches the brick at the ground level corner pier. Miscellaneous metal anchorages and attachments exist, and some small anchor holes in brick and mortar are extant. Cementitious parge slopes to drain are present at the windowsills and may also exist at the water table and other projecting brickwork. A few locations of efflorescence or encrustation deposits are notable within the recessed parapet panels and may relate to something at the roof level behind the parapet.



**Figure 9: Primary facade 2019, looking north. Courtesy of Henrik Kam.**





**Figure 10: Brick sill detail at primary (Pacific Avenue) façade, looking north. 2020.**



**Figure 11: Simple brick cornice above storefronts at primary (Pacific Avenue) façade, looking north. 2020.**





**Figure 12: Storefronts at ground floor of primary façade, 2020. Looking northeast.**





**Figure 13: Ground floor along Osgood Place, 2020. Looking northwest.**





**Figure 14: Simple brick cornice above storefronts at primary façade (Pacific Avenue), 2020. Looking north.**





**Figure 15: Cementitious parge slope drain in window sill. Looking down, primary façade. 2020.**



The ground floor arcade and entry vestibule appear to be in good to fair condition. The supplemental steel columns and beams at the façade are in fair condition. No corrosion was noted.



Figure 16: Storefronts along primary façade at Pacific Avenue, 2020. Looking east.



Figure 17: Storefronts within arcade along primary façade at Pacific Avenue, 2020. Looking east.





**Figure 18: Primary façade, adjacent to primary entrance to building within arcade, 2020. Looking west.**

The unpainted sheet metal flashing (coping) at the parapet is in fair condition. Its configuration conceals the original tiered configuration and crenellated profile of the parapet and stands out as an element that is covering the brick.

The non-historic metal casement windows appear to be in fair condition and do not have known performance issues at this time.



**Figure 19: Primary façade at Pacific Avenue, 2019. Looking northeast. Courtesy of Henrik Kam**





**Figure 20: Top half of the primary façade at Pacific Avenue, 2019. Looking north. Courtesy of Henrik Kam.**



The metal grilles and balcony rail at Osgood Place are in fair condition. Some areas of minor spot corrosion were noted.



**Figure 21: Grilles at windows at Osgood Place façade, 2020. Looking west.**





**Figure 22: Balcony rail at Osgood Place façade, 2020. Looking west.**



### North (Rear) and West Façades

Similar to the street façades, the brick is generally in fair condition and exhibits some erosion and wear, consistent with that of masonry that may have been sandblasted or overly cleaned with an acidic cleaner. The mortar joints also appear to be extensively eroded in various locations, though there are no noted projecting coursing, sills, or water tables. Miscellaneous metal anchorages and attachments as well as small holes may exist but were not observed from the street.



**Figure 23: Partially visible north (rear) façade, 2020. Looking southwest.**



**Figure 24: Oblique view of west (side) façade over adjacent building, 2020. Looking northeast.**

### Roof

Access to the roof was limited, but the roof is relatively flat and is covered in a single-ply roofing membrane. The roofing material was replaced in 2008/2009 and appears to be in fair condition. The metal parapet bracing appears to be in fair condition. No detailed observations of drains, mechanical equipment, or the skylights could be made. Further detailed review of the parapet bracing, drains, and skylights is recommended.



## Interior

The interior brick walls appear to be in good condition with no noted issues. The wood timber framing is in good condition and has previously been supplemented and is in good condition. It exhibits its patina/past wear, possibly related to the building's use as a stable. The building's brick floor has been largely covered in carpet and is assumed to be in fair condition. Further investigation is needed to understand if it is historic.



**Figure 25: Main entrance lobby, ground floor, 2019. Looking north. Courtesy of Henrik Kam.**





Figure 26: Wood support pillar from ground to third floor, 2019. Looking west. Courtesy of Henrik Kam.



**Figure 27: Wood support pillar, ground floor, 2019. Looking north. Courtesy of Henrik Kam.**





**Figure 28: Detail of brick floor beneath the carpet at the ground floor, 2020. Further investigation is needed to determine if it is historic.**

## TREATMENT RECOMMENDATIONS

### Primary Façade (Pacific Avenue) and East Façade (Osgood Place)

The facades should be rehabilitated, including cleaning and repair of the brick masonry. The brick should be cleaned with a gentle masonry restoration cleaner/detergent. The sources of the efflorescence or encrustations at the Pacific Avenue parapet should be investigated and corrected, and the deposits should be carefully cleaned from the brick. Repointing of the eroded mortar joints should be undertaken with an appropriate mortar to match the historic mortar in order to protect the building from moisture. As part of the masonry rehabilitation, miscellaneous non-historic non-functioning metal attachments and anchorages should be carefully removed, and the brick and mortar should be patched to match the adjacent historic materials to repair holes. The cementitious parge at the window sills and other projecting brickwork should be repaired in-kind with appropriate parge to repair cracked, deteriorated, or missing parge.

Regular treatment of the steel structural columns at the storefront areas should be undertaken to treat corrosion and paint the steel. Consideration should be given to rehabilitating the storefront at the ground level of Pacific Avenue and at the corner of Osgood Place with new appropriate compatible storefronts to replace the missing storefronts. Such rehabilitation should be based on further historic documentation and investigation. A storefront rehabilitation would require repair and reconfiguration of finishes with some likely adjustment to fire and life-safety systems as well as mechanical and electrical systems in this currently exterior arcade space. Until such time that the storefronts are rehabilitated, the metal gates and arcade space should be maintained by regular cleaning and painting of metalwork.

The sheet metal parapet flashings should be replaced with a flashing configuration that more closely conveys the tiered and crenellated profile of the parapet brickwork. It should also be painted to match the brick with a durable rust-inhibitive paint system.

While the non-historic windows are in fair condition, they should be regularly inspected for hardware issues and leaks, and regular maintenance of sealant joints and cleaning of weeps should occur. When the windows reach the end of their useful life and require replacement, appropriate compatible replacement windows should be installed based on further historic documentation and investigation.

Regular treatment of the metal grilles and balcony rails at Osgood Place should be undertaken to treat corrosion as it occurs, and the metal work should be coated with an appropriate durable rust-inhibitive paint system.

### North (Rear) and West Façades

Similar to the primary facades, the north and west facades should be cleaned, and repair of the brick masonry should be undertaken. The brick should be cleaned with a gentle masonry restoration cleaner/detergent. Repointing of the eroded mortar joints should be undertaken with an appropriate mortar to match the historic mortar in order to protect the building from moisture. If found, miscellaneous non-historic non-functioning metal attachments and anchorages should be carefully removed, and the brick and mortar should be patched to match the adjacent historic materials to repair holes. Remaining metal tie rods and plates should be painted with a durable rust-inhibitive paint system.

## Roof

Regularly inspect the roofing for deficiencies and leaks, including the skylights, parapet bracing, and mechanical equipment. Maintain paint, gaskets, and glazing seals at the skylights, and regularly clean the weeps. Treat the parapet bracing for corrosion, and repaint with durable corrosion-inhibitive paint as needed. Regularly clean the roof drains. Maintain flashings and sealants, and make repairs as needed.

## Interior

Regularly inspect the historic wood timber framing for signs of stress, deterioration, or needed repairs, and repair as needed. The wear of the wood is part of its patina and should be retained. Further investigate the brick flooring that is currently covered with carpet to determine if it is historic fabric. If it is historic, it is recommended to retain and preserve it for potential future rehabilitation.



## IV. 450 PACIFIC AVENUE ADDITIONAL PHOTOGRAPHS

### EXTERIOR PHOTOGRAPHS



Pacific Avenue - South Elevation (Henrik Kam, 2019).





**View looking Northwest at corner of Pacific Avenue and Osgood Place (Henrik Kam, 2019).**





**View looking northwest at corner of Pacific Avenue and Osgood Place, showing primary (south) and east façades (Henrik Kam, 2019).**

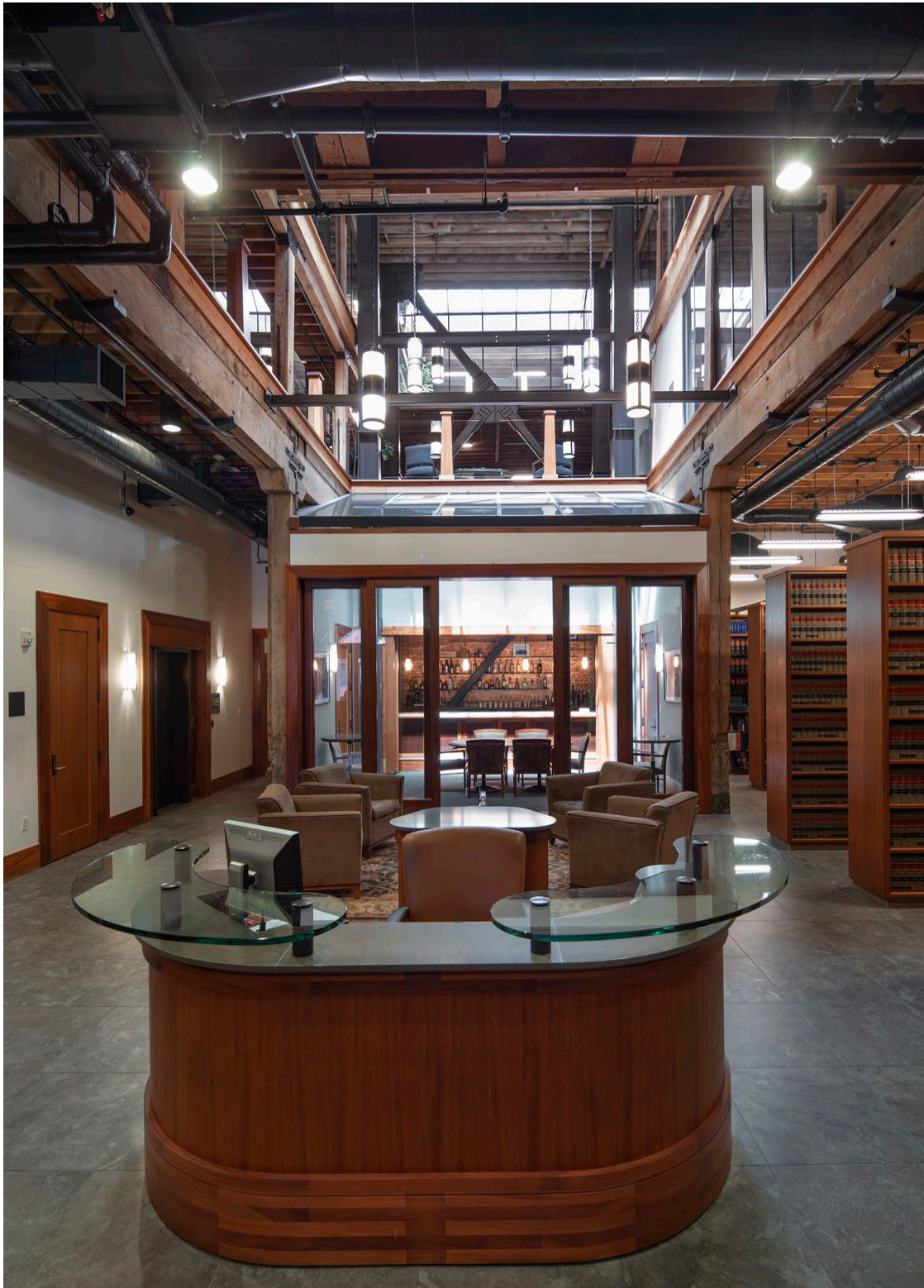




View looking up at south façade, Pacific Avenue (Henrik Kam, 2019).



INTERIOR PHOTOGRAPHS



Interior, ground level looking north (Henrik Kam, 2019).





Interior, ground level looking south (Henrik Kam, 2019).



Interior, ground level looking north (Henrik Kam, 2019).





Interior, ground level looking east (Henrik Kam, 2019).





Interior, second level looking east (Henrik Kam, 2019).





Interior, second level looking south (Henrik Kam, 2019).





Interior, third level looking south (Henrik Kam, 2019).





Interior, third level looking northeast (Henrik Kam, 2019).



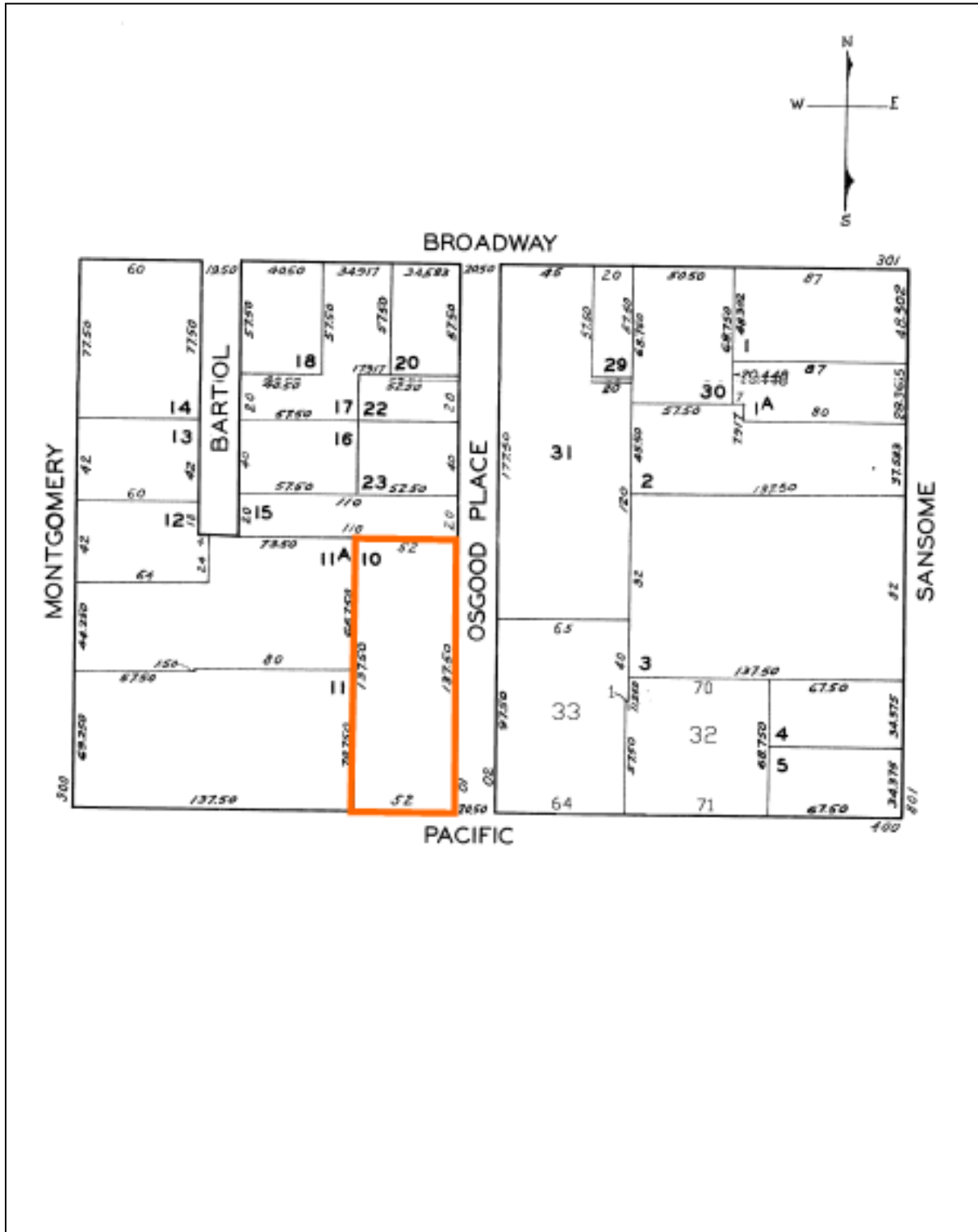


Interior, top floor looking north (Henrik Kam, 2019).



Interior, top floor looking south (Henrik Kam, 2019).

V. SITE PLAN



## **VI. TAX BILL**





City & County of San Francisco  
 José Cisneros, Treasurer  
 David Augustine, Tax Collector  
 Property Tax Bill (Secured)

450

1 Dr. Carlton B. Goodlett Place  
 City Hall, Room 140  
 San Francisco, CA 94102  
 www.sftreasurer.org

For Fiscal Year July 1, 2019 through June 30, 2020

Vol 02	Block 0164	Lot 010	Tax Bill No 006461	Mail Date October 9, 2019	Property Location 450 PACIFIC AV
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Assessed on January 1, 2019 at 12:01am  
 To: NAME WITHHELD PER CA AB 2238

ADDRESS INFORMATION  
 NOT AVAILABLE ONLINE

Assessed Value		
Description	Full Value	Tax Amount
Land	4,603,614	54,327.24
Structure	4,804,189	56,694.23
Fixtures		
Personal Property		
Gross Taxable Value	9,407,803	111,021.48
Less HO Exemption		
Less Other Exemption		
<b>Net Taxable Value</b>	<b>9,407,803</b>	<b>\$111,021.48</b>

Direct Charges and Special Assessments			
Code	Type	Telephone	Amount Due
45	LWEA2018TAX	(415) 355-2203	309.52
46	SF BAY RS PARCEL TAX	(888) 508-8157	12.00
89	SFUSD FACILITY DIST	(415) 355-2203	38.28
91	SFCCD PARCEL TAX	(415) 487-2400	99.00
98	SF - TEACHER SUPPORT	(415) 355-2203	261.70
<b>Total Direct Charges and Special Assessments</b>			<b>\$720.50</b>

<b>▶ TOTAL DUE</b>		<b>\$111,741.98</b>	
1st Installment		2nd Installment	
\$55,870.99		\$55,870.99	
DUE	12/10/2019	DUE	04/10/2020

Keep this portion for your records. See back of bill for payment options and additional information.



City & County of San Francisco  
 Property Tax Bill (Secured)  
 For Fiscal Year July 1, 2019 through June 30, 2020

Pay online at [www.sftreasurer.org](http://www.sftreasurer.org)

Vol 02	Block 0164	Lot 010	Tax Bill No 006461	Mail Date October 9, 2019	Property Location 450 PACIFIC AV
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Check if contribution to Arts Fund is enclosed.  
 For other donation opportunities go to [Give2SF.org](http://Give2SF.org)

Detach stub and return with your payment.  
 Write your block and lot on your check.  
 2nd Installment cannot be accepted unless 1st is paid.

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 P.O. Box 7426  
 San Francisco, CA 94120-7426

2

<b>2nd Installment Due</b>	
<b>\$55,870.99</b>	

If paid or postmarked after **APRIL 10, 2020**  
 the amount due (includes delinquent penalty of 10% and  
 other applicable fees) is: **\$61,503.08**

0201640001000 006461 000000000 000000000 0000 2003



City & County of San Francisco  
 Property Tax Bill (Secured)  
 For Fiscal Year July 1, 2019 through June 30, 2020

Pay online at [www.sftreasurer.org](http://www.sftreasurer.org)

Vol 02	Block 0164	Lot 010	Tax Bill No 006461	Mail Date October 9, 2019	Property Location 450 PACIFIC AV
-----------	---------------	------------	-----------------------	------------------------------	-------------------------------------

Check if contribution to Arts Fund is enclosed.  
 For other donation opportunities go to [Give2SF.org](http://Give2SF.org)

Detach stub and return with your payment.  
 Write your block and lot on your check.  
 If property has been sold, please forward bill to new owner.

San Francisco Tax Collector  
 Secured Property Tax  
 P.O. Box 7426  
 San Francisco, CA 94120-7426

1

<b>1st Installment Due</b>	
<b>\$55,870.99</b>	

If paid or postmarked after **DECEMBER 10, 2019**  
 the amount due (includes delinquent penalty of 10%) is: **\$61,458.08**

59,874

0201640001000 006461 000000000 000000000 0000 1003

## **VII. RENTAL INCOME INFORMATION**

Rental income for the property at 450 Pacific Avenue is \$150,000.00 per month.

## VIII. BIBLIOGRAPHY

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Richards, Rand. *Historic Walks in San Francisco: 18 Trails Through the City's Past* (San Francisco: Heritage House Publishers, 2002).

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San Francisco Planning Code, Ord. 221-72, "Appendix B to Article 10—Jackson Square Historic District," August 9, 1972.

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San Francisco Planning Department. Online Property Information Map.

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170 Maiden Lane, 5th Floor  
San Francisco, California 94108  
415.362.5154 / 415.362.5560 fax

2401 C Street, Suite B  
Sacramento, California 95816  
916.930.9903 / 916.930.9904 fax

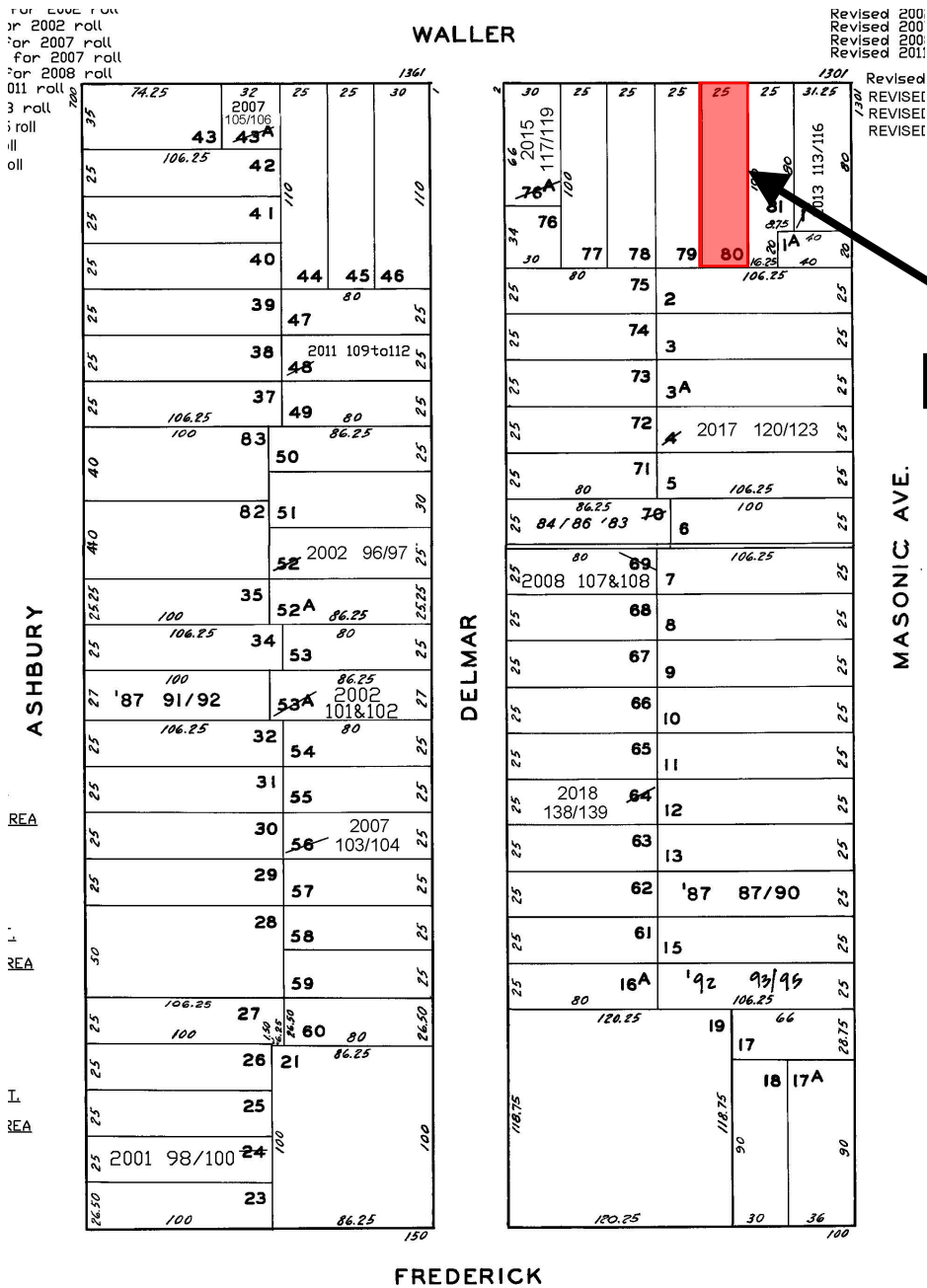
417 S. Hill Street, Suite 211  
Los Angeles, California 90013  
213.221.1200 / 213.221.1209 fax





**Attachment B**  
**1315 Waller Street**

# Parcel Map

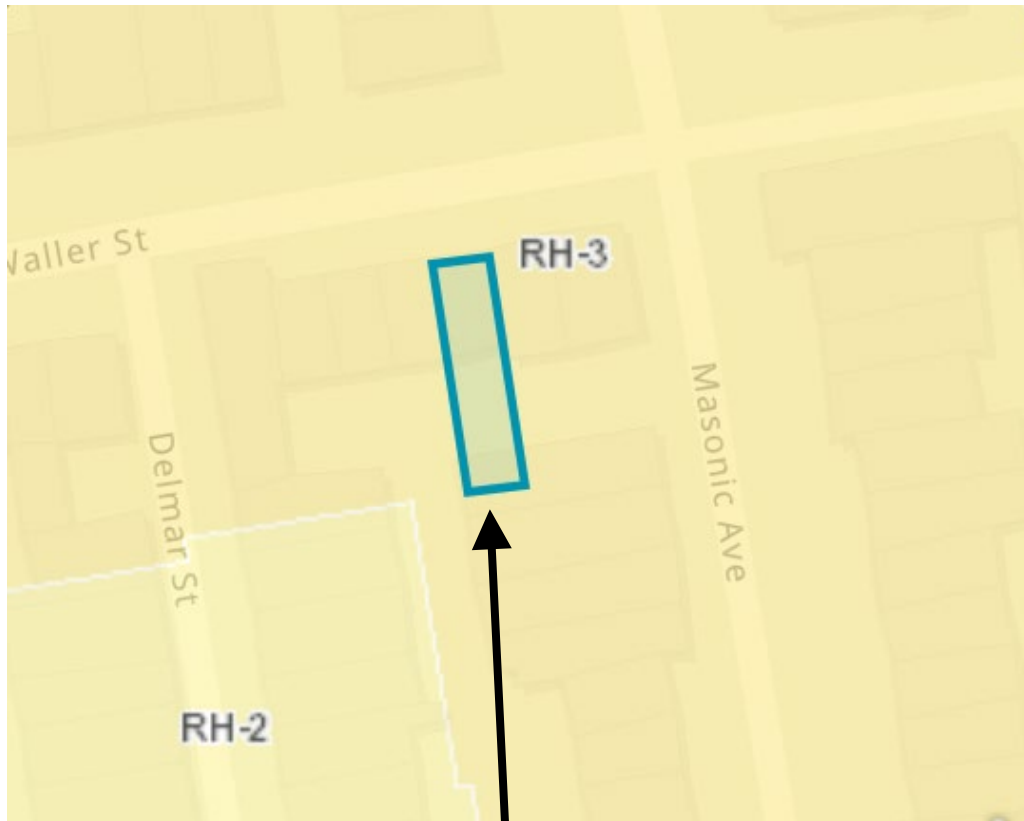


**SUBJECT PROPERTY**

**Record Number: 2020-004811MLS**  
 1315 Waller Street  
 Mills Act Historical Property Contract



# Zoning Map

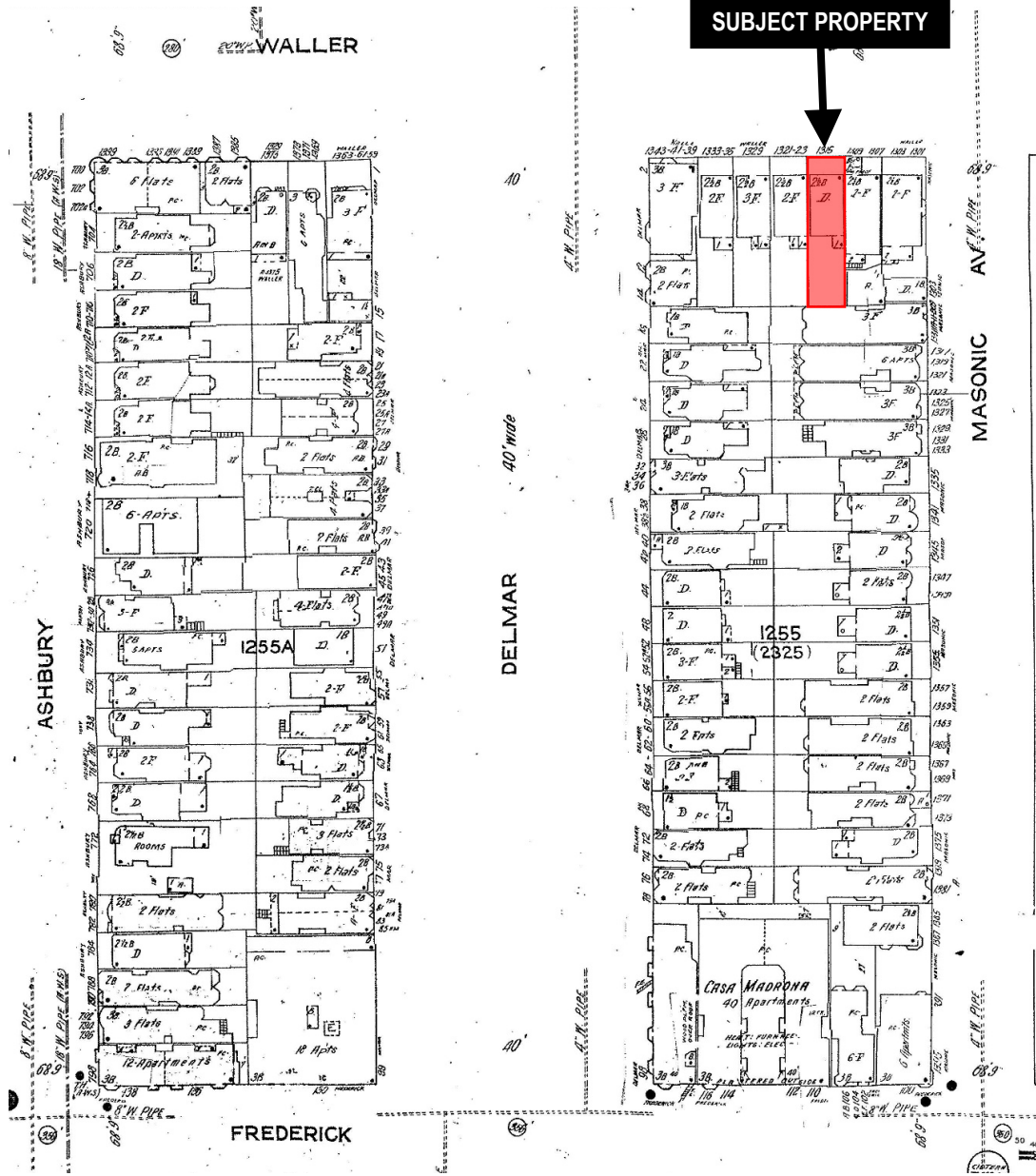


SUBJECT PROPERTY



**Record Number: 2020-004811MLS**  
1315 Waller Street  
Mills Act Historical Property Contract

# Sanborn Map\*

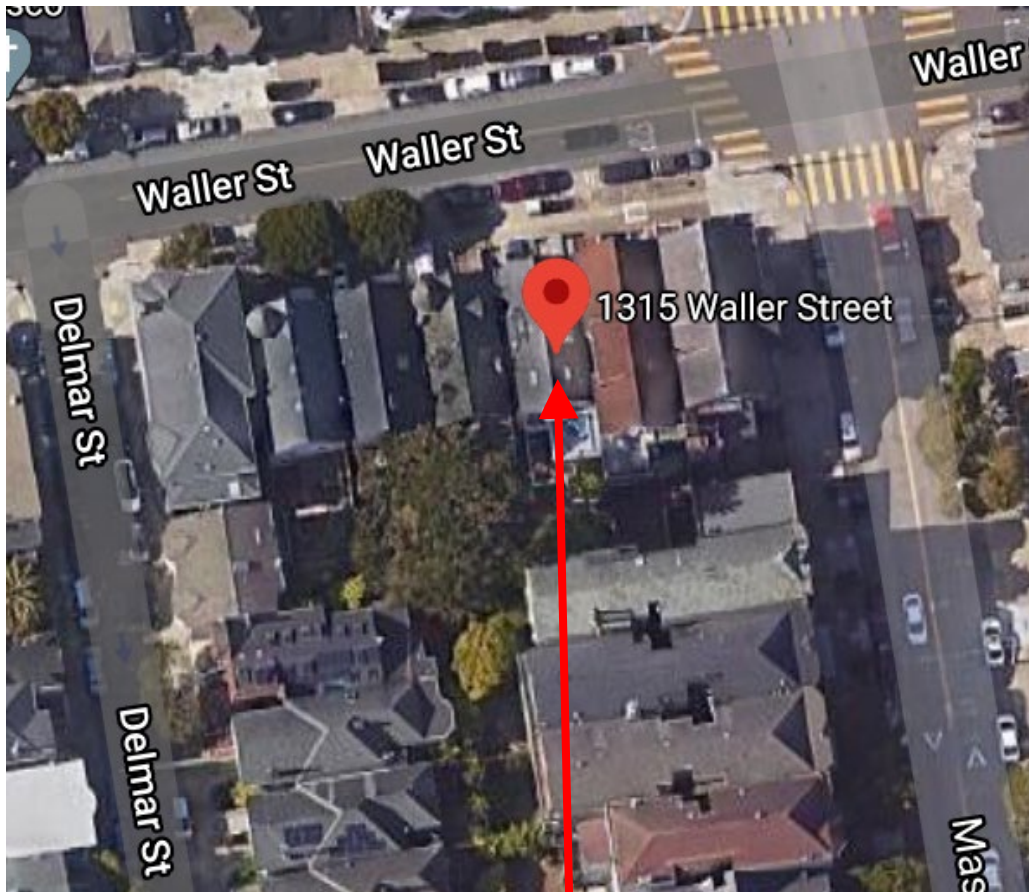


\*The Sanborn Maps in San Francisco have not been updated since 1998, and this map may not accurately reflect existing conditions.





# Aerial Photo



**SUBJECT PROPERTY**



**Record Number: 2020-004811MLS**  
1315 Waller Street  
Mills Act Historical Property Contract

# Site Photo



**Record Number: 2020-004811MLS**  
1315 Waller Street  
Mills Act Historical Property Contract



# HISTORIC PRESERVATION COMMISSION DRAFT RESOLUTION

**HEARING DATE: OCTOBER 7, 2020**

**Record No.:** 2020-004811MLS  
**Project Address:** 1315 WALLER STREET  
**Zoning:** RH-3 (Residential - House, Three-Family) Zoning District  
**Height/Bulk:** 40-X Height and Bulk District  
**Historic District:** National Register of Historic Places  
**Block/Lot:** 1255/080  
**Project Sponsor:** Aimee & Tjarko Leifer  
**Property Owner:** AIMKO 2015 Trust  
1315 Waller Street  
San Francisco, CA 94117  
**Staff Contact:** Michelle Taylor – (628) 652-7352  
Michelle.Taylor@sfgov.org

ADOPTING FINDINGS RECOMMENDING TO THE BOARD OF SUPERVISORS APPROVAL OF THE DRAFT MILLS ACT HISTORICAL PROPERTY CONTRACT, REHABILITATION PROGRAM, AND MAINTENANCE PLAN FOR 1315 WALLER STREET.

WHEREAS, The Mills Act, California Government Code Sections 50280 et seq. (“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, 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 those provided for in the Mills Act; and

WHEREAS, Ordinance No. 191-96 amended the San Francisco Administrative Code by adding Chapter 71, to implement Mills Act locally; 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 1315 Waller Street was nominated for listing on the National Register of Historic Places before December 31, 2019; and

WHEREAS, The Planning Department has reviewed the Mills Act Application, draft Historical Property Contract, Rehabilitation Program, and Maintenance Plan for 1315 Waller Street, which are located in Case Docket No. 2020-004811MLS. The Planning Department recommends approval of the draft Mills Act historical property contract, rehabilitation program, and maintenance plan; and

WHEREAS, The Historic Preservation Commission (HPC) recognizes the historic building at 1315 Waller 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, 2020, the HPC reviewed documents, correspondence and heard oral testimony on the Mills Act Application, Draft Historical Property Contract, Rehabilitation Program, and Maintenance Plan for 1315 Waller Street, which are located in Case Docket No. 2020-004811MLS.

THEREFORE, BE IT RESOLVED That the HPC hereby recommends that the Board of Supervisors approve the Draft Mills Act Historical Property Contract, including the Rehabilitation Program, and Maintenance Plan for the historic building located at 1315 Waller Street, attached herein as Exhibits A and B, and fully incorporated by this reference.

BE IT FURTHER RESOLVED That the HPC hereby directs its Commission Secretary to transmit this Resolution, the Draft Mills Act Historical Property Contract, including the Rehabilitation Program, and Maintenance Plan for 1315 Waller Street, and other pertinent materials in the case file 2020-004811MLS to the Board of Supervisors.

I hereby certify that the foregoing Resolution was ADOPTED by the Historic Preservation Commission on October 7, 2020.

Jonas P. Ionin  
Commissions Secretary

AYES:

NOES:

ABSENT:

ADOPTED: October 7, 2020



## EXHIBITS A & B

Mills Act Historical Property Contract, including the Rehabilitation Program (Exhibit A), and Maintenance Plan (Exhibit B) for the historic building located at 1315 Waller Street.

Recording Requested by, and  
when recorded, send notice to:  
Shannon Ferguson  
49 South Van Ness Avenue, Suite 1400  
San Francisco, CA 94103

## **CALIFORNIA MILLS ACT HISTORIC PROPERTY AGREEMENT**

THIS AGREEMENT is entered into by and between the City and County of San Francisco, a California municipal corporation ("City") and AIMKO 2015 Trust ("Owners").

### RECITALS

Owners are the owners of the property located at 1315 Waller Street, in San Francisco, California (Block 1255, Lot 080). The building located at 1315 Waller is listed on the National Register of Historic Places and is also known as the "Historic Property". The Historic Property is a Qualified Historic Property, as defined under California Government Code Section 50280.1.

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 four hundred sixteen thousand six hundred and thirty-five dollars (\$416,635.00). (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 nine thousand nine hundred and twenty dollars (\$9,920.00) 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 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 within no more 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 12 and 13 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 within no more 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 13 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 and Compliance Monitoring. Prior to entering into this Agreement and every five years thereafter, and upon seventy-two (72) hours advance notice, Owners shall permit any representative of the City, the Office of Historic Preservation of the California Department of Parks and Recreation, or the State Board of Equalization, to inspect of the interior and exterior of the Historic Property, to determine Owners' compliance with this Agreement. Throughout the duration 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 ("Term"). As provided in Government Code section 50282, one year shall be added automatically to the Term, on each anniversary date of this Agreement, unless notice of nonrenewal is given as set forth in Paragraph 9 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. Notice of Nonrenewal. If in any year of this Agreement either the Owners or the City desire 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 either party serves notice of nonrenewal of this Agreement, this Agreement shall remain in effect for the balance of the period remaining since the original execution or the last renewal of the Agreement, as the case may be. Thereafter, 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 expiration of this Agreement.

10. Payment of Fees. As provided for in Government Code Section 50281.1 and San Francisco Administrative Code Section 71.6, upon filing an application to enter into a Mills Act Agreement with the City, Owners shall pay the City the reasonable costs related to the preparation and approval of the Agreement. In addition, Owners shall pay the City for the actual costs of inspecting the Historic Property, as set forth in Paragraph 6 herein.

11. 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 as set forth in Exhibit B, 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 or requests for information, as provided in Paragraph 6 herein;

(e) Owners' failure to pay any fees requested by the City as provided in Paragraph 10 herein;

(f) Owners' failure to maintain adequate insurance for the replacement cost of the Historic Property, as required by Paragraph 5 herein; or

(g) 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 12 and 13 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 13 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 12 herein prior to cancellation of this Agreement.

12. 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 11 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.

13. Cancellation Fee. If the City cancels this Agreement as set forth in Paragraph 12 above, and as required by Government Code Section 50286, 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.

14. 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 do 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 12 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.

15. 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.

16. 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.

17. Binding on Successors and Assigns. The covenants, benefits, restrictions, and obligations contained in this Agreement shall run with the land and shall be binding upon and inure to the benefit of all successors in interest and assigns of the Owners. Successors in interest and assigns shall have the same rights and obligations under this Agreement as the original Owners who entered into the Agreement.

18. 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.

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

20. Recordation. Within 20 days from the date of execution of this Agreement, the parties shall cause this Agreement to be recorded with the Office of the Recorder of the City and County of San Francisco. From and after the time of the recordation, this recorded Agreement shall impart notice to all persons of the parties' rights and obligations under the Agreement, as is afforded by the recording laws of this state.

21. 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.

22. 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.

23. 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 Owners have 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.

24. 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.

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

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

27. 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: \_\_\_\_\_ DATE: \_\_\_\_\_  
Carmen Chu, Assessor-Recorder

By: \_\_\_\_\_ DATE: \_\_\_\_\_  
Rich Hillis, Director of Planning

APPROVED AS TO FORM:  
DENNIS J. HERRERA  
CITY ATTORNEY

By: \_\_\_\_\_ DATE: \_\_\_\_\_  
Andrea Ruiz-Esquide, Deputy City Attorney

OWNERS

By: \_\_\_\_\_ DATE: \_\_\_\_\_  
Tjarko Leifer, Owner

By: \_\_\_\_\_ DATE: \_\_\_\_\_  
Aimee Leifer, Owner

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

## Exhibit A: Rehabilitation/ Restoration Plan

### # 1 Building Feature: Waller Street - Entry Stair Landing

Rehab/Restoration	Maintenance	Completed	Proposed
-------------------	-------------	-----------	----------

Contract Year for Work Completion: 2023

Total Cost (rounded to nearest dollar): \$12,245

#### Description of Work:

Replace exposed plywood landing at the front door entry with appropriate marble/stone/tile mosaic flooring and waterproofing at landing. New front landing will be compatible to the historic building and conform to the Secretary of the Interior's Standards for Treatment of Historic Properties.

### # 2 Building Feature: Waller Street - Front Entry Stairs

Rehab/Restoration	Maintenance	Completed	Proposed
-------------------	-------------	-----------	----------

Contract Year for Work Completion: 2023

Total Cost (rounded to nearest dollar): \$17,515

#### Description of Work:

Clean staining, soiling, biological growth, and discoloration at marble entry stair and concrete base landing/steps. Repair stone, including wear, chips, and cracks as needed. All work will comply with the National Park Service's Preservation Brief #1: Cleaning and Water-Repellent Treatments for Historic Masonry Buildings. All work will conform to the Secretary of the Interior's Standards for Treatment of Historic Properties.

### # 3 Building Feature: Entry Stair Iron Handrail & Concrete Base

Rehab/Restoration	Maintenance	Completed	Proposed
-------------------	-------------	-----------	----------

Contract Year for Work Completion: 2023 and Every 7-10 years as Needed

Total Cost (rounded to nearest dollar): \$9,672

#### Description of Work:

Treat corrosion at handrails and prepare, prime, and paint with appropriate rust inhibitive metal paint. At the concrete base of the rail/side walls, remove paint and clean concrete substrate (taking care not to use acidic cleaners near the marble steps) or prepare, prime, and repaint with appropriate breathable masonry paint. Work will comply with the National Park Service's Preservation Brief #27: The Maintenance and Repair of Architectural Cast Iron and Preservation Brief #15: Preservation of Historic Concrete. Work will conform to the Secretary of the Interior's Standards for Treatment of Historic Properties.

## Exhibit A: Rehabilitation/ Restoration Plan

# 4	Building Feature: Waller Street Façade - Painting		
Rehab/Restoration	Maintenance	Completed	Proposed

Contract Year for Work Completion: 2023 and Every 7-10 years as Needed

Total Cost (rounded to nearest dollar): \$70,680

### Description of Work:

It appears the façade was last repainted sometime before 2008. Assess and inspect the facade for wood damage or deterioration, and repair as needed, including patching holes and sealing gaps at the garage scone escutcheons. Any needed repairs will avoid altering, removing or obscuring character-defining features of the building. and elements determined to be damaged or deteriorated beyond repair will be replaced in-kind (e.g., wood for wood). Prepare, prime, and paint with appropriate paint, including windows - (see Rehabilitation/Restoration Item 5 for detail at windows and Item 6 for detail at doors). Install new sealants every paint cycle at flashings and where occurs as needed. All work will comply with the National Park Service's Preservation Brief #10: Exterior Paint Problems on Historic Woodwork. All work will conform to the Secretary of the Interior's Standards for Treatment of Historic Properties.

# 5	Building Feature: Waller Street Façade - Windows		
Rehab/Restoration	Maintenance	Completed	Proposed

Contract Year for Work Completion: 2023

Total Cost (rounded to nearest dollar): \$84,925

### Description of Work:

Rehabilitate wood windows. Repair/maintain hardware for operation where applicable. Prepare, prime, and paint all wood and putty with appropriate paint. Consider installation of appropriate weather-stripping. At first floor original windows, consider restoring operability to windows that are not operable. Repair deteriorated wood where found and replace all unsound/deteriorated/missing glazing putty as needed. At second floor non-historic (but compatible) double-paned insert windows, rehabilitate to improve weather- stripping/poor performance and deteriorated sash tracks or consider replacing with new wood sash to match the original appearance. At attic window, rehabilitate or replace attic window with appropriate compatible wood window (based on further research and site investigation) to resolve soundness of window and weather-tightness. All work will comply with the National Park Service's Preservation Brief #9: The Repair of Historic Wooden Windows and Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings. All work will conform to the Secretary of the Interior's Standards for Treatment of Historic Properties.



## Exhibit A: Rehabilitation/ Restoration Plan

# 6	Building Feature: Waller Street Doors		
Rehab/Restoration	Maintenance	Completed	Proposed

Contract Year for Work Completion: 2023

Total Cost (rounded to nearest dollar): \$19,143

### Description of Work:

Rehabilitate and maintain doors, including hardware to keep in good working order. Prepare, prime, and paint with appropriate paint. At garage doors and side (trade hall) door, treat deterioration, including checks/splits, and deterioration at joints of stiles and rails. Clean and maintain glass lites at garage doors. All work will comply with the National Park Service's Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings. All work will conform to the Secretary of the Interior's Standards for Treatment of Historic Properties.

# 7	Building Feature: Main Roof		
Rehab/Restoration	Maintenance	Completed	Proposed

Contract Year for Work Completion: 2025

Total Cost (rounded to nearest dollar): \$47,043

### Description of Work:

The roofing at the main roof appears to have been replaced in 1993. Inspect main roof and replace existing shingle roofing with new shingle roofing. Repair or replace related flashing, waterproofing, and gutters as needed. Inspect gutters and downspouts, including copper gutters, and repair or replace as needed in conjunction with roofing work. Work shall be done in accordance with the National Park Service's Preservation Brief #4: Roofing for Historic Buildings and Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings. All work will conform to the Secretary of the Interior's Standards for Treatment of Historic Properties.

## Exhibit A: Rehabilitation/ Restoration Plan

# 8	Building Feature: Rear/ South Façade - Wood Repair		
Rehab/Restoration	Maintenance	Completed	Proposed

Contract Year for Work Completion: 2027

Total Cost (rounded to nearest dollar): \$15,392

### Description of Work:

Investigate bulged/split siding at the west kitchen window and bulged siding and split eave board at the top of the south kitchen wall. Correct deficiencies and ensure weather-tightness as needed. Repair or replace siding to match existing as needed. Prepare, prime, and paint with appropriate paint. All work will comply with the National Park Service's Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings and National Park Service's Preservation Brief #10: Exterior Paint Problems on Historic Woodwork. All work will conform to the Secretary of the Interior's Standards for Treatment of Historic Properties.

# 9	Building Feature: Rear/ South Façade - Painting		
Rehab/Restoration	Maintenance	Completed	Proposed

Contract Year for Work Completion: 2027

Total Cost (rounded to nearest dollar): \$23,444

### Description of Work:

Assess and inspect the facades for wood damage or deterioration, and repair as needed. Repair checked/split wood siding. Prepare, prime, and paint with appropriate paint, including windows and doors - (see Rehabilitation/Restoration Item #8 for detail at wood siding). Install new sealants every paint cycle at flashings and where occurs as needed. All work will comply with the National Park Service's Preservation Brief #10: Exterior Paint Problems on Historic Woodwork. All work will conform to the Secretary of the Interior's Standards for Treatment of Historic Properties.

## Exhibit A: Rehabilitation/ Restoration Plan

# 10	Building Feature: Secondary Side Elevations - Painting		
Rehab/Restoration	Maintenance	Completed	Proposed

Contract Year for Work Completion: 2029

Total Cost (rounded to nearest dollar): \$58,358

### Description of Work:

Assess and inspect the facades for wood damage or deterioration, and repair as needed. Repair checked/split wood siding. Patch holes at abandoned mechanical conduits/ducts as needed. Prepare, prime, and paint with appropriate paint, including windows - (see Rehabilitation/Restoration Item 5 for detail at windows). Install new sealants every paint cycle at flashings and where occurs as needed. All work will comply with the National Park Service's Preservation Brief #10: Exterior Paint Problems on Historic Woodwork. All work will conform to the Secretary of the Interior's Standards for Treatment of Historic Properties.

# 11	Building Feature: Secondary Side Elevations - Windows		
Rehab/Restoration	Maintenance	Completed	Proposed

Contract Year for Work Completion: 2029

Total Cost (rounded to nearest dollar): \$24,490

### Description of Work:

During painting work access, assess wood condition and repair deteriorated wood where found and replace all unsound/deteriorated/missing glazing putty as needed. Repair/maintain hardware for operation where applicable. Prepare, prime, and paint all wood and putty. Consider installation of appropriate weatherstripping. At the east lightwell non-historic wood casement windows, replace Plexiglas with glass, and consider installation of appropriate weatherstripping. Alternatively, consider appropriate replacement windows. All work will comply with the National Park Service's Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings. All work will conform to the Secretary of the Interior's Standards for Treatment of Historic Properties.

## Exhibit A: Rehabilitation/ Restoration Plan

# 12	Building Feature: Roofing Over Kitchen		
Rehab/Restoration	Maintenance	Completed	Proposed

Contract Year for Work Completion: 2031

Total Cost (rounded to nearest dollar): \$33,728

### Description of Work:

Inspect roofing, and replace roofing at deck area over kitchen. Ensure waterproofing at guard rail penetrations/anchorage including repairing wood guardrail as needed. Ensure roof is sloped to drain properly to adjacent gutter. Inspect gutters and downspouts, including copper gutters, and repair or replace as needed in conjunction with roofing work. Work shall be done in accordance with the National Park Service's Preservation Brief #4: Roofing for Historic Buildings and Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings. All work will conform to the Secretary of the Interior's Standards for Treatment of Historic Properties.

## Exhibit B: Maintenance Plan

# 1

Building Feature: Front Entry Stairs - Visual Inspection

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year for Work Completion: 2021 and annually thereafter

Total Cost (rounded to nearest dollar): \$15,500

### Description of Work:

Perform visual inspection of concrete and marble main entry stair with metal railings and marble/stone/tile landing annually for paint and sealant failure, wood deterioration, metal railing deterioration, and other signs of deterioration. Assess adjacent bush/vegetation and maintain/trim to prevent building damage; consider a planting support system that keeps the plant from attaching to the adjacent historic materials. Repair as needed. 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). Work shall be done in accordance with the National Park Service's Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings and National Park Service's Preservation Brief #1: Cleaning and Water-Repellent Treatments for Historic Masonry Buildings.

# 2

Building Feature: Facades - Visual Inspection

Rehab/Restoration

Maintenance

Completed

Proposed

Contract Year for Work Completion: 2021 and annually thereafter

Total Cost (rounded to nearest dollar): \$23,250

### Description of Work:

Perform visual inspection of facades, including wood siding and decorative trim, metal work and flashings, sealant failure, and other signs of deterioration. Repair as needed. 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). Work shall be done in accordance with the National Park Service's Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings and National Park Service's Preservation Brief #10: Exterior Paint Problems on Historic Woodwork.



## Exhibit B: Maintenance Plan

# 3	Building Feature: Windows and Doors - Visual Inspection		
Rehab/Restoration	Maintenance	Completed	Proposed

Contract Year for Work Completion: 2021 and annually thereafter

Total Cost (rounded to nearest dollar): \$23,250

### Description of Work:

Perform visual inspection of wood windows and doors (including main entry door, garage doors, and side/trade hall doors at Waller St.) with binoculars, spotting scope, or similar as needed annually for paint, putty, and sealant failure as well as wood and other signs of deterioration. Assess hardware, window sash cords, window function, lubricate hardware, etc. Repair as needed. 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). Work shall be done in accordance with the National Park Service's Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings and Preservation Brief #9: The Repair of Historic Wooden Windows.

# 4	Building Feature: Waller St. Façade - Cleaning		
Rehab/Restoration	Maintenance	Completed	Proposed

Contract Year for Work Completion: 2025 and every 2 years thereafter

Total Cost (rounded to nearest dollar): \$6,200

### Description of Work:

Soft-wash/gently clean with mild detergent and low pressure rinsing/hand wiping to maintain appearance and prolong life of paint as recommended by paint manufacturer. Work shall be done in accordance with the National Park Service's Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings.

# 5	Building Feature: Roof (Main & Roof Over Kitchen)		
Rehab/Restoration	Maintenance	Completed	Proposed

Contract Year for Work Completion: 2021 and annually thereafter

Total Cost (rounded to nearest dollar): \$15,500

### Description of Work:

Inspect roofing for defects and deterioration annually, including associated flashing and sealants (and skylights at the main roof). Repair as needed. 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). Work shall be done in accordance with the National Park Service's Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings.

## Exhibit B: Maintenance Plan

# 6	Building Feature: Roof Gutters and Downspouts		
Rehab/Restoration	Maintenance	Completed	Proposed

Contract Year for Work Completion: 2021 and annually thereafter

Total Cost (rounded to nearest dollar): \$15,500

### Description of Work:

Inspect and clean all roof gutters, drains and downspouts annually. Repair as needed. 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). Work shall be done in accordance with the National Park Service's Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings.



**Office of the Assessor / Recorder - City and County of San Francisco  
Mills Act Valuation**



1315 Waller St



**OFFICE OF THE ASSESSOR-RECORDER - CITY & COUNTY OF SAN FRANCISCO  
MILLS ACT VALUATION**

<b>APN:</b>	1255-80	<b>Lien Date:</b>	7/1/2020
<b>Address:</b>	1315 Waller St	<b>Application Date:</b>	May 1,2020
<b>SF Landmark No.:</b>	2019-006264DES	<b>Application Term:</b>	10 years
<b>Applicant's Name:</b>	Aimko 2015 Trust		
<b>Agt./Tax Rep./Atty:</b>	0.00	<b>Last Sale Date:</b>	Oct 21,2016
<b>Fee Appraisal Provided:</b>	No	<b>Last Sale Price:</b>	\$2,625,000

FACTORED BASE YEAR (Roll) VALUE		INCOME CAPITALIZATION APPROACH		SALES COMPARISON APPROACH	
Land	\$1,949,649	Land	\$995,005	Land	\$2,400,000
Imps.	\$1,442,703	Imps.	\$663,337	Imps.	\$1,600,000
Personal Prop	\$0	Personal Prop	\$0	Personal Prop	\$0
<b>Total</b>	<b>\$3,392,672</b>	<b>Total</b>	<b>\$1,658,342</b>	<b>Total</b>	<b>\$ 4,000,000</b>

**Property Description**

<b>Property Type:</b>	Single Family	<b>Year Built:</b>	1900/2018	<b>Neighborhood:</b>	Haight Ashbury
<b>Type of Use:</b>	Single Family	<b>(Total) Rentable Area:</b>	3,164	<b>Land Area:</b>	2,495
<b>Owner-Occupied:</b>	Yes	<b>Stories:</b>	3	<b>Zoning:</b>	RH3
<b>Unit Types:</b>		<b>Parking Spaces:</b>	1		

**Total No. of Units:** 0

**Special Conditions (Where Applicable)**

**Conclusions and Recommendations**

	Per Unit	Per SF	Total
Factored Base Year Roll	\$3,392,672	\$1,072	\$ 3,392,672
Income Approach - Direct Capitalization	\$1,658,342	\$524	\$ 1,658,342
Sales Comparison Approach	\$4,000,000	\$1,264	\$ 4,000,000
<b>Recommended Value Estimate</b>	<b>\$ 1,658,342</b>	<b>\$ 524</b>	<b>\$ 1,658,342</b>

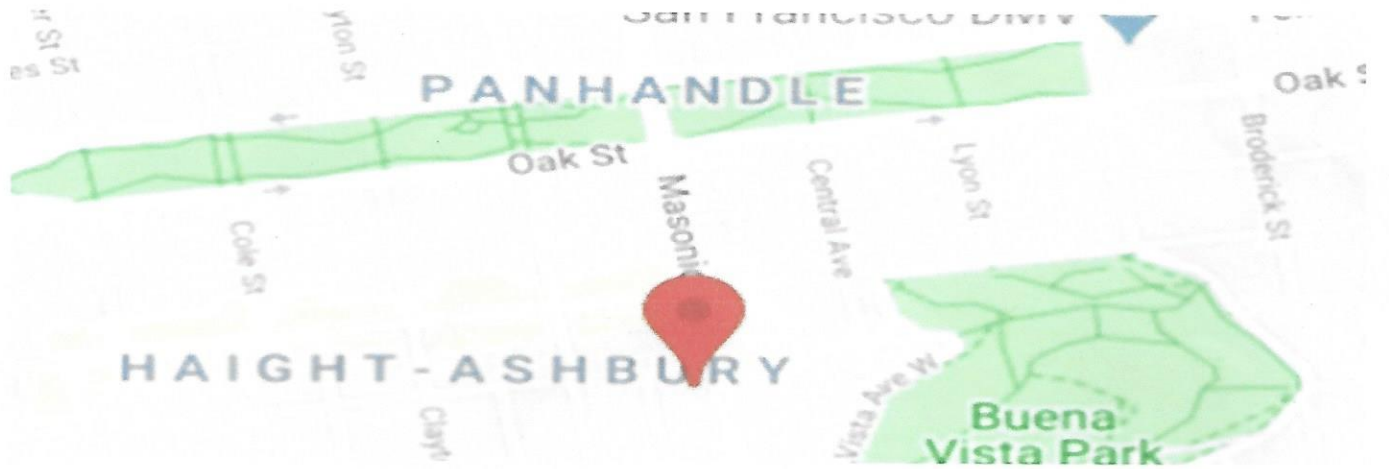
**Appraiser:** Larry Chan

**Principal Appraiser:** Robert Spencer

**Hearing Date:**

**SUBJECT PHOTOGRAPHS AND LOCATOR MAP**

Address: 1315 Waller St  
APN: 1255-80





# Four Seasons Houses

Tourist Attraction in San Francisco  
Open 24 hours

GET DIRECTIONS



## UPDATES



Posted on Jul 16, 2020  
Local photographer Yoki Lin ([www.facebook.com/YokiLin](https://www.facebook.com/YokiLin)) has a great post and photos about the Four Seasons victorians on Waller St.



Posted on Jun 14, 2020  
Four Seasons Victorians featured at Legoland California



SFGATE

LOCAL

### Forget the famous Painted Ladies, mee SF's 'Four Seasons' Victorians

Posted on Jun 14, 2020  
June 14, 2020 - Article about the Four Seasons Victorians on SFGate!

LEARN MORE

## TESTIMONIALS

★★★★★ a year ago

"Splendid Victorian houses colored to a seasons theme."

- Norman R

★★★★★ 9 months ago

"Attention to detail can be seen everywhere. Pictures don't do justice! Have to see them in person"

- HARLEN L

★★★★★ 11 months ago

"Beautiful ornate detailed paint work."

- Rick M

WRITE A REVIEW

READ MORE

<b>INCOME APPROACH</b>
<b>Address:</b> 1315 Waller St
<b>Lien Date:</b> 7/1/2020

	<u>Monthly Rent</u>		<u>Annualized</u>	
Potential Gross Income	\$15,820	x	12	\$189,840
Less: Vacancy & Collection Loss			2%	(\$3,797)
Effective Gross Income				\$186,043
Less: Anticipated Operating Expenses (Pre-Property Tax)*			10%	(\$18,604)
<b>Net Operating Income (Pre-Property Tax)</b>				<b>\$167,439</b>

**Restricted Capitalization Rate**

2020 interest rate per State Board of Equalization			4.2500%	
Risk rate (4% owner occupied / 2% all other property types)			4.0000%	
2019 property tax rate **			1.1801%	
Amortization rate for improvements only				
Remaining economic life (Years)	60	0.0167	0.6667%	
Improvements constitute % of total property value	40%			<b>10.0968%</b>

**RESTRICTED VALUE ESTIMATE****\$1,658,342****Notes:**

\* Annual operating expenses include water service, refuse collection, insurance, and regular maintenance items. Assumes payment of PG&E by lessee.

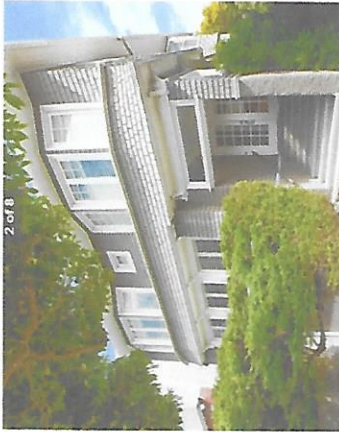
\*\* The 2020 property tax rate will be determined in September 2020.



**Rent Comparables**

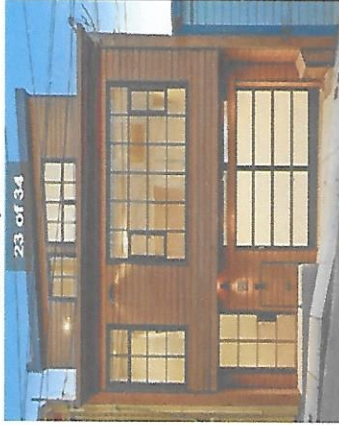
**Address:** 1315 Waller St  
**Lien Date:** 7/1/2020

**Rental Comp #1**



**Listing Agent:** Sotheby's  
**Address:** 52 Jordan Ave  
**Cross Streets:** California  
**SF:** 2,800  
**Layout:** 4 bed 3.5 ba 2 car parking  
**Monthly Rent:** \$14,000  
**Rent/Food/Mo:** \$5.00  
**Annual Rent/Foot:** \$80.00

**Rental Comp #2**



**Compass**  
**Address:** 26 Hodges Alley  
**Cross Streets:** Vallejo  
**SF:** 2,000  
**Layout:** 3 bed 3 ba 1 parking  
**Monthly Rent:** \$11,500  
**Rent/Food/Mo:** \$5.75  
**Annual Rent/Foot:** \$69.00

**Rental Comp #3**



**Craigslist**  
**Address:** 253 Collingwood  
**Cross Streets:** Stanyan St  
**SF:** 4,015  
**Layout:** 4 bed 4 ba 1 car parking  
**Monthly Rent:** \$19,995  
**Rent/Food/Mo:** \$4.98  
**Annual Rent/Foot:** \$69.76

**Rental Comp #4**



**Compass**  
**Address:** 2904 Jackson  
**Cross Streets:** Broderick  
**SF:** 2,820  
**Layout:** 3 bed 3 ba 1 car parking  
**Monthly Rent:** \$13,500  
**Rent/Food/Mo:** \$4.79  
**Annual Rent/Foot:** \$57.45

**Adding \$/sq ft due to special building (Four Seasons Building)**



**SALES COMPARISON APPROACH**

APN	Subject 1255-80	Sale 1 1219-4	Sale 2 1253-34	Sale 3 1279-38
				
Address	1315 Waller St	235 Broderick St	164 Belvedere St	1135 Clayton St
		\$3,800,000	\$5,300,000	\$4,000,000
Date of Valuation/Sale	Description	Description	Description	Description
Neighborhood	07/01/20	07/02/20	7/13/2020	
Proximity to Subject	Haight Ashbury	Haight Ashbury	Haight Ashbury	
Lot Size	2,495	5 blocks	3 blocks	6 blocks
View	0	2,500	3,044	3,371
Year Bldg/Year Renovated	1900/2018	Panoramic	City	1939/2004
Condition	Good	Good	Good	Good
Construction Quality	Good	Good	Good	Good
Gross Living Area	3,810	4,049	4,133	3,697
Total Rooms	12	12	10	9
Bedrooms	6	6	5	5
Bathrooms	4.5	5	5	3.5
Stories	3	3	3	3
Parking	1	3	2	2
		(\$200,000)	(\$100,000)	(\$100,000)
Net Adjustments				
Indicated Value		(\$384,500)	(\$258,500)	(\$42,000)
Adjust. \$ Per Sq. Ft.		\$3,415,500	\$5,041,500	\$3,958,000
		\$844	\$1,220	\$1,071

VALUE RANGE: 3,415,500 - 5,041,500      VALUE CONCLUSION: \$4,000,000

REMARKS: Used \$300 sq ft for GLA adjustments, \$25000 for Bath, \$100,000 for Parking, \$50,000 to 100,000 for View



# CEQA CATEGORICAL EXEMPTION DETERMINATION

## Property Information/Project Description

<b>Project Address</b>	<b>Block/Lot(s)</b>
1315 Waller Street	1255/080
<b>Case No.</b>	<b>Permit No.</b>
<b>2020-004811MLS</b>	N/A
<input checked="" type="checkbox"/> <b>Addition Alteration</b> <input type="checkbox"/> <b>Demolition</b> (requires HRE for Category B Building) <input type="checkbox"/> <b>New Construction</b>	
<b>Project Description</b>	
Mills Act Historical Property Contract	

## STEP 1: Exemption Class

<input checked="" type="checkbox"/> <b>Class 1 - Existing Facilities.</b> Interior and exterior alterations; additions under 10,000 sq. ft.
<input type="checkbox"/> <b>Class 3 - New Construction.</b> Up to three new single-family residences or six dwelling units in one building; commercial/office structures; utility extensions; change of use under 10,000 sq. ft. if principally permitted or with a CU.
<input type="checkbox"/> <b>Class 32 - In-Fill Development.</b> New Construction of seven or more units or additions greater than 10,000 sq. ft. and meets the conditions described below: <ol style="list-style-type: none"> <li>The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.</li> <li>The proposed development occurs within city limits on a project site of no more than 5 acres substantially surrounded by urban uses.</li> <li>The project site has no value as habitat for endangered rare or threatened species.</li> <li>Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.</li> <li>The site can be adequately served by all required utilities and public services.</li> </ol> <p>FOR ENVIRONMENTAL PLANNING USE ONLY</p>
<input type="checkbox"/> <b>Class _____</b>



**STEP 2: CEQA Impacts**

To Be Completed By Project Planner

**If any box is checked below, an *Environmental Evaluation Application* is required.**

**Air Quality:** Would the project add new sensitive receptors (specifically, schools, day care facilities, hospitals, residential dwellings, and senior-care facilities within an Air Pollution Exposure Zone? Does the project have the potential to emit substantial pollutant concentrations (e.g., backup diesel generators, heavy industry, diesel trucks, etc.)? *(refer to EP\_ArcMap > CEQA Catex Determination Layers > Air Pollution Exposure Zone)*

**Hazardous Materials:** If the project site is located on the Maher map or is suspected of containing hazardous materials (based on a previous use such as gas station, auto repair, dry cleaners, or heavy manufacturing, or a site with underground storage tanks): Would the project involve 50 cubic yards or more of soil disturbance – or a change of use from industrial to residential? If yes, this box must be checked and the project applicant must . **Exceptions: do not check box if the applicant presents documentation of enrollment in the San Francisco Department of Public Health (DPH) Maher program, a DPH waiver from the Maher program, or other documentation from Environmental Planning staff that hazardous material effects would be less than significant (refer to EP\_ArcMap > Maher layer).**

**Transportation:** Does the project involve a child care facility or school with 30 or more students, or a location 1,500 square feet or greater? Does the project have the potential to adversely affect transit, pedestrian and/or bicycle safety (hazards) or the adequacy of nearby transit, pedestrian and/or bicycle facilities?

**Archeological Resources:** Would the project result in soil disturbance/modification greater than two (2) feet below grade in an archeological sensitive area or eight (8) feet in a non-archeological sensitive area? *(refer to EP\_ArcMap > CEQA Catex Determination Layers > Archeological Sensitive Area)*

**Subdivision/Lot Line Adjustment:** Does the project site involve a subdivision or lot line adjustment on a lot with a slope average of 20% or more? *(refer to EP\_ArcMap > CEQA Catex Determination Layers > Topography)*

**Slope = or > 25%:** Does the project involve any of the following: (1) square footage expansion greater than 500 sq. ft. outside of the existing building footprint, (2) excavation of 5,000 cubic yards or more of soil, (3) new construction? *(refer to EP\_ArcMap > CEQA Catex Determination Layers > Topography)* **If box is checked, a geotechnical report is required and Environmental Planning must issue the exemption.**

**Seismic: Landslide Zone:** Does the project involve any of the following: (1) square footage expansion greater than 500 sq. ft. outside of the existing building footprint, (2) excavation of 5,000 cubic yards or more of soil, (3) new construction? *(refer to EP\_ArcMap > CEQA Catex Determination Layers > Seismic Hazard Zones)* **If box is checked, a geotechnical report is required.**

**Seismic: Liquefaction Zone:** Does the project involve any of the following: (1) square footage expansion greater than 500 sq. ft. outside of the existing building footprint, (2) excavation of 5,000 cubic yards or more of soil, (3) new construction? *(refer to EP\_ArcMap > CEQA Catex Determination Layers > Seismic Hazard Zones)* **If box is checked, a geotechnical report will likely be required.**

**Comments and Planner Signature (optional):**

**STEP 3: Property Status - Historic Resource**

To Be Completed By Project Planner

PROPERTY IS ONE OF THE FOLLOWING: ( refer to Parcel Information Map )	
<input checked="" type="checkbox"/>	<b>Category A:</b> Known Historical Resource. <b>GO TO STEP 5.</b>
<input type="checkbox"/>	<b>Category B:</b> Potential Historical Resource (over 45 years of age). <b>GO TO STEP 4.</b>
<input type="checkbox"/>	<b>Category C:</b> Not a Historical Resource or Not Age Eligible (under 45 years of age). <b>GO TO STEP 6.</b>

**STEP 4: Proposed Work Checklist**

To Be Completed By Project Planner

Check all that apply to the project.	
<input type="checkbox"/>	<b>1. Change of use and new construction.</b> Tenant improvements not included.
<input checked="" type="checkbox"/>	<b>2. Regular maintenance or repair</b> to correct or repair deterioration, decay, or damage to building.
<input checked="" type="checkbox"/>	<b>3. Window replacement</b> that meets the Department’s <i>Window Replacement Standards</i> . Does not include storefront window alterations.
<input type="checkbox"/>	<b>4. Garage work.</b> A new opening that meets the <i>Guidelines for Adding Garages and Curb Cuts</i> , and/or replacement of a garage door in an existing opening that meets the Residential Design Guidelines.
<input type="checkbox"/>	<b>5. Deck, terrace construction, or fences</b> not visible from any immediately adjacent public right-of-way.
<input type="checkbox"/>	<b>6. Mechanical equipment installation</b> that is not visible from any immediately adjacent public right-of-way.
<input type="checkbox"/>	<b>7. Dormer installation</b> that meets the requirements for exemption from public notification under <i>Zoning Administrator Bulletin No. 3: Dormer Windows</i> .
<input type="checkbox"/>	<b>8. Addition(s)</b> that are not visible from any immediately adjacent public right-of-way for 150 feet in each direction; does not extend vertically beyond the floor level of the top story of the structure or is only a single story in height; does not have a footprint that is more than 50% larger than that of the original building; and does not cause the removal of architectural significant roofing features.
Note: Project Planner must check box below before proceeding.	
<input type="checkbox"/>	Project is not listed. <b>GO TO STEP 5.</b>
<input type="checkbox"/>	Project does not conform to the scopes of work. <b>GO TO STEP 5.</b>
<input type="checkbox"/>	Project involves four or more work descriptions. <b>GO TO STEP 5.</b>
<input type="checkbox"/>	Project involves less than four work descriptions. <b>GO TO STEP 6.</b>

**STEP 5: CEQA Impacts - Advanced Historical Review**

To Be Completed By Project Planner

Check all that apply to the project.	
<input type="checkbox"/>	<b>1. Project involves a known historical resource (CEQA Category A)</b> as determined by Step 3 and conforms entirely to proposed work checklist in Step 4.
<input type="checkbox"/>	<b>2. Interior alterations to publicly accessible spaces.</b>
<input type="checkbox"/>	<b>3. Window replacement</b> of original/historic windows that are not “in-kind” but are consistent with existing historic character.
<input type="checkbox"/>	<b>4. Façade/storefront alterations</b> that do not remove, alter, or obscure character-defining features.
<input type="checkbox"/>	<b>5. Raising the building</b> in a manner that does not remove, alter, or obscure character-defining features.
<input checked="" type="checkbox"/>	<b>6. Restoration</b> based upon documented evidence of a building’s historic condition, such as historic photographs, plans, physical evidence, or similar buildings.
<input type="checkbox"/>	<b>7. Addition(s)</b> , including mechanical equipment that are minimally visible from a public right-of-way and meet the <i>Secretary of the Interior’s Standards for Rehabilitation</i> .
<input checked="" type="checkbox"/>	<b>8. Other work consistent</b> with the Secretary of the Interior Standards for the Treatment of Historic Properties (specify or add comments):
<input type="checkbox"/>	<b>9. Other work</b> that would not materially impair a historic district (specify or add comments):
(Requires approval by Senior Preservation Planner/Preservation Coordinator)	
<input type="checkbox"/>	<b>10. Reclassification of property status.</b> (Requires approval by Senior Preservation Planner/Preservation
<input type="checkbox"/>	Reclassify to Category A
<input type="checkbox"/>	a. Per HRER dated
<input type="checkbox"/>	b. Other (specify):
<input type="checkbox"/>	Reclassify to Category C
<input type="checkbox"/>	(attach HRER)
Note: If ANY box in STEP 5 above is checked, a Preservation Planner MUST check one box below.	
<input checked="" type="checkbox"/>	<b>Project can proceed with categorical exemption review.</b> The project has been reviewed by the Preservation Planner and can proceed with categorical exemption review. <b>GO TO STEP 6.</b>
<b>Comments (optional):</b>	
<b>Preservation Planner Signature:</b>	

**STEP 6: Categorical Exemption Determination**

To Be Completed By Project Planner

**No further environmental review is required. The project is categorically exempt under CEQA. There are no unusual circumstances that would result in a reasonable possibility of a significant effect.**

**Project Approval Action:**  
Board of Supervisors Approval

If Discretionary Review before the Planning Commission is requested, the Discretionary Review hearing is the Approval Action for the project.

**Signature:**

Once signed or stamped and dated, this document constitutes a categorical exemption pursuant to CEQA Guidelines and Chapter 31 of the Administrative Code.

In accordance with Chapter 31 of the San Francisco Administrative Code, an appeal of an exemption determination can only be filed within 30 days of the project receiving the first approval action. Please note that other approval actions may be required for the project. Please contact the assigned planner for these approvals.



# SAN FRANCISCO PLANNING DEPARTMENT

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## PRE-APPROVAL INSPECTION REPORT

*Report Date:* June 2, 2020  
*Inspection Date:* May 20, 2019; 11:00am<sup>1</sup>  
*Filing Date:* May 1, 2020  
*Case No:* 2020-004811MLS  
*Project Address:* **1315 Waller Street**  
*Block/Lot:* 1255/080  
*Eligibility:* Concurrent Application for Local Landmark Designation  
2019-006264DES  
*Zoning:* RH-3 – Residential-House, Three-Family  
*Height & Bulk:* 40-X  
*Supervisor District:* District 5 (Dean Preston)  
*Project Sponsor:* Aimee Leifer and Tjarko Leifer  
*Address:* 1315 Waller Street  
San Francisco, CA 9411  
415-730-9300  
aimeeleifer@gmail.com  
*Staff Contact:* Michelle Taylor – (415) 575-9197  
michelle.taylor@sfgov.org  
*Reviewed By:* Elizabeth Gordon-Jonckheer  
elizabeth.gordon-jonckheer@sfgov.org

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

Reception:  
**415.558.6378**

Fax:  
**415.558.6409**

Planning  
Information:  
**415.558.6377**

### PRE-INSPECTION

- Application fee paid
- Record of calls or e-mails to applicant to schedule pre-contract inspection

5/13/2019: Email applicant to schedule site visit.

5/15/2019: Email applicant to reschedule site visit for an earlier date.

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<sup>1</sup>A site inspection was conducted as part of the 2019 Mills Act cycle. Due to the stay at home order, staff did not conduct a site visit this year as there is no substantial change to the proposed Rehabilitation and Maintenance Plan.



## INSPECTION OVERVIEW

Date and time of inspection: Monday, May 20, 2019, 11:00am

Parties present: Michelle Taylor, Aimee Leifer

- Provide applicant with business cards
- Inform applicant of contract cancellation policy
- Inform applicant of monitoring process

Inspect property. If multi-family or commercial building, inspection included a:

- Thorough sample of units/spaces
- Representative
- Limited
- Review any recently completed and in progress work to confirm compliance with Contract.
- Review areas of proposed work to ensure compliance with Contract.
- Review proposed maintenance work to ensure compliance with Contract.
- Identify and photograph any existing, non-compliant features to be returned to original condition during contract period. **n/a**

Yes       No      Does the application and documentation accurately reflect the property's existing condition? If no, items/issues noted:

Yes       No      Does the proposed scope of work appear to meet the Secretary of the Interior's Standards? If no, items/issues noted: See below

Yes       No      Does the property meet the exemption criteria, including architectural style, work of a master architect, important persons or danger of deterioration or demolition without rehabilitation? If no, items/issues noted:

*The subject property is currently valued by the Assessor's Office at over \$3,000,000; therefore, an exemption from the tax assessment value is required. The subject property meets exemption criteria 1. It represents an exceptional example of an architectural style. The subject property does not meet exemption criteria 2. A Historic Structure Report prepared for the property does not demonstrate that it is in danger of demolition, deterioration, or abandonment; the building is fully occupied and in good condition.*

Yes       No      Does the property meet the priority considerations including necessity, investment, distinctiveness, recently designated city landmark or legacy business? Notes:

*Staff has performed an initial review of the application and determined that the subject property appears to meet three of the five Priority Considerations: Distinctiveness, Recently Designated Landmark, and Investment. The subject property represents a distinctive and well-preserved example of the Queen Anne style architecture. Additionally, the property owner is in the process of listing the property on the National Register of Historic Places. Furthermore, the property owner will be investing additional money towards the rehabilitation other than for routine maintenance. The subject property does not meet the Necessity and Legacy Business criteria. In 2018, the property underwent a full interior remodel and seismic strengthening and the building is in good condition; the cost of the completed work was approximately \$1,000,000.00. A Legacy Business is not located at the subject property.*

Yes       No      Conditions for approval? If yes, see below.

*At the preliminary inspection visit in 2019 and during the review of the 2020 Mills Act application, Planning Department staff advised the applicant to supplement the application with cost estimates for proposed rehabilitation scope items.*

## NOTES

**1315 Waller Street (District 5)** is located on the south side of Waller Street between Delmar Street and Masonic Avenue, Assessor's Block 1255 Lot 080. The subject property is located within the RH-3 (Residential House, Three Family) zoning district and 40-X Height and Bulk district. The subject building is a two-and-half-story plus basement, wood-frame, single-family dwelling designed in the Queen Anne style by local shipbuilder John A. Whelan in 1896. 1315 Waller, or "Winter" as it also known, is one in a row of four homes referred to as the "Four Seasons" for their associated ornamental detailing. The subject property is not formally listed on a local, state or national register of historic places; however, the applicant is concurrently applying to be listed on the National Register of Historical Places.

The subject property is currently valued by the Assessor's Office at over \$3,000,000; therefore, an exemption from the tax assessment value is required.

The applicant has prepared a Rehabilitation plan that proposes to restore the front entry marble steps and iron handrail, restore missing front entry landing, restore or replace windows, replace roof, and fully repaint and repair all elevations. In 2018, the applicant had replaced the building foundation, added shear walls and structural steel beams. The estimated cost of the proposed rehabilitation work is estimated to cost \$467,000.00

The maintenance plan proposes to inspect and make any necessary repairs to the siding, windows, doors, and roof on an annual basis. The estimated cost of maintenance work is estimated to cost approximately \$8,400.00 annually.

PHOTOGRAPHS



1315 Waller Street Front Façade (above) and detail (below)



MILLS ACT APPLICATION  
1315 WALLER STREET  
SAN FRANCISCO, CALIFORNIA  
[I8364A]

PREPARED FOR: TJARKO & AIMEE LEIFER

PRIMARY PROJECT CONTACT:  
Christina Dikas  
Page & Turnbull, 170 Maiden Lane, 5th floor  
San Francisco, CA 94108  
415.593.3224/ 415.362.5560 fax  
dikas@page-turnbull.com



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## **I. APPLICATION FORM**



# MILLS ACT HISTORICAL PROPERTY CONTRACT

## INFORMATIONAL PACKET AND APPLICATION GUIDE

State Law and Chapter 71 of the San Francisco Administrative Code allows the City and County of San Francisco to enter into a preservation contract with local property owners who restore and preserve qualified historic properties. In exchange for maintaining and preserving a historic property, the owner receives a property tax reduction. Planning staff are available to advise you in the preparation of this application. Call (415) 558-6377 for further information.

**Español:** Si desea ayuda sobre cómo llenar esta solicitud en español, por favor llame al 415.575.9010. Tenga en cuenta que el Departamento de Planificación requerirá al menos un día hábil para responder

中文：如果您希望獲得使用中文填寫這份申請表的幫助，請致電 415.575.9010。請注意，規劃部門需要至少一個工作日來回應。

**Tagalog:** Kung gusto mo ng tulong sa pagkumpleto ng application na ito sa Filipino, paki tawagan ang 415.575.9120. Paki tandaan na mangangailangan ang Planning Department ng hindi kukulangin sa isang araw na pantrabaho para makasagot.

## WHAT IS A MILLS ACT PROPERTY CONTRACT?

The Mills Act Contract is an agreement between the City and County of San Francisco and the owner of a qualified property based on California Government Code, Article 12, Sections 50280-50290 (Mills Act). This state law, enacted in 1972, grants the City and County of San Francisco the authority to enter into contracts with owners of qualified historic properties who actively participate in the restoration and maintenance of their historic properties while receiving property tax relief. Owners of qualifying historic properties who agree to comply with certain preservation restrictions receive a potential property tax savings to help offset the costs to restore, rehabilitate, and maintain their historic property according to the *Secretary of the Interior's Standards* and the California Historical Building Code. The Mills Act allows historic property owners to restore their historic buildings; obligates future owners to the maintenance and care of the property; and may provide significant property tax savings to the property owner, particularly to smaller, single-family homeowners. The San Francisco Board of Supervisors approves all final contracts. Once executed, the contract is recorded on the property and leads to reassessment of the property the following year.

## WHO MAY APPLY FOR A MILLS ACT PROPERTY CONTRACT?

The Mills Act is for qualified historic property owners who agree to rehabilitate, restore and maintain their property and in conformance with the *Secretary of the Interior's Treatment of Historic Properties*, in particular the Standards for Rehabilitation, and the California Historical Building Code. Rehabilitation, restoration and maintenance work to the property must begin and be completed during the initial ten year term of the Mills Act Contract. Qualified historic properties are those that have been designated as a City Landmark or those listed on the National Register or California Register of Historic Places. Eligibility for Historical Property Contracts shall be limited to residential buildings or structures with a pre-contract assessed valuation of \$3,000,000 or less and commercial and industrial buildings with a pre-contract assessed valuation of \$5,000,000 or less, unless the individual property is granted an exemption from those limits by the Board of Supervisors.

If a property has multiple owners, all property owners of the subject property must enter into the contract simultaneously.

## THE APPLICATION PACKET

This Application Packet is a summary of the Mills Act Historical Property Contract (“Mills Act Contract”) Program’s features. The complete details are described in the legal texts of the San Francisco Administrative Code, Chapter 71, California Government Code Sections 50280-50290 (Appendix A to this packet.) and California Taxation Code Article 1.9, Sections 439-439.4. (Appendix B to this packet.)

**IMPORTANT: Please read the entire application packet before getting started. Applicants are responsible for all of the information contained in the Application Guide. Be sure to review the Application Checklist to ensure that you are submitting all of the required documents. Incomplete applications may not meet the schedule outlined in this application.**

A Mills Act Historical Property Contract application provides the potential for property tax reduction. It is not a guarantee. Each property varies according to its income-generating potential and current assessed value. Mills Act properties are reassessed annually and periodically inspected for contract compliance.

## WHICH PROPERTIES ARE ELIGIBLE TO APPLY?

In order to participate in the Mills Act Contract Program, properties must meet the following four criteria:

### Criteria 1: Qualified Historic Property

The following are qualifying historic properties eligible for the Mills Act program.

- **Individually Designated Pursuant to Article 10 of the Planning Code.** Properties that have been designated as an individual city landmark.
- **Buildings in Landmark Districts Designated Pursuant to Article 10 of the Planning Code.** Properties that have been listed as a contributor to a city landmark district.
- **Properties Designated as Significant (Category I or II) Pursuant to Article 11 of the Planning Code.** Properties located in the C-3 Zoning District that have been determined to be a Category I or II, Significant Building.
- **Properties Designated as Contributory (Category III and IV) to a Conservation District Pursuant to Article 11 of the Planning Code.** Properties located in the C-3 Zoning District that have been determined to be Category III and IV.
- **Individual Landmarks under the California Register of Historical Resources.** Properties that have been officially designated as a California Register individual landmark.
- **Contributory Buildings in California Register of Historical Resources Historic Districts.** Properties that have been identified as a contributory building in a California Register Historic District.
- **Individual Landmarks listed in the National Register of Historic Places.** Properties that have been individually listed in the National Register.
- **Contributory Buildings listed in the National Register of Historic Places as a Historic District.** Properties that have been identified as a contributory building to a National Register Historic District.

*NOTE: Properties with outstanding violations issued by the San Francisco Planning Department or the Department of Building Inspection are not eligible to apply for the Mills Act. Outstanding violations must be corrected before submitting a Mills Act application.*

*To be considered a qualifying historic property, the property owner must submit a complete application for listing or designation on or before December 31 of the year before the Mills Act application is made.*

If there are any questions about whether your property is eligible, please contact the Planning Department at [CPC.MillsActInfo@sfgov.org](mailto:CPC.MillsActInfo@sfgov.org).

## Criteria 2. Tax Assessment Value

Qualified historic properties must also meet a tax assessment value to be eligible for a Mills Act Contract. All owners of the property must enter into the Mills Act contract with the City.

**For Residential Buildings:** Eligibility is limited to a property tax assessment value of less than \$3,000,000.

**For Commercial, Industrial or Mixed-Use Buildings:** Eligibility is limited to a property tax assessment value of less than \$5,000,000.

**Exceptions To Property Value Limits:** A property may be exempt from the tax assessment value if it meets 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 the property meets the exemption criteria. This evidence must be documented by a qualified historic preservation consultant in a Historic Structure Report or Conditions Assessment to substantiate the circumstances for granting the exemption. Please contact Planning Department Preservation Staff to determine which report your property requires.

The Historic Preservation Commission shall make specific findings to the Board of Supervisors recommending approval or denial of the exemption. Final approval of this exemption is under the purview of the Board of Supervisors.

*NOTE: Owners of properties with comparatively low property taxes due to Proposition 13 may not see a benefit with a Mills Act Contract. The assessed value under the Mills Act may be higher than the existing base-year value of the property. Generally, owners who have purchased their properties within the last ten years are more likely to benefit from entering into a Mills Act contract. As the Planning Department cannot give tax advice, applicants should consult with financial and tax professionals to assess the merits of applying for the Mills Act.*

## Criteria 3. Priority Considerations

All applications are reviewed on the merits of the Priority Consideration Criteria. An application must meet a minimum of three out of five criteria to be given priority for the program and must demonstrate a need for restoration, rehabilitation and preservation. If fewer than three of the criteria are met your application will still be considered, but may not be given priority. Properties requiring only routine maintenance may not be given priority. Properties needing financial assistance to commence or complete rehabilitation work will be given priority.

Historic properties must meet three or more of the following priority consideration criteria in order to be given priority for a Mills Act Contract:

- **Necessity:** The project will require a financial incentive to help ensure the preservation of the property. This criterion will establish that the property is in danger of deterioration and in need of substantial rehabilitation and restoration that has significant associated costs. Properties with open complaints, enforcement cases or violations will not meet this criterion.
- **Investment:** The project will result in additional private investment in the property other than for routine maintenance. This may include seismic retrofitting and substantial rehabilitation and restoration work. This criterion will establish that the owner is committed to investing in the restoration, rehabilitation and maintenance the property.
- **Distinctiveness:** The project preserves a distinctive example of a property that is especially deserving of a contract due to its exceptional nature.
- **Recently Designated City Landmarks:** properties that have been recently designated landmarks will be given priority consideration.

- **Legacy Business:** The project will preserve a property at which a business included in the Legacy Business Registry is located. This criterion will establish that the owner is committed to preserving the property, including physical features that define the existing Legacy Business.

#### **Criteria 4. Rehabilitation/Restoration and Maintenance Plans**

The purpose of a Mills Act Contract is to restore, rehabilitate and maintain historic properties. Program participants shall have Rehabilitation/Restoration and Maintenance plans with qualifying scopes of work that rehabilitate, restore and maintain the property. Qualifying scopes of work are those that prolong the life of the building. Examples of qualifying scopes of work include the following:

- Exterior restoration, rehabilitation, and preservation associated with the creation of an Accessory Dwelling Unit
- Façade restoration, rehabilitation, preservation
- Accessibility and Life Safety improvements, such as seismic retrofit
- Window repair or restoration
- Front stair/entrance repair or restoration
- Roof replacement
- Structural improvements, such as a new foundation
- Storefront repair or restoration
- Façade stabilization and repair, such as terra cotta repair, repair of historic stucco or wood cladding
- Theater marquee repair, restoration, or reconstruction
- Materials conservation, such as murals, frescos, and decorative plasterwork

*NOTE: Additional scopes of work that are not listed above may be included as necessary to rehabilitate, restore and maintain the property. Scopes of work must be completed in conformance with the Secretary of the Interior's Standards for Rehabilitation and the California Historical Building Code. Critical infrastructure and rehabilitation tasks should be completed first. Scopes of work may be completed within the same calendar year as the application is made. All proposed scopes of work must be completed during the initial ten-year term of the contract. Permits and entitlements for scopes of work identified within the first three years of the Rehabilitation Plan must be filed prior to or during the Mills Act application process. All remaining permits and entitlements for scopes of work beyond year three must be secured and completed prior to the end of the ten-year Contract.*

#### **MILLS ACT TIMELINE**

**DECEMBER 31:** Property owners submits a complete application for listing or designation as a qualified historical property before December 31 of the year before the Mills Act application is made.

**JANUARY 1:** Mills Act application period open. All Mills Act applications must be filed no later than May 1.

**MARCH:** To be given priority consideration, property owner must schedule a Project Review Meeting no later than March 15. Preservation staff will review completed DRAFT Mills Act application and offer guidance on next steps. Project Review Meeting Applications are available San Francisco Planning Department Website at [www.sfplanning.org](http://www.sfplanning.org). **When completing the application, please state the purpose of the Project Review Meeting and check the box requesting the presence of Preservation Planner.**

Please note that meetings occur on a first come first basis. We recommend applying early to ensure that Preservation staff is available to meet with you prior to March 15.

**APRIL:** Schedule an Intake Appointment to submit your Mills Act application. Only complete submittals will be accepted! To ensure you have a complete application with all required materials, please refer to the checklist at the end of the application packet. Intake Application forms are available on the San Francisco Planning Department Website at [www.sfplanning.org](http://www.sfplanning.org).



**MAY 1:** Mills Act applications due.

**MID-MAY:** Planning staff schedules site visit of property with property owner.

**JUNE 1:** Planning transmits applications to Office of Assessor-Recorder.

**SEPTEMBER 1:** Estimated valuation from the Office of Assessor-Recorder submitted to property owner.

**SEPTEMBER 15:** Property owner has until September 15 to review the valuation and ask the Office of Assessor-Recorder questions.

**SEPTEMBER/OCTOBER:**

- **Historic Preservation Commission Hearing.** Planning Department staff presents application to Historic Preservation Commission (HPC) for their review. HPC may recommend, modify, or deny approval to the Board of Supervisors (BOS).

The HPC meets the first and third Wednesday of each month. The HPC Hearing will be the third Wednesday in September or the first Wednesday in October.

- **Government and Audit Oversight Committee Hearing.** Government and Audit Oversight (GAO) Committee may Recommend, Not Recommend, or forward without Recommendation to the Full Board.

**NOVEMBER: Board of Supervisors Final Hearing.** Clerk of the Board Schedules Final Board of Supervisors (BOS) hearing. BOS may approve, modify or deny the contract.

**DECEMBER:**

- **City Attorney's Office finalizes contracts.** City Attorney verifies, prints and signs final contracts and returns to Planning.
- **Owners pick up contracts from Planning.** Owners sign and notarize contracts.

**DECEMBER 15: Owners return signed and notarized contracts to Planning**  
Planning transmits contracts to Office of Assessor-Recorder to review and sign contracts.

**DECEMBER 30: Owner records contracts at Office of Assessor-Recorder**

- Office of the Assessor-Recorder  
City Hall, Room 190  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102  
Recording Hours of Operation: Mon-Fri (8-4pm)

- Owner responsible for all recording fees

**JANUARY: Contracts are distributed**

- Original contract is mailed to the Planning Department. Owner pays for conformed copy for their records.

**FEBRUARY/MARCH: Mills Act Monitoring**

- Planning mails contract compliance affidavits to owners.  
Onsite property inspections occur every three years with Planning and the Assessor Recorder's Office.
- Owner returns affidavits to Planning no later than March 31.

# MILLS ACT PROCESS & TIMELINE

Detailed timeline information provided on previous page under "Important Dates and Milestones"

## Be Prepared

- Review the Informational Packet
- Determine whether your property qualifies for the Mills Act
- Gather estimates for all proposed scopes of work

### Phase 1:

#### Planning Department Reviews Application

- Schedule a Project Review meeting with Preservation staff by March 15.
- Property owner schedules an Intake Appointment to submit the Mills Act application (April)
- Property owner submits completed application to Planning (Deadline May 1)
- Planning Department and the Office of Assessor-Recorder schedule site visits with the Owner for a property inspection.

### Phase 2:

#### Assessor Calculates Valuations

- Planning transmits applications to Office of Assessor-Recorder. (June 1)
- Final valuation submitted to property owners. (September 1)
- Property owner reviews valuations. (Deadline September 15)

### Phase 3:

#### Approvals: Historic Preservation Commission (HPC) Hearing

- The HPC may recommend, modify, or deny approval to the Board of Supervisors.

### Phase 4:

#### Approvals: Government Audit and Oversight (GAO) Committee Hearing

- GAO Committee may Recommend, Not Recommend, or forward without Recommendation to the Full Board.

### Phase 5:

#### Approvals: Board of Supervisors (BoS) Final Hearing

- Clerk of the Board schedules Final BoS hearing according to availability on the committee agenda. The Board of Supervisors may approve, modify, or deny the contract.

### Phase 6:

#### Final Contracts Issued and Recorded

- City Attorney verifies, prints, and signs final contracts and returns to Planning.
- Owners pick up contracts from Planning, signs and has contracts notarized.
- Owners return contracts to Planning Department. (Deadline December 15)
- Planning transmits to Office of Assessor-Recorder to review and sign contracts.
- Owner records contracts at Office of Assessor-Recorder. (Deadline December 30)

### Phase 7:

#### Contracts are distributed

- Original contract is mailed to the Planning Department. Owner pays for conformed copy for their records.

### Phase 8:

#### Mills Act Monitoring

- Planning mails compliance affidavits to owners; owner then returns affidavit to Planning. (Deadline March 31)

**San Francisco Planning Department**  
1650 Mission St, 4th Floor, 9am – 5pm  
San Francisco, CA 94103  
415.558.6378  
www.sfplanning.org

**Office of Assessor Recorder**  
City Hall, Room 190, 8am-4pm  
San Francisco, CA 94103  
415.554.5596  
www.sfassessor.org

# TERMS AND ROLES OF THE MILLS ACT HISTORICAL PROPERTY CONTRACT

## Duration of Contract

The Mills Act contract is for a minimum term of ten years. Absent non-renewal or cancellation as set forth below, an additional year is automatically added to the contract each year on its anniversary date, so the contract remains valid for ten years. Under these circumstances, the contract runs (essentially in perpetuity) with the land, which means it is binding on all future owners of the property.

## Non-Renewal of the Contract

Should either party desire not to renew the contract for an additional year at any point, they can issue a notice of non-renewal giving the other party such notice. The owner may notify the Planning Department at least ninety days prior to the annual renewal date. The City may notify the owner at least sixty days prior to the annual renewal date. The owner may make a written protest. After either party issues a notice of non-renewal, the contract remains in effect for the balance of the 10-year term of the contract beyond the notice of non-renewal.

## Rehabilitation and Maintenance of the Historic Property

Any work performed to the property must conform to the *Secretary of the Interior's Standards for the Treatment of Historic Properties*, specifically, the Standards for Rehabilitation and the California Historical Building Code. The owner must apply for and receive any necessary building permits or approvals, such as a Certificate of Appropriateness, for the first three years of work outlined in the Rehabilitation/Restoration or Maintenance plans during the Mill Act application process. All work outlined in the Rehabilitation/Restoration and Maintenance Plans must be completed during the ten year term of the Mills Act Contract. Work completed in the same calendar year as the Mills Act application is made may be included in the Rehabilitation Plan. The Rehabilitation/Restoration and Maintenance Plans must include Qualifying Scopes of Work or work that is necessary to prolong the life of the building. Qualifying Scopes of work may include restoration, seismic upgrades, accessibility, and other life-safety upgrades. Additional work may also be necessary.

## Annual Monitoring and Periodic Inspections

The Planning Department issues an Affidavit for Annual Monitoring requiring the property owner to self-inspect and report to the Planning Department on the progress of rehabilitating and maintaining their property. The City may conduct periodic inspections of the property to confirm work has been completed in conformance with the approved Mills Act Contract. In compliance with state law, onsite inspections of the property by the Planning Department and the Office of the Assessor-Recorder will occur every five years. All site visits will be scheduled in advance with the property owner.

## Breach of Contract

If the property owner is found to be in breach of contract, the City may cancel the contract whereupon the Assessor-Recorder will collect a cancellation fee of 12 1/2 percent (12.5%) of the fair market value of the property as determined by the Assessor-Recorder. Failure to rehabilitate or maintain the property are grounds for cancellation, among others, as set forth in the contract.

## Recordation

A complete Mills Act contract must be recorded with the Office of the Assessor-Recorder. In order to record the contract, all approvals, signatures, recordation attachments must be included and all applicable recording fees must be paid by the property owner. A contract may be considered incomplete if all components are not adequately satisfied. To see the current recording fee schedule, go to [www.sfassessor.org](http://www.sfassessor.org).

## Transfer of Ownership

A Mills Act Contract runs with the property. Subsequent owners are bound by the terms and conditions of the contract, and obligated to complete any work identified in the contract that the prior owner did not complete, or partially completed and perform required maintenance, as well as all other owner obligations under the contract. For example, if an owner completes some of the contract mandated work in the first five years and then sells the property, the new buyer would have five years to complete the rehabilitation/restoration of the property. Prospective buyers will receive notice of the contract because it will be recorded.

## **Role of the Planning Department**

The Planning Department oversees all Mills Act applications, presents applications before the appropriate hearing bodies and monitors the City's existing Mills Act properties. Preservation Planners work with property owners to complete their applications and develop rehabilitation and maintenance plans that are specific to each property. Planners keep the applicants informed throughout the year, as the application moves forward through the Office of the Assessor-Recorder, the Historic Preservation Commission, and the Board of Supervisors. The Planning Department also serves as the main point of contact for annual monitoring.

## **Role of the Office of Assessor-Recorder**

The role of the Office of the Assessor-Recorder is to locate and accurately assess all taxable property in San Francisco and also serve as the county's official record-keeper of documents such as deeds, liens, maps and property contracts. In a Mills Act Historical Property contract, the Office of the Assessor-Recorder assesses qualified properties based on a state prescribed approach and records the fully executed contract. All Mills Act properties will receive an initial valuation during the application process and will be assessed annually by the January 1st lien date and in subsequent years, as required by state law.

## **Role of the Historic Preservation Commission**

The Historic Preservation Commission (HPC) will hold a hearing to make a recommendation to the Board of Supervisors whether to approve, modify or deny the application. The HPC may include recommendations regarding the proposed rehabilitation, restoration, and maintenance work, the historic value of the qualified property and any proposed restrictions or maintenance requirements to be included in the final Historical Property Contract. The HPC's recommendation will be forwarded to the Board of Supervisors.

If the Historic Preservation Commission recommends disapproval of the contract, such decision shall be final unless the property owner files an appeal with the Clerk of the Board of Supervisors within 10 days of final action of the Historic Preservation Commission.

## **Role of the Board of Supervisors**

The Mills Act Application is referred by the Planning Department to the Board of Supervisors. Every contract must be scheduled in a Committee of the Board of Supervisors. A report prepared by the Board of Supervisors Budget & Legislative Analysts Office will detail the property tax savings and the potential impact this may have on the City's finances. The Committee may recommend, not recommend or forward the application without recommendation to the full Board of Supervisors.

The Board of Supervisors has complete discretion whether to approve, disapprove, or approve with modifications the Mills Act Historical Property Contract. The final decision rests with the Board of Supervisors. The legislative process may take a minimum of five weeks.

## **FEES**

Check the current fee schedule at the San Francisco Planning Department website for Mills Act and Project Review application fees.

### **Mills Act Contract Recording Fee**

Contract recording fees are determined by the Office of the Assessor-Recorder. Contracts must be recorded in-person by the property owner at Office of the Assessor-Recorder.

### **Cancelations and Refunds**

Applicant may withdraw a Mills Act application at any time during the application cycle. Applicant may request a refund for any remaining fees (once staff time and materials are deducted) if the application is canceled prior to the Historic Preservation Commission Hearing.

# MILLS ACT HISTORICAL PROPERTY CONTRACT APPLICATION CHECKLIST:

Applicants should complete this checklist and submit along with the application to ensure that all necessary materials have been provided. **Any application found to be incomplete may nullify the timelines in this application.**

Applications must be submitted as a hard copy and a digital copy to the Planning Department Mills Act Coordinator by **May 1st** in order to comply with the established timelines.

## 1. Mills Act Application

YES  NO Has each property owner signed?

YES  NO Has each signature been notarized?

## 2. High Property Value Exemption Form & Historic Structure Report (if applicable)

Required for Residential properties with an assessed value over \$3,000,000 and Commercial/Industrial properties with an assessed value over \$5,000,000.

YES  NO Have you included a separate sheet of paper adequately justifying how the property meets the following exemption criteria and why it should be exempt from the property tax valuations?

YES  NO Have you included a copy of the Historic Structure Report completed by a qualified consultant?

## 3. Priority Consideration Criteria Checklist

YES  NO Have you included a separate sheet of paper adequately justifying how the property meets three or more priority consideration criteria?

## 4. Draft Mills Act Historical Property Contract

YES  NO Have you reviewed the Planning Department's standard "Historical Property Contract"?

## 5. Notary Acknowledgement Form

YES  NO Is the Acknowledgement Form complete?

YES  NO Do the signatures match the names and capacities of signers?

## 6. Draft Rehabilitation/Restoration and Draft Maintenance Plans

YES  NO Have you identified and completed the Rehabilitation/Restoration, and Maintenance Plans organized by contract year, including all supporting documentation, such as photographs and contractor's estimates related to the scopes of work?

## 7. Photographic Documentation

YES  NO Have you provided both interior and exterior images (either digitally or on separate sheets of paper)? Are the images properly labeled?



## 8. Site Plan

- YES  NO Does your site plan show all buildings on the property including lot boundary lines, street name(s), north arrow and dimensions?

## 9. Tax Bill

- YES  NO Did you include a copy of your most recent tax bill?

## 10. Rental Income Information

- YES  NO Did you include information regarding any rental income on the property, including anticipated annual expenses, such as utilities, garage, insurance, building maintenance, etc.?  
N/A

## 11. Application Fee Payment

- YES  NO Did you include a check payable to the San Francisco Planning Department? The current fee schedule for applications can be found on the Planning Department website.

## 12. Eligibility

APPLICATION FEE IS READY TO BE SUBMITTED PENDING INSTRUCTION FROM THE SAN FRANCISCO PLANNING DEPARTMENT. PER PLANNING, THE OWNER WILL BE NOTIFIED OF THE OUTSTANDING AMOUNT DUE FOLLOWING DEDUCTION FROM THE PAYMENT ON FILE FROM LAST YEAR'S SUBMISSION.

- YES  NO Is your property a qualified historic property?
- YES  NO If no, did you submit a complete city landmark designation application before December 31 of the previous year?  
N/A

## 13. Project Review Meeting

- YES  NO Did you attend a Project Review Meeting with Preservation Staff?

If yes, please provide date of Project Review Meeting. Date: March 10, 2020



# MILLS ACT HISTORICAL PROPERTY CONTRACT

## SUPPLEMENTAL APPLICATION

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

### Property Information

Project Address: 1315 Waller Street, San Francisco, CA 94117

Block/Lot(s): 1255/080

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). Attach a separate sheet of paper if necessary.

### Rental Income Information

Include information regarding any rental income on the property, including anticipated annual expenses, such as utilities, garage, insurance, building maintenance, etc.? Attach a separate sheet of paper if necessary.

N/A

### Property Owner's Information

(If more than three owners attach additional sheets as necessary. Property owner names must be listed exactly as listed on the deed)

Name (Owner 1): Tjarko Zuri Leifer

Company/Organization: N/A

Address: 1315 Waller Street  
San Francisco, CA 94117

Email Address: tjarko@gmail.com

Telephone: 415-730-9300

Name (Owner 2): Aimee Marie LaFont Leifer

Company/Organization: N/A

Address: 1315 Waller Street  
San Francisco, CA 94117

Email Address: aimeeleifer@gmail.com

Telephone: 415-730-9300

Name (Owner 3):

Company/Organization:

Address:

Email Address:

Telephone:

Do you own other property in the City and County of San Francisco?

Yes  No

If **YES**, please list the addresses and Block/Lot(s) for all other property owned within the City of San Francisco.

329-333 Lyon Street, Block/Lot 1207/006

**Applicant Information**  Same as above

Name:

Company/Organization:

Address:

Email Address:

Telephone:

**Please Select Billing Contact**  Owner  Applicant

Name: Tjarko Zuri Leifer

Email Address: tjarko@gmail.com

Telephone: 415-699-9592

Please Select Primary Project Contact:  Owner  Applicant

**Qualified Historic Property**

- Individually Designated Pursuant to Article 10 of the Planning Code.  
Landmark No.: \_\_\_\_\_ Landmark Name: \_\_\_\_\_
- Contributing Building in a Landmark District Designated Pursuant to Article 10 of the Planning Code.  
Landmark District Name: \_\_\_\_\_
- Significant (Category I or II) Pursuant to Article 11 of the Planning Code.
- Contributory (Category III) Pursuant to Article 11 of the Planning Code
- Contributory (Category IV) to a Conservation District Pursuant to Article 11 of the Planning Code.
- Individual Landmark under the California Register of Historical Resources
- Contributory Building in California Register of Historical Resources Historic Districts.
- Individual Landmark listed in the National Register of Historic Places.
- Contributory Building listed in the National Register of Historic Places as a Historic District.
- Submitted a complete application for listing or designation on or before December 31 of the year before the application is made.

Are there any outstanding violations on the property from the San Francisco Planning Department or the Department of Building Inspection? If **YES**, all outstanding violations must be abated and closed for eligibility for the Mills Act.

Yes  No

Are taxes on all property owned within the City and County of San Francisco paid to date? If **NO**, all property taxes must be paid for eligibility for the Mills Act.

Yes  No

**NOTE:** All property owners are required to include a copy of their most recent property tax bill.

## Tax Assessment Value

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Most Recent Assessed Value: \$ 3,319,150

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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

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## Exemption from Tax Assessment Value

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If the property value exceeds the Tax Assessment Value, please explain below how the property meets the following two criteria and why it should be exempt from the Tax Assessment Value.

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;

Constructed in 1896 by shipwright and real estate developer John A. Whelan as his personal home, 1315 Waller Street is significant for its association with the pattern of residential development that characterized the Haight-Ashbury neighborhood at its peak in the late nineteenth century. With its dominant steeply gabled roof facing Waller Street and asymmetrical composition with a partial width front porch, canted bay windows, paired column supports, and abundance of richly patterned wall surfaces, 1315 Waller Street is also an exceptional example of the Queen Anne style of architecture as applied to a single-family house in the late nineteenth century in San Francisco.

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.

Granting the exemption will aid in financing repairs, rehabilitation/restoration, and maintenance of the home that would otherwise be in danger of disrepair including: the historic decorative wood Queen Anne facade and wood-sided secondary facades, a deteriorated historic exterior door and garage doors at the primary facade, rehabilitation of the historic and replacement windows, the concrete/marble/wrought/cast iron entry stair including replacement of the plywood landing with a more appropriate stone/tile landing, and replacement of the roofing, flashings, and gutters/drains, and maintenance of the associated skylights.

**NOTE:** A Historic Structures Report, completed by a qualified historic preservation consultant, must be submitted in order to apply for an exemption from the tax assessment value.

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  No

## Priority Consideration Criteria

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Please check the appropriate criteria as they apply to your property and explain on a separate piece of paper how the property meets the stated Priority Consideration Criteria. Only properties qualifying in three of the five categories are given priority consideration.

- Necessity:** The project will require a financial incentive to help ensure the preservation of the property. This criterion will establish that the property is in danger of deterioration and in need of substantial rehabilitation and restoration that has significant associated costs. Properties with open complaints, enforcement cases or violations will not meet this criterion.

The Mills Act will allow the building owners to conduct work that will restore historic integrity to the building, including the rehabilitation of the missing entry landing and of the replacement second floor windows and existing historic windows, restoration of deteriorated doors and garage doors at the primary facade, as well as wood repair and painting of the home. It will also allow for replacement of the roofing that has reached the end of its useful life. This work will be infeasible without the financial incentive that the Mills Act offers.

- Investment:** The project will result in additional private investment in the property other than for routine maintenance. This may include seismic retrofitting and substantial rehabilitation and restoration work. This criterion will establish that the owner is committed to investing in the restoration, rehabilitation and maintenance the property.

As stated under "Necessity," granting the Mills Act Contract will allow the building owners to invest in the home in a way that would otherwise be infeasible. The owners are very much committed to investing in the home as evidenced by the substantial loan they have taken already for major scopes such as seismic work (outside of the Mills Act application). The Mills Act will allow further investment into rehabilitation/restoration and

- Distinctiveness:** The project preserves a distinctive example of a property that is especially deserving of a contract due to its exceptional nature.

Known colloquially as "Winter" because of the distinctive snowflake applique at the center of its front facade, 1315 Waller Street was constructed in 1896 by shipwright and real estate developer John A. Whelan as part of a row of four houses, now known as the Four Seasons, and as Whelan's personal home. The house has become a prominent visual landmark in the Haight-Ashbury neighborhood along with the other three Four Seasons

- Recently Designated City Landmarks:** properties that have been recently designated landmarks will be given priority consideration.

- Legacy Business:** The project will preserve a property at which a business included in the Legacy Business Registry is located. This criterion will establish that the owner is committed to preserving the property, including physical features that define the existing Legacy Business.



## Photographic Documentation

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Provide both interior and exterior images (either on separate sheets of paper or digitally) and label the images properly.

## Site Plan

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On a separate sheet of paper, show all buildings on the property including lot boundary lines, street name(s), north arrow and dimensions on a site plan.

## Rehabilitation/Restoration & Maintenance Plans

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A 10 Year Rehabilitation/Restoration Plan, including estimates prepared by qualified contractors, has been submitted detailing work to be performed on the subject property

Yes  No

A 10 Year Maintenance Plan has been submitted detailing work to be performed on the subject property

Yes  No

Proposed work will meet the *Secretary of the Interior's Standards for the Treatment of Historic Properties*, the California Historic Building Code and all applicable Codes and Guidelines, including the Planning Code and Building Code.

Yes  No

## Rehabilitation/Restoration Plan (Exhibit A)

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Use this form to outline your Rehabilitation/Restoration Plan. Copy this page as necessary to include all rehabilitation and restoration scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b> 1	<b>Building Feature:</b> Waller Street - Entry Stair Landing		
<input type="checkbox"/> Maintenance	<input checked="" type="checkbox"/> Rehab/Restoration	<input type="checkbox"/> Completed	<input checked="" type="checkbox"/> Proposed
Contract year work completion: 2023			
Total Cost: \$ 15,000			
Description of work:  Replace exposed plywood landing at the front door entry with appropriate marble/stone/tile mosaic flooring and waterproofing at landing.			

## Rehabilitation/Restoration Plan (Exhibit A)

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Use this form to outline your Rehabilitation/Restoration Plan. Copy this page as necessary to include all rehabilitation and restoration scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b> 2	<b>Building Feature:</b> Waller Street - Entry Stair		
<input type="checkbox"/> Maintenance	<input checked="" type="checkbox"/> Rehab/Restoration	<input type="checkbox"/> Completed	<input checked="" type="checkbox"/> Proposed
Contract year work completion: 2023			
Total Cost: \$ 18,000			
Description of work:  Clean staining, soiling, biological growth, and discoloration at marble entry stair and concrete base landing/steps. Repair stone, including wear, chips, and cracks as needed. All work will comply with the National Park Service's Preservation Brief #1: Cleaning and Water-Repellent Treatments for Historic Masonry Buildings.			

## Rehabilitation/Restoration Plan (Exhibit A)

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Use this form to outline your Rehabilitation/Restoration Plan. Copy this page as necessary to include all rehabilitation and restoration scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b> 3	<b>Building Feature:</b> Entry Stair Iron Handrail & Concrete Base
<input type="checkbox"/> Maintenance <input checked="" type="checkbox"/> Rehab/Restoration <input type="checkbox"/> Completed <input checked="" type="checkbox"/> Proposed	
Contract year work completion: 2023 and every 7-10 years as needed	
Total Cost: \$ 55,000	
Description of work:  Treat corrosion at handrails and prepare, prime, and paint with appropriate rust inhibitive metal paint. At the concrete base of the rail/side walls, remove paint and clean concrete substrate or prepare, prime, and repaint with appropriate breathable masonry paint.	

## Rehabilitation/Restoration Plan (Exhibit A)

Use this form to outline your Rehabilitation/Restoration Plan. Copy this page as necessary to include all rehabilitation and restoration scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b> 4	<b>Building Feature:</b> Waller Street Facade - Painting
<input type="checkbox"/> Maintenance <input checked="" type="checkbox"/> Rehab/Restoration <input type="checkbox"/> Completed <input checked="" type="checkbox"/> Proposed	
Contract year work completion: 2023 and every 7-10 years as needed	
Total Cost: \$ 85,000	
Description of work:  Hire a qualified painting company to repair and repaint the front Waller Street facade of the house. Assess the facade for wood damage or deterioration, and repair as needed. Any needed repairs will avoid altering, removing or obscuring character-defining features of the building, and elements determined to be damaged or deteriorated beyond repair will be replaced in-kind (e.g., wood for wood). Prepare, prime, and paint with appropriate paint, including windows - (see Rehabilitation/Restoration Items 6, 7, & 11 for detail at windows and Item 8 for detail at doors). Install new sealants every paint cycle at flashings and where occurs as needed. All work will comply with the National Park Service's Preservation Brief #10: Exterior Paint Problems on Historic Woodwork.	



## Rehabilitation/Restoration Plan (Exhibit A)

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Use this form to outline your Rehabilitation/Restoration Plan. Copy this page as necessary to include all rehabilitation and restoration scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b> 5	<b>Building Feature:</b> Secondary Side Elevations - Painting		
<input type="checkbox"/> Maintenance	<input checked="" type="checkbox"/> Rehab/Restoration	<input type="checkbox"/> Completed	<input checked="" type="checkbox"/> Proposed
Contract year work completion: 2023			
Total Cost: \$ 25,000			
Description of work:  Assess facades for wood damage or deterioration, and repair as needed. Repair checked/split wood siding. Patch holes at abandoned mechanical conduits/ducts as needed. Prepare, prime, and paint with appropriate paint, including windows - (see Rehabilitation/Restoration Items 9 & 10 for detail at windows). Install new sealants every paint cycle at flashings and where occurs as needed. All work will comply with the National Park Service's Preservation Brief #10: Exterior Paint Problems on Historic Woodwork.			

## Rehabilitation/Restoration Plan (Exhibit A)

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Use this form to outline your Rehabilitation/Restoration Plan. Copy this page as necessary to include all rehabilitation and restoration scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b> 6	<b>Building Feature:</b> Waller Street Facade - 1st Floor Windows		
<input type="checkbox"/> Maintenance	<input checked="" type="checkbox"/> Rehab/Restoration	<input type="checkbox"/> Completed	<input checked="" type="checkbox"/> Proposed
Contract year work completion: 2023			
Total Cost: \$ 24,000			
Description of work:  Rehabilitate wood windows. At first floor original windows, consider restoring operability to windows that are not operable. Repair deteriorated wood where found and replace all unsound/deteriorated/missing glazing putty as needed. Repair/maintain hardware for operation where applicable. Prepare, prime, and paint all wood and putty. Consider installation of appropriate weatherstripping. All work will comply with the National Park Service's Preservation Brief #9: The Repair of Historic Wooden Windows and Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings.			

## Rehabilitation/Restoration Plan (Exhibit A)

Use this form to outline your Rehabilitation/Restoration Plan. Copy this page as necessary to include all rehabilitation and restoration scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b> 7	<b>Building Feature:</b> Waller Street Facade - 2nd Floor Windows		
<input type="checkbox"/> Maintenance	<input checked="" type="checkbox"/> Rehab/Restoration	<input type="checkbox"/> Completed	<input checked="" type="checkbox"/> Proposed
Contract year work completion: 2023			
Total Cost: \$ 64,000			
Description of work:  Rehabilitate wood-sash windows. At second floor non-historic (but compatible) double-paned insert windows, rehabilitate to improve weatherstripping/poor performance and deteriorated sash tracks or consider replacing with new wood sash to match the original appearance. Prepare, prime, and paint all wood with appropriate paint. All work will comply with the National Park Service's Preservation Brief #9: The Repair of Historic Wooden Windows and Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings.			

## Rehabilitation/Restoration Plan (Exhibit A)

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Use this form to outline your Rehabilitation/Restoration Plan. Copy this page as necessary to include all rehabilitation and restoration scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b> 8	<b>Building Feature:</b> Ground Level Garage Doors/Side Door		
<input type="checkbox"/> Maintenance	<input checked="" type="checkbox"/> Rehab/Restoration	<input type="checkbox"/> Completed	<input checked="" type="checkbox"/> Proposed
Contract year work completion: 2023			
Total Cost: \$ 20,000			
Description of work:  Rehabilitate garage doors and side (trade hall) door to treat deterioration, including checks/splits, and deterioration at joints of stiles and rails. Repair and maintain hardware to keep in good working order. Prepare, prime, and paint with appropriate paint. Clean and maintain glass lites at the garage doors. All work will comply with the National Park Service's Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings.			

## Rehabilitation/Restoration Plan (Exhibit A)

Use this form to outline your Rehabilitation/Restoration Plan. Copy this page as necessary to include all rehabilitation and restoration scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b> 9	<b>Building Feature:</b> West Facade - Bathroom Window		
<input type="checkbox"/> Maintenance	<input checked="" type="checkbox"/> Rehab/Restoration	<input type="checkbox"/> Completed	<input checked="" type="checkbox"/> Proposed
Contract year work completion: 2023			
Total Cost: \$ 8,000			
Description of work:  During painting work access, assess wood condition and repair deteriorated wood where found and replace all unsound/deteriorated/missing glazing putty as needed. Repair/maintain hardware for operation where applicable. Prepare, prime, and paint all wood and putty. Consider installation of appropriate weatherstripping. All work will comply with the National Park Service's Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings.			



## Rehabilitation/Restoration Plan (Exhibit A)

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Use this form to outline your Rehabilitation/Restoration Plan. Copy this page as necessary to include all rehabilitation and restoration scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b> 10	<b>Building Feature:</b> East Lightwell - Windows		
<input type="checkbox"/> Maintenance	<input checked="" type="checkbox"/> Rehab/Restoration	<input type="checkbox"/> Completed	<input checked="" type="checkbox"/> Proposed
Contract year work completion: 2023			
Total Cost: \$ 16,000			
Description of work:  During painting work access, assess wood condition of non-historic wood casement windows, and repair deteriorated wood where found and replace all unsound/deteriorated/missing glazing putty/sealant as needed. Replace plexiglas with glass. Repair/maintain hardware for operation where applicable. Prepare, prime, and paint all wood and putty/sealant. Consider installation of appropriate weatherstripping. Alternatively, consider appropriate replacement windows. All work will comply with the National Park Service's Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings.			

## Rehabilitation/Restoration Plan (Exhibit A)

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Use this form to outline your Rehabilitation/Restoration Plan. Copy this page as necessary to include all rehabilitation and restoration scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b> 11	<b>Building Feature:</b> Waller Street Facade - Attic Window		
<input type="checkbox"/> Maintenance	<input checked="" type="checkbox"/> Rehab/Restoration	<input type="checkbox"/> Completed	<input checked="" type="checkbox"/> Proposed
Contract year work completion: 2023			
Total Cost: \$ 10,000			
Description of work:  Based on further research and site investigation, rehabilitate or replace attic window with appropriate compatible wood window to resolve soundness of window and weather-tightness. Prepare, prime, and paint all wood with appropriate paint. All work will comply with the National Park Service's Preservation Brief #9: The Repair of Historic Wooden Windows.			

## Rehabilitation/Restoration Plan (Exhibit A)

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Use this form to outline your Rehabilitation/Restoration Plan. Copy this page as necessary to include all rehabilitation and restoration scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b> 12	<b>Building Feature:</b> Rear-South Facade - Wood Repair
<input type="checkbox"/> Maintenance <input checked="" type="checkbox"/> Rehab/Restoration <input type="checkbox"/> Completed <input checked="" type="checkbox"/> Proposed	
Contract year work completion: 2024 and every 5-7 years as needed	
Total Cost: \$ <b>\$10,000</b>	
Description of work:  Investigate bulged/split siding at the west kitchen window and bulged siding and split eave board at the top of the south kitchen wall. Correct deficiencies and ensure weather-tightness as needed. Repair or replace siding to match existing as needed. Prepare, prime, and paint with appropriate paint. All work will comply with the National Park Service's Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings.	

## Rehabilitation/Restoration Plan (Exhibit A)

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Use this form to outline your Rehabilitation/Restoration Plan. Copy this page as necessary to include all rehabilitation and restoration scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b> 13	<b>Building Feature:</b> Rear/South Facade - Painting
<input type="checkbox"/> Maintenance <input checked="" type="checkbox"/> Rehab/Restoration <input type="checkbox"/> Completed <input checked="" type="checkbox"/> Proposed	
Contract year work completion: 2024 and every 5-7 years as needed	
Total Cost: \$ 30,000	
Description of work:  Assess facade for wood damage or deterioration, and repair as needed, including at wood windows and doors. Repair checked/split wood siding. Prepare, prime, and paint with appropriate paint, including windows (see Rehabilitation/Restoration Item #12 for detail at wood siding). Install new sealants every paint cycle at flashings and where occurs as needed. All work will comply with the National Park Service's Preservation Brief #10: Exterior Paint Problems on Historic Woodwork.	

## Rehabilitation/Restoration Plan (Exhibit A)

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Use this form to outline your Rehabilitation/Restoration Plan. Copy this page as necessary to include all rehabilitation and restoration scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b> 14	<b>Building Feature:</b> Rear/South Facade - Roof Over Kitchen		
<input type="checkbox"/> Maintenance	<input checked="" type="checkbox"/> Rehab/Restoration	<input type="checkbox"/> Completed	<input checked="" type="checkbox"/> Proposed
Contract year work completion: 2024			
Total Cost: \$ 30,000			
Description of work:  Inspect roofing, and replace roofing at deck area over kitchen. Ensure waterproofing at guard rail penetrations/anchorage including repairing wood guardrail as needed. Ensure roof is sloped to drain properly to adjacent gutter. (See Rehabilitation/Restoration Item #16 for detail at gutters). Work shall be done in accordance with the National Park Service's Preservation Brief #4: Roofing for Historic Buildings and Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings.			



## Rehabilitation/Restoration Plan (Exhibit A)

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Use this form to outline your Rehabilitation/Restoration Plan. Copy this page as necessary to include all rehabilitation and restoration scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b> 15	<b>Building Feature:</b> Main Roof		
<input type="checkbox"/> Maintenance	<input checked="" type="checkbox"/> Rehab/Restoration	<input type="checkbox"/> Completed	<input checked="" type="checkbox"/> Proposed
Contract year work completion: 2024			
Total Cost: \$ 45,000			
Description of work:  Inspect main roof and replace existing shingle roofing with new shingle roofing. Repair or replace related flashing, waterproofing, and gutters as needed. (See Rehabilitation/Restoration Item #16 for detail at gutters). Work shall be done in accordance with the National Park Service's Preservation Brief #4: Roofing for Historic Buildings and Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings.			

## Rehabilitation/Restoration Plan (Exhibit A)

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Use this form to outline your Rehabilitation/Restoration Plan. Copy this page as necessary to include all rehabilitation and restoration scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b> 16	<b>Building Feature:</b> Roof Gutters		
<input type="checkbox"/> Maintenance	<input checked="" type="checkbox"/> Rehab/Restoration	<input type="checkbox"/> Completed	<input checked="" type="checkbox"/> Proposed
Contract year work completion: 2024			
Total Cost: \$ 12,000			
Description of work:  Inspect gutters and downspouts, including copper gutters, and repair or replace as needed in conjunction with roofing work.			

## Maintenance Plan (Exhibit B)

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Use this form to outline your Maintenance Plan. Copy this page as necessary to include all maintenance scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b> 17	<b>Building Feature:</b> Facades - Visual Inspection
<input checked="" type="checkbox"/> Maintenance <input type="checkbox"/> Rehab/Restoration <input type="checkbox"/> Completed <input checked="" type="checkbox"/> Proposed	
Contract year work completion: Annually 2022 and annually thereafter	
Total Cost: \$ 10,000	
Description of work:  Perform visual inspection of exterior facades, including concrete and marble main entry stair with metal railings and marble/stone/tile landing, with binoculars, spotting scope, or similar as needed annually for paint and sealant failure, wood deterioration, metal railing deterioration, and other signs of deterioration (see Item #18 “Waller St. & Side Facades – Windows/Doors – Visual Inspection” and Item #19 “Rear/South Facade – Windows/Doors – Visual Inspection” for details related to those elements). Repair as needed. Work shall be done in accordance with the National Park Service's Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings.	

## Maintenance Plan (Exhibit B)

Use this form to outline your Maintenance Plan. Copy this page as necessary to include all maintenance scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b> 18	<b>Building Feature:</b> Waller St. & Side Facades - Windows/Doors Vi
<input checked="" type="checkbox"/> Maintenance <input type="checkbox"/> Rehab/Restoration <input type="checkbox"/> Completed <input checked="" type="checkbox"/> Proposed	
Contract year work completion: Annually 2022 and annually thereafter	
Total Cost: \$ \$10,000	
Description of work:  Perform visual inspection of wood windows and doors (including main entry door, garage doors, and side/trade hall doors at Waller St.) with binoculars, spotting scope, or similar as needed annually for paint, putty, and sealant failure as well as wood and other signs of deterioration. Assess hardware, window sash cords, window function, lubricate hardware, etc. Repair as needed. Work shall be done in accordance with the National Park Service's Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings.	

## Maintenance Plan (Exhibit B)

Use this form to outline your Maintenance Plan. Copy this page as necessary to include all maintenance scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b> 19	<b>Building Feature:</b> Rear/South Facade - Windows/Doors - Visual
<input checked="" type="checkbox"/> Maintenance <input type="checkbox"/> Rehab/Restoration <input type="checkbox"/> Completed <input checked="" type="checkbox"/> Proposed	
Contract year work completion: Annually 2024 and every 2 years thereafter	
Total Cost: \$ 10,000	
Description of work:  Perform visual inspection of wood windows and doors with binoculars, spotting scope, or similar as needed annually for paint, putty, and sealant failure as well as wood and other signs of deterioration. Assess hardware, window sash cords, window function, lubricate hardware, etc. Repair as needed. Work shall be done in accordance with the National Park Service's Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings.	



## Maintenance Plan (Exhibit B)

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Use this form to outline your Maintenance Plan. Copy this page as necessary to include all maintenance scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b> 20	<b>Building Feature:</b> Waller St. Facade & Rear/South Facade - Clean		
<input checked="" type="checkbox"/> Maintenance	<input type="checkbox"/> Rehab/Restoration	<input type="checkbox"/> Completed	<input checked="" type="checkbox"/> Proposed
Contract year work completion: Annually 2024 at Waller St. and 2025 at Rear/South Facade and every 2 years thereafter			
Total Cost: \$ 12,000			
Description of work:  Soft-wash/gently clean with mild detergent and low pressure rinsing/hand wiping to maintain appearance and prolong life of paint as recommended by paint manufacturer. Work shall be done in accordance with the National Park Service's Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings.			

## Maintenance Plan (Exhibit B)

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Use this form to outline your Maintenance Plan. Copy this page as necessary to include all maintenance scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b> 21	<b>Building Feature:</b> Rear/South Facade - Roof Over Kitchen
<input checked="" type="checkbox"/> Maintenance <input type="checkbox"/> Rehab/Restoration <input type="checkbox"/> Completed <input checked="" type="checkbox"/> Proposed	
Contract year work completion: Annually 2022 and annually thereafter	
Total Cost: \$ 15,000	
Description of work:  Inspect roofing for defects and deterioration annually, including associated flashing and sealants. Repair as needed. Work shall be done in accordance with the National Park Service's Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings.	

## Maintenance Plan (Exhibit B)

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Use this form to outline your Maintenance Plan. Copy this page as necessary to include all maintenance scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b> 22	<b>Building Feature:</b> Main Roof
<input checked="" type="checkbox"/> Maintenance <input type="checkbox"/> Rehab/Restoration <input type="checkbox"/> Completed <input checked="" type="checkbox"/> Proposed	
Contract year work completion: Annually 2022 and annually thereafter	
Total Cost: \$ 15,000	
Description of work:  Inspect roofing for defects and deterioration annually, including associated flashing, sealants, and skylights. Repair as needed. Work shall be done in accordance with the National Park Service's Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings.	

## Maintenance Plan (Exhibit B)

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Use this form to outline your Maintenance Plan. Copy this page as necessary to include all maintenance scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b> 23	<b>Building Feature:</b> Roof Gutters, Drain, and Downspouts
<input checked="" type="checkbox"/> Maintenance <input type="checkbox"/> Rehab/Restoration <input type="checkbox"/> Completed <input checked="" type="checkbox"/> Proposed	
Contract year work completion: Annually 2022 and annually thereafter	
Total Cost: \$ 15,000	
Description of work:  Inspect and clean all roof gutters, drains and downspouts annually. Repair as needed. Work shall be done in accordance with the National Park Service's Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings.	

## Signature and Notary Acknowledgement Form

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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. Attach notary acknowledgement.

Tjarko Leifer

\_\_\_\_\_  
Name (Print)

05/01/2020

\_\_\_\_\_  
Date



\_\_\_\_\_  
Signature

Aimee Leifer

\_\_\_\_\_  
Name (Print)

05/01/2020

\_\_\_\_\_  
Date



\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Print)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

## Public Information Release

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Please read the following statements and check each to indicate that you agree with the statement. Then sign below in the space provided.

I understand that submitted documents will become public records under the California Public Records Act, and that these documents will be made available upon request to members of the public for inspection and copying.

I acknowledge that all photographs and images submitted as part of the application may be used by the City without compensation.

Tjarko Leifer

\_\_\_\_\_  
Name (Print)

05/01/2020

\_\_\_\_\_  
Date



\_\_\_\_\_  
Signature



## Public Information Release

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Please read the following statements and check each to indicate that you agree with the statement. Then sign below in the space provided.

- I understand that submitted documents will become public records under the California Public Records Act, and that these documents will be made available upon request to members of the public for inspection and copying.
- I acknowledge that all photographs and images submitted as part of the application may be used by the City without compensation.

Tjarko Leifer

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Name (Print)

05/01/2020

---

Date

*Tjarko Leifer*

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Signature

## II. EXEMPTION STATEMENT AND SIGNIFICANCE EVALUATION

The Mills Act Historical Property Contract requires all residential properties that are assessed at a value of more than \$3 million to include a Historic Structure Report (HSR) as part of the application. Representatives of the San Francisco Planning Department have indicated that the HSR could be limited in scope and should include, at minimum, a brief history of the building, a description of the building's historic condition, a summary of its existing condition, and an outline of short-term and long-term recommendations for rehabilitation. This limited Historic Structure Report, together with the Rehabilitation/Restoration & Maintenance Plan, serves to fulfill the requirements of the Mills Act and primarily focuses on conditions and treatment recommendations for the exterior of the building.

The Mills Act Historical Property Contract also requires that all residential properties that are assessed at a value of more than \$3M include justification for how the property meets the following criteria:

1. 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
2. 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.

The following addresses how the property meets both criteria:

Constructed in 1896 by shipwright and real estate developer John A. Whelan as his personal home, 1315 Waller Street is significant for its association with the pattern of residential development that characterized the Haight-Ashbury neighborhood at its peak in the late nineteenth century. With its dominant steeply gabled roof facing Waller Street and asymmetrical composition with a partial width front porch, canted bay windows, paired column supports, and abundance of richly patterned wall surfaces, 1315 Waller Street is also an exceptional example of the Queen Anne style of architecture as applied to a single-family house in the late nineteenth century in San Francisco, and therefore meets Criterion 1.

Granting the exemption will aid in financing repairs, rehabilitation/restoration, and maintenance of the home that would otherwise be in danger of disrepair including: the historic decorative wood Queen Anne facade and wood-sided secondary facades, a deteriorated historic exterior door and garage doors at the primary facade, rehabilitation of the historic and replacement windows, the concrete/marble/wrought/cast iron entry stair including replacement of the plywood landing with a more appropriate stone/tile landing, and replacement of the roofing, flashings, and gutters/drains, and maintenance of the associated skylights, and meets Criterion 2.

### III. HISTORIC STRUCTURE REPORT

#### INTRODUCTION

This Focused Historic Structure Report has been prepared to accompany a Mills Act Historical Property Contract for the John A. Whelan House at 1315 Waller Street (APN 1255/080) in San Francisco’s Haight-Ashbury neighborhood. The house was originally constructed in 1896 by shipwright and speculative real estate developer John A. Whelan as part of a row of four similarly designed houses, later known collectively as the Four Seasons Houses. The house at 1315 Waller Street is the easternmost building within the group and is identified as “Winter” for the applied snowflake centerpiece relief on its front façade. Whelan used the house as his personal family home.

1315 Waller Street was included in the 1976 Department of City Planning Architectural Quality Survey (1976 DCP Survey) with a rating of “3” out of “5.”<sup>1</sup> Page & Turnbull prepared a National Register of Historic Places (National Register) nomination for the property in December 2019 and found the property to be significant at the local level for its association with residential development of the Haight-Ashbury neighborhood in the late nineteenth century and as a fine example of the Queen Anne style of architecture.

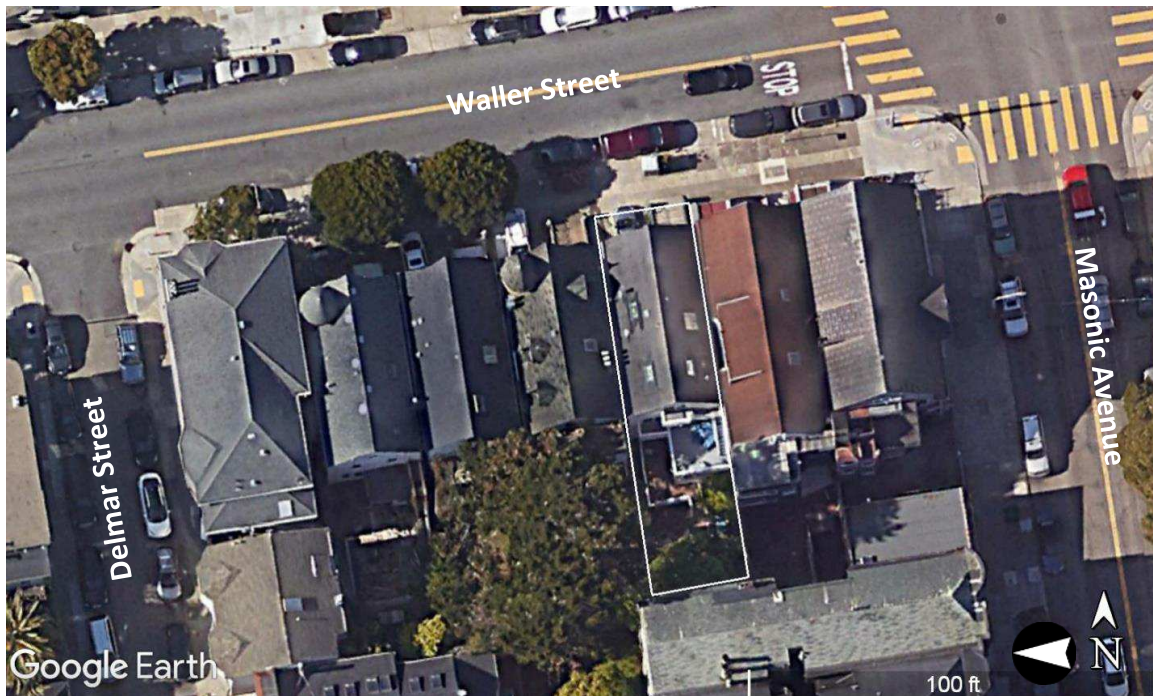


Figure 1: Aerial imagery of 1315 Waller Street. Google Earth Pro 2019.

<sup>1</sup> San Francisco Property Information Map, accessed March 16, 2020, <https://sfplanninggis.org/pim>.



**Figure 2: 1315 Waller Street, primary facade, November 2019. Looking southeast.**

### BRIEF HISTORY OF 1315 WALLER STREET AND HISTORIC SIGNIFICANCE

1315 Waller Street is significant for its association with the residential development of the Haight-Ashbury neighborhood and as a fine example of the Queen Anne style of architecture. The following is excerpted from the 2019 National Register of Historic Places (National Register) form for the property:

#### Development of the Haight-Ashbury Neighborhood

The house is located at the south edge of San Francisco's Haight-Ashbury neighborhood, the boundaries defined by Fell Street at the north, Divisadero Street at the east, and Stanyan Street at the west. The southern border varies, running along Waller Street, Frederick Street, and Haight Street. The Golden Gate Park Panhandle extends east-west at the northern edge of the Haight-Ashbury neighborhood. Buena Vista Park lies near the southeast corner of the neighborhood.

During the Mexican era (1821-1848), the land encompassing the neighborhood was granted to Benito Diaz, owner of the vast Rancho Punta de los Lobos.<sup>2</sup> Following California's admission to the United States in 1850, Mexican land grantees had to prove that their titles were valid. Diaz failed to demonstrate to the American courts that he had physically occupied his ranch, so in 1854 it reverted to Federal ownership. In 1851, Divisadero Street, the eastern boundary of the present-day Haight-Ashbury neighborhood, was established as the western boundary of the City of San Francisco. In 1856, the Outside Lands Committee was organized to gain legal title to county lands within the City's path of expansion and to prepare it for eventual development. The subsequent Outside Lands Ordinances gained title to the western part of San Francisco County, laid out streets, and set aside land for parks, schools, and other public buildings.<sup>3</sup>

<sup>2</sup> Buena Vista North Association, "Application for Historic District Status," August 25, 1989, 19.

<sup>3</sup> Buena Vista North Association, 20.



**Figure 1. Golden Gate Park Panhandle from Buena Vista Park, view north, 1882. Very little development had taken place before the establishment of the Haight Street Railroad in 1883. Source: FoundSF**

By the early 1850s, the area came under the control of a handful of individuals who subdivided the land into several large tracts, including the Haraszthy, San Souci, and Middleton Tracts. John Middleton came to own the majority of the Haight-Ashbury neighborhood. In 1850, he built the first house in the area, the Phelps House (1137 Oak Street, extant). The Middleton Tract passed through several hands before coming into the ownership of rancher Abner Phelps.<sup>4</sup>

Census records and city directories indicate that the Haight-Ashbury neighborhood was used for farming and livestock raising for much of the remainder of the nineteenth century. By the early 1880s, speculators and real estate developers began to show interest in the area due to its relative proximity to urbanized sections of the city as well as its location adjacent to several major parks. Golden Gate Park and Buena Vista Park were created by the Outside Land Ordinances of the late 1860s, partially in response to pressure from landowners in the area who believed the construction of civic amenities such as parks would increase the value of their holdings. After prolonged lobbying by streetcar companies and real estate speculators, the San Francisco Board of Supervisors awarded the Haight Street Cable Car franchise in 1883. Over the next year or so, Haight Street was graded and paved westward beyond Divisadero Street, and the cable car line was constructed down the center of the street.<sup>5</sup>

Real estate speculation in the Haight-Ashbury neighborhood picked up dramatically after the opening of the Haight Street Cable Car line. Much of the earliest development was recreational in nature and concentrated near the cable car turnaround at Haight and Stanyan Streets, the primary public entry to Golden Gate Park. The 1889 Sanborn-Perris Map Company fire insurance map shows the Haight Street Cable Car Railroad car houses, several one-story saloons, two restaurants, a store, a workshop and sheds, a number of one- and two-story dwellings, and many vacant lots.

Construction of housing followed the recreation boom during the late 1880s. An article in the October 22, 1889 *Examiner* noted that “following the cable roads... have come street improvements, gas, and water mains, street lights and finally the building of substantial residences.”<sup>6</sup> By the 1890s, the Haight-

<sup>4</sup> Ibid.

<sup>5</sup> San Francisco Real Estate Circular (June-August 1883).

<sup>6</sup> Christopher VerPlanck, “The Architecture and Social Structure of the Haight,” *San Francisco Apartment Magazine* (August 2001), accessed November 19, 2019, <http://www.friendsof1800.org/VIEWPOINT/haight.html>.



Ashbury neighborhood had become increasingly popular with developers including Daniel Einstein, the Hinkel Family, the Cox Brothers, Alexander Bailey, R.D. Cranston, and Hugh Keenan.<sup>7</sup> The 1899 Sanborn-Perris fire insurance map show the blocks around the 1896 John A. Whelan House filling in with single-family houses.

Most residences constructed in the area near the turn of the twentieth century consisted of a raised basement/garage, a main floor with a hall and staircase on one side and a front parlor, middle parlor, dining room and kitchen on the other side, and a second floor with three bedrooms and a bathroom.<sup>8</sup> The real estate sections of the local papers carried articles on the progress of development in the Haight-Ashbury neighborhood. On March 8, 1896, around the time the John A. Whelan House was completed, the *San Francisco Examiner* reported:

*The whole country about the heights is now thickly covered with homes of conspicuous size, and many of them of costly design. Masonic Avenue is lined with a large number of Eastlake dwellings, where barren sands were a few months ago. Waller Street has been brightened up very recently with several pretty structures. There are more of them on Cole Street and on Frederick Street.*<sup>9</sup>

The article also described the modern “electric lighting appliances” and “modern styles.” The houses cost \$6,500 to \$8,500 each, a considerable amount of money at the time considering that cottages on Potrero Hill were selling for between \$1,500 and \$3,000 during the same era. Since most of the housing in the Haight-Ashbury neighborhood was constructed between 1890 and 1910, Queen Anne is the dominant style.<sup>10</sup>

The area continued to be popular for recreational amenities that developed in the 1890s, building on the recreational atmosphere that already existed. In 1894, the California Midwinter International Exposition took place in Golden Gate Park, with the construction of a music concourse and the De Young Museum among over 100 other buildings. Two million visitors attended, drawing swarms through the prosperous and diverse Haight-Ashbury neighborhood.<sup>11</sup> The Chutes, a family amusement park located at Haight and Shrader Streets, opened in 1895, featuring a roller coaster, shooting gallery, and vaudeville theater among other attractions. The centerpiece of the park was an artificial lake featuring an early version of a log flume ride that gave the park its name. Additional recreational activities in the Chutes included an elevated railroad track that traveled through the park, painted panoramas, a merry-go-round, a photo gallery, a “zoological promenade,” an alligator house, a theater, and an exhibition hall called the Darwinian Temple.<sup>12</sup> Around 1900, The Chutes was taken apart and rebuilt further out on Fulton Street, and a lake south of Haight Street was drained. From 1902 onward, the vacated land was developed with commercial buildings and residences.<sup>13</sup>

The 1900 census reveals that demographics of the Haight-Ashbury neighborhood consisted of a conservative middle class, mostly married and with children. There was diversity in nationalities;

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7 Buena Vista North Association, 19-20.

8 VerPlanck.

9 Ibid.

10 Ibid.

11 Bob Bragman, “The unknown Midwinter Fair – San Francisco 1894,” SFGate, December 22, 2015, accessed November 21, 2019, <https://www.sfgate.com/bayarea/article/SF-Midwinter-Fair-that-no-one-knows-about-6713601.php>.

12 VerPlanck.

13 Ibid.

residents included native-born Americans, Germans, Irish, Swedes, Scots, Swiss, Australians, and French.<sup>14</sup>

On April 18, 1906, a 7.9 magnitude earthquake occurred, followed by three days of fires that decimated 490 city blocks and left half of the city's 410,000 residents homeless.<sup>15</sup> The fires were blocked at Van Ness Avenue from burning farther west, and the Haight-Ashbury neighborhood was spared.<sup>16</sup> After 1906, the area began to expand with the influx of earthquake refugees, so that within five years there were few large undeveloped parcels of land left in the neighborhood. The infill development that occurred after 1906 was primarily limited to commercial buildings on Haight and Stanyan Streets and three-story flats on the previously empty lots located along subsidiary streets.<sup>17</sup>

By World War I, nearly ninety percent of the Haight-Ashbury neighborhood was developed. There was a neighborhood school, Dudley Stone Grammar School, a public library, a variety of churches, and a nickelodeon. By the 1920s, there were nearly no empty lots. As the building stock began to age in the neighborhood, some owners clad their homes in stucco. By the end of the 1930s, most of the houses were owned by absentee landlords.<sup>18</sup>

The urban form of the Haight-Ashbury neighborhood continued to change during World War II. The single-family homes and residential flats buildings were subdivided into apartments and lodging houses to accommodate war workers. Between 1939 and 1945, the number of housing units in the Haight-Ashbury neighborhood practically doubled. In the 1950s, the middle-class residents fled to newer suburbs, and deferred maintenance, which first occurred during the Depression in the 1930s, continued to blight the neighborhood. A small number of new buildings were constructed in the 1950s, large stuccoed apartment buildings built on underutilized lots.<sup>19</sup>

In the 1950s and 1960s, the confluence of low rents and the neighborhood's Victorian and Edwardian building stock brought beatniks and hippies to the Haight-Ashbury neighborhood.<sup>20</sup> In the 1960s, the Haight-Ashbury neighborhood was one of the national centers of the hippie Counterculture Movement. Hippie culture created alternative beliefs, behaviors, and attitudes that undermined mainstream culture. Hippies experimented with gender equality, communal living, and free love. Hippies were driven by diverse motivations. Some were more political, holding anti-government sentiments and opposing the Vietnam War, and many hippies delved into art, religion, and meditation. They were united in their striving to create a counterculture.<sup>21</sup> Psychedelic drug use was a major influence in the Counterculture Movement.<sup>22</sup> By the late 1960s, the neighborhood had radio station KDIG and the band the Grateful Dead was headquartered at 710 Ashbury Street.<sup>23</sup> The hippie movement culminated in the Summer of Love in 1967, when 75,000 people gathered in the Haight-Ashbury neighborhood.<sup>24</sup> In the 1970s, the

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14 Ibid.

15 Risk Management Solutions, "The 1906 San Francisco Earthquake and Fire: Perspectives on a Modern Super Cat," 2006, 4-5.

16 United States Geological Survey, "Map of San Francisco Showing Burned District," 1907, accessed December 16, 2019, <https://pubs.usgs.gov/bul/0324/plate-56.pdf>.

17 VerPlanck, 19-20.

18 Ibid.

19 Ibid.

20 Ibid.

21 Terry H. Anderson, *The Movement and the Sixties: Protest in America from Greensboro to Wounded Knee* (New York: Oxford University Press, 1995), 241-244.

22 Donald R. Wesson, "Psychedelic Drugs, Hippie Counterculture, Speed and Phenobarbital Treatment of Sedative-Hypnotic Dependence: A Journey to the Haight Ashbury in the Sixties." *Journal of Psychoactive Drugs* 43, Issue 2 (2011).

23 Ibid.

24 Anderson, 176.

neighborhood went into decline. By the 1980s, the Haight-Ashbury's counterculture legacy translated into an allure for homebuyers, and the neighborhood has since become a tourist destination, especially the Haight Street commercial corridor.<sup>25</sup>

### John A. Whelan (1836-1910)

The house at 1315 Waller Street was constructed for shipwright and speculative real estate developer John Augustus Whelan in 1896, during the peak period of development in the Haight-Ashbury neighborhood.<sup>26</sup> Whelan was born in Philadelphia, Pennsylvania in 1836, the son of Irish immigrants. By 1866, he had moved to San Francisco, California.<sup>27</sup> Around 1868, Whelan began working for the North Transportation Company and Oregon Steamship Company, where he was in charge of the shipwrights and joiners department. Given his expertise in the construction and repair of ships, he was selected to testify before the State Assembly about the condition of the steamboat John L. Stephens in 1876.<sup>28</sup> One year later, Whelan had left the company and was advertising his services as an independent master shipwright, caulker, and sparmaker with his operations based at the Folsom Street wharf.<sup>29</sup>

By 1896, Whelan had founded the firm John A. Whelan & Brother with his brother James J. Whelan, also a native of Philadelphia. The firm built and repaired seafaring vessels in the San Francisco harbor and had offices at 250 Spear Street. The book *San Francisco: The Imperial City*, published in 1899, described the company as "prominent among those that have played an active part to bring about the commercial advancement of the city."<sup>30</sup> At the turn of the twentieth century, the firm was often contracted to repair ships for branches of the United States military. In 1901, the firm was employed by the Union Iron Works to repair the U.S.S. Pensacola at the U.S. naval training station in San Francisco.<sup>31</sup> One year later, the firm was contracted to carry out carpentry and joinery work to repair the United States Army transport ship U.S.A.T. *Crook*.<sup>32</sup>

In addition to his work as a shipwright, John Whelan was active in real estate development in San Francisco. Newspaper articles are populated with descriptions of properties that he acquired and sold from the 1880s to the early 1900s. On land he had purchased at the corner of Filbert and Larkin Streets, Whelan had built six two-story houses for \$20,000 in 1886, which he subsequently rented out to tenants.<sup>33</sup> In 1896, he had built the four Queen Anne style houses later known as the Four Seasons Houses, including his family home at 1315 Waller Street, originally addressed as 1305 Waller Street. In 1890, around the corner, he had built a row of six Stick style houses at 1326-1342 Masonic Avenue.<sup>34</sup>

Unlike the other properties he owned, 1315 Waller Street was constructed to be the personal residence of Whelan and his growing family.<sup>35</sup> Whelan had married his wife Annie (born in New York in 1838) in 1861. Together, the couple had seven children, although only four lived to adulthood. Their eldest,

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25 VerPlanck.

26 Spring Valley Water Company Tap Records, 1861-1930, San Francisco Public Library; Block Books, City and County of San Francisco Office of the Assessor-Recorder.

27 Seventh Ward Register of the City and County of San Francisco, California Great Registers, 1866-1910, FamilySearch.org.

28 *Appendix to the Journals of the Senate and Assembly*, Volume 4 (Sacramento: State Printing Office, 1876).

29 Advertisement, *Daily Alta California*, December 17, 1877.

30 *San Francisco: The Imperial City* (San Francisco: Mercantile Illustrating Co., 1899), 175.

31 Annual Report of the Chief of the Bureau of Construction and Repair to the Secretary of the Navy (Washington: Government Printing Office, 1900), 116.

32 "Repairs on the Crook Will Cost \$6118.50," *San Francisco Call*, August 29, 1902.

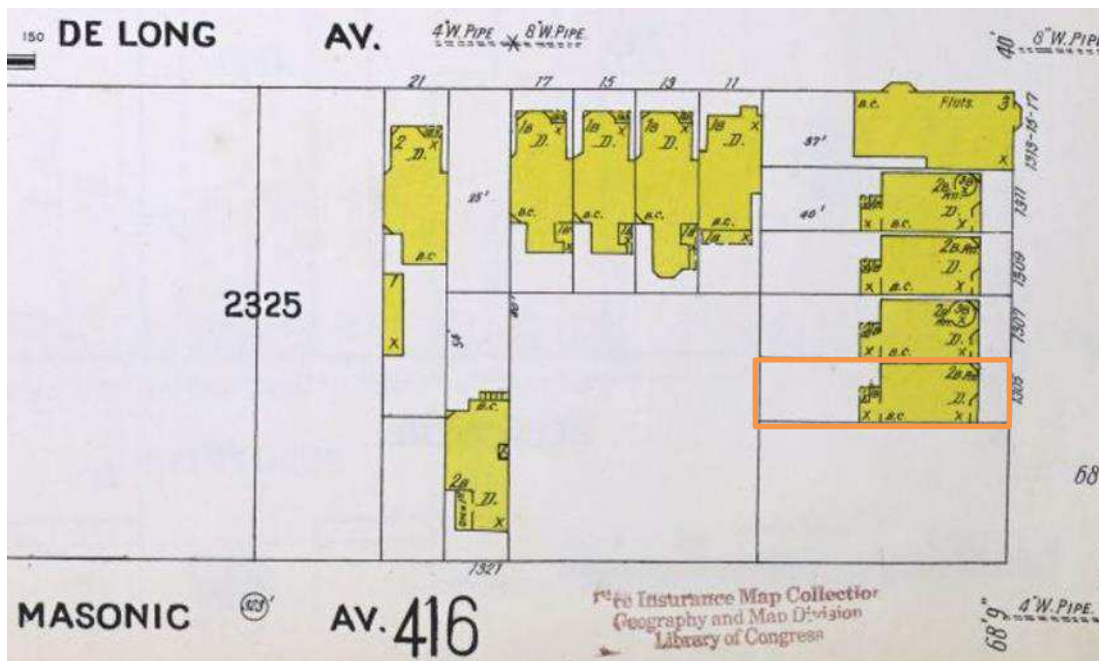
33 "Real Estate Market," *San Francisco Chronicle*, December 1, 1886.

34 Spring Valley Water Company Tap Records, 1861-1930, San Francisco Public Library.

35 U.S. Federal Census records, Ancestry.com.

Catherine, was born in Pennsylvania in 1865, while William (1870), Mary (1874), and Isabella (1881) were all born in California.<sup>36</sup>

The design of the front façade shares marked similarities to houses designed by well-known San Francisco contractors Cranston and Keenan and William Hinkel that survive at 1232 Masonic Avenue and 459 Ashbury Street, respectively. Because San Francisco's city records were destroyed in the 1906 earthquake and fires, the original permit for the building is not on file with the City, and the name of the architect or builder of the Whelan House remains unknown. It is likely that John Whelan, a shipwright with substantial carpentry experience in his own right, collaborated with an unknown contractor or master carpenter on the design of the house, drawing upon a popular local façade design or pattern book for inspiration.<sup>37</sup> The 1899 Sanborn-Perris fire insurance map shows the Whelan House as a two-story, wood frame single-family residence over a raised basement. The building had a rectangular floorplan with a rear porch at its southeast corner and a cutaway bay window at its primary façade, facing Waller Street.<sup>38</sup>



**Figure 2. 1899 Sanborn-Perris Map Company fire insurance map. John A. Whelan House outlined in orange. Source: Library of Congress, modified by Page & Turnbull.**

The Whelan family continued to live at the house through 1905. After the 1906 earthquake, Whelan sold the property to retired restaurateur Gustav Miersch and his wife, Bertha.<sup>39</sup> Whelan and his family subsequently moved into a house at 876 Francisco Street, where he died in 1910 at the age of 74.<sup>40</sup> Whelan's other three houses on Waller Street remained in the family until they were sold in 1912.<sup>41</sup> In

<sup>36</sup> The Victorian Alliance of San Francisco, "Buena Vista Neighborhood House Tour," 1998, 13-14.

<sup>37</sup> Ibid.

<sup>38</sup> Sanborn-Perris Map Co., "Insurance Maps of San Francisco, California," Volume 4, 1899.

<sup>39</sup> Deed records, City and County of San Francisco Office of the Assessor-Recorder.

<sup>40</sup> "Births, Marriages, Deaths," *San Francisco Chronicle*, April 28, 1910.

<sup>41</sup> The Victorian Alliance of San Francisco, 13.

1924, the John A. Whelan House was deeded to George Watson and remained in the Watson family until 1966. Since the 1960s, the house been owned by five subsequent ownership groups.<sup>42</sup>

The completion of the John A. Whelan House in 1896, by and as the personal home of a shipwright and sometime real estate developer, is representative of the pattern of residential development in the Haight-Ashbury neighborhood at its peak in the late nineteenth century. The end of Whelan's period of ownership in 1906 aligns with a period of transition in the neighborhood, as new residents displaced by the 1906 earthquake flooded into the area and new infill projects shifted primarily toward large commercial projects. Although the building has experienced some alterations over the years, it is an exceptional example of the kind of residential development that came to characterize the Haight-Ashbury neighborhood and is eligible under National Register Criterion A at the local level of significance.

### Design of the John A. Whelan House

The John A. Whelan House is also eligible at the local level under National Register Criterion C as an excellent example of a building that embodies the distinctive characteristics of the Queen Anne style as applied to a single-family house in the late nineteenth century in San Francisco.

Queen Anne was a popular architectural style among the elite during the Victorian era of the late nineteenth century. First used in England, this style referred back to the reign of Queen Anne (1702-1714) when solid, high quality construction methods and craftsmanship were emphasized in the architectural vernacular.<sup>43</sup> One of the main innovators and architects of this style was Richard Norman Shaw, who popularized the Queen Anne style in England with his half-timber designs and proliferation of built work. American architects introduced this style into the mainstream during the late 1870s. By the 1880s, the Queen Anne style had become the leading architectural style for the Victorian elite and upper-to-middle classes.

The Queen Anne style is characterized by its variety of features and combination of ornamentation. Typical Queen Anne features include steeply pitched roofs, irregular rooflines, towers and turrets, gable projections, cutaway bay windows, asymmetrical compositions, patterned shingle cladding, and swag and garland appliques.<sup>44</sup> The result of this fusion of ornamentation and composition was a highly textured and varied appearance that achieved the elegance and grace desired by the people of this era. Other architectural styles, such as Eastlake and Stick, frequently were combined with Queen Anne to produce asymmetrical and varied compositions.

The John A. Whelan House displays many of the key characteristics of a Queen Anne rowhouse, including a dominant steep gabled roof that faces Waller Street and an asymmetrical composition with a partial width front porch; paired column supports; canted bay windows at the first and second stories; and an abundance of richly patterned wall surfaces that display a mixture of Classical, Gothic, and natural influences. The elaborately adorned house has become a prominent visual landmark, along with the other three Four Seasons Houses, thanks to its playful and expressive decorative theme.

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42 San Francisco Block Books, City Directories, San Francisco Public Library; Index to the Great Register of Voters, U.S. Federal Census records, Ancestry.com.

43 Lester Walker, *American Shelter* (New York: The Overlook Press, Inc., 1997), 152.

44 Virginia & Lee McAlester, *A Field Guide to American Houses* (New York: Alfred A. Knopf, 2002), 263.



### CONSTRUCTION CHRONOLOGY

The construction chronology of 1315 Waller Street is discussed in Page & Turnbull’s National Register nomination (December 2019). For the purposes of this Focused Historic Structure Report, the property’s construction chronology is excerpted below from the nomination form.

Permit records, historic photographs, and fire insurance maps indicate that [1315 Waller Street] remained generally unchanged through the first several decades of the twentieth century. Fire insurance maps produced by the Sanborn Map Company in 1913 are less detailed than those of 1899 but indicate that the basic floorplan, height, and overall form of the subject building remained generally unchanged in the 1910s.<sup>45</sup> The first major changes to the house are documented in a building permit dated to 1920. The permit describes rebuilding the front stairs in brick to the property line, converting the basement into a private garage, and re-shingling the west side of the roof.<sup>46</sup>

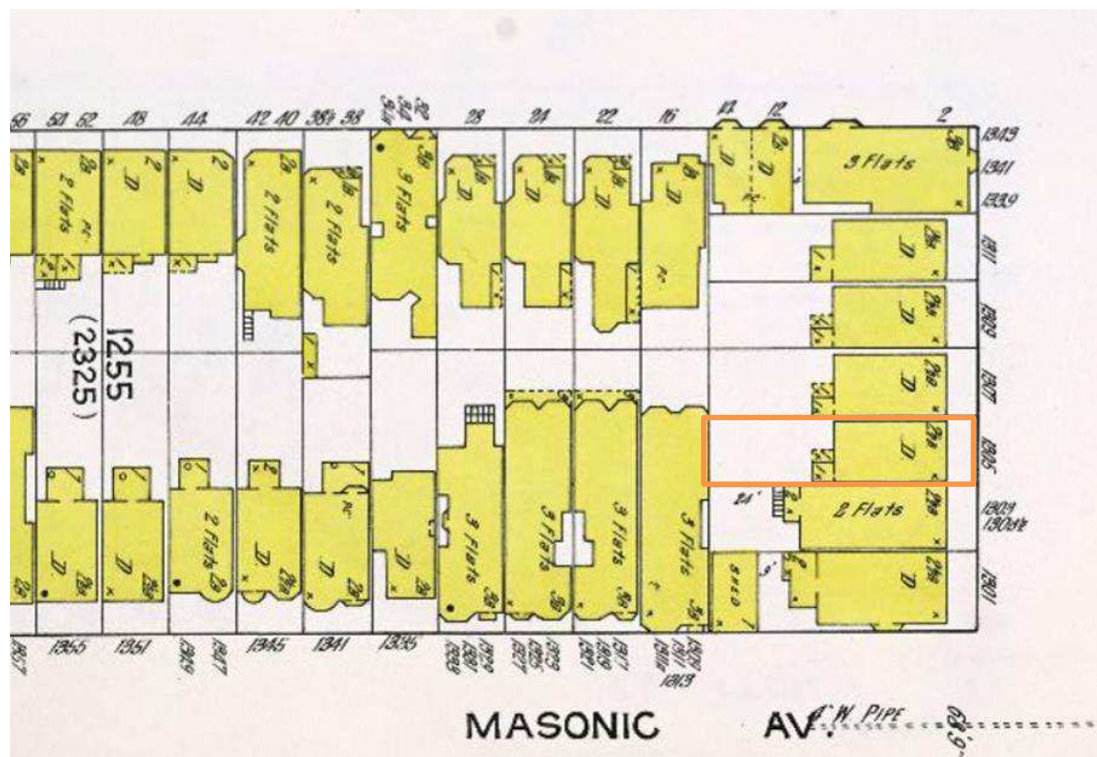


Figure 3. 1913 Sanborn Map Company fire insurance map. John A. Whelan House outlined in orange. Source: Library of Congress, modified by Page & Turnbull.

<sup>45</sup> Sanborn Map Co., “Insurance Maps of San Francisco, California,” Volume 4, 1913.

<sup>46</sup> Records of the San Francisco Department of Building Inspection.



**Figure 4. Masonic Avenue and Waller Street, 1937, Whelan House visible far right.**

No other alterations are documented in building permit records for a fifty-year period until the 1970s. In 1974, the San Francisco Board of Supervisors created the Upper Ashbury Rehabilitation Assistance Program (RAP) area, which incorporated the block on which the John A. Whelan house is located. RAP was a financial assistance and code enforcement program designed by the San Francisco Department of City Planning to encourage residential rehabilitation and the conservation of existing building stock in the city's older, deteriorating neighborhoods. Loans were granted to property owners to fund work to bring their buildings into compliance with the City Housing Code.<sup>47</sup>

In 1978, David and Virginia Keller, both aerospace engineers, purchased the house from its previous owner and began renovating it. They hired Paul Duchscherer, head designer of wallpaper design firm Bradbury & Bradbury, to work with them on the project.<sup>48</sup> Building permits from the late 1970s and early 1980s document that the renovation work was at least partially funded by RAP loans. Permits detail the demolition of interior walls and facades and stabilization of the exterior staircase.<sup>49</sup> The renovation work also included preserving exterior woodwork, floors and ceilings, and converting the building, which had been subdivided into a three-unit flat, back into a single-family house.<sup>50</sup>

Around the same time, the house's exterior facades, which were primarily painted white, were repainted in varying shades of blue with red, white, yellow, and silver accents. The colorful new paint scheme was inspired by the Colorist Movement, which emerged out of the Counterculture Movement in San Francisco in the 1960s and 1970s. While the movement began as a manifestation of the Counterculture Movement's celebration of free expression, it quickly

<sup>47</sup> San Francisco Department of City Planning, "Draft Environmental Impact Statement for the Rehabilitation Assistance Program for the Upper Ashbury," 1976, 1-6.

<sup>48</sup> Elaine Louie, "Gutted and Restored, an Ornate 'Winter House' in San Francisco," Mansion Global, accessed November 19, 2019, <https://www.mansionglobal.com/articles/gutted-and-restored-an-ornate-winter-house-in-san-francisco-39740>.

<sup>49</sup> Records of the San Francisco Department of Building Inspection.

<sup>50</sup> Louie.

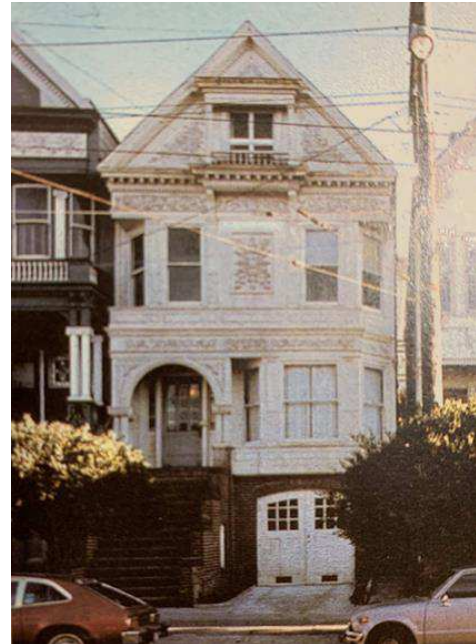
became linked to a national movement to preserve deteriorating Victorian architecture as property owners realized the ways in which colorful paint schemes that highlighted the ornate architectural details of these houses could increase property values and help revitalize neighborhoods. Although the 1970s-era paint scheme of the John A. Whelan House has since been muted, its predominant blue base shades remain.<sup>51</sup>

In 1993, the front staircase was rebuilt to match those of the other Four Seasons Houses on Waller Street, brick veneer cladding was removed from around the garage, new roofing was installed, and windows on the third floor were replaced in-kind. Subsequent alterations that took place in the 1990s were limited to interior work, including a bathroom remodel and repainting interior walls.

The rear façade has been modified with new siding and alterations to window and door openings. Much of this dates to a renovation project in 2017 during which the rear deck was constructed; kitchen, bathroom, and bedroom areas were remodeled; a second interior staircase was added from the first to the fourth floor; and a fourth-story window and the front garage door were replaced in-kind.<sup>52</sup>



**Figure 5. Four Seasons Houses at 1315-1343 Waller Street, Whelan House is the third house from the left, behind utility pole. Source: San Francisco Department of City Planning, Architectural Survey Form, 1976.**



**Figure 6. Before restoration, n.d. Source: Duchscherer and Keister, 173.**

<sup>51</sup> Elizabeth Pomada and Michael Larsen, *Painted Ladies Revisited* (New York: E.P. Dutton, 1989), 10-11, 96.

<sup>52</sup> Page & Turnbull, "John A. Whelan House," National Register of Historic Places Nomination Form, December 2019.





Figure 7. Whelan House, third from left, after renovation as one of San Francisco's Painted Ladies. Source: *Peninsula Living Newspaper*, 1979

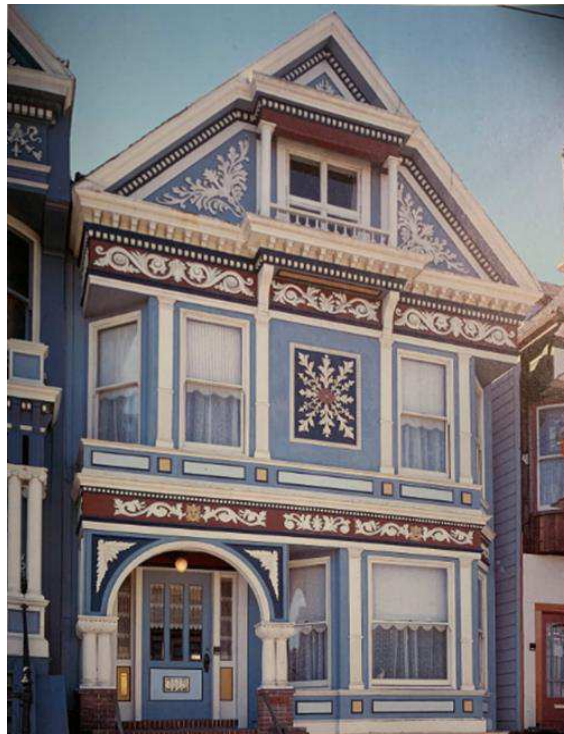


Figure 8. Paint scheme post-restoration, circa 1989. Source: Pomada and Larsen, 96.

### CHARACTER-DEFINING FEATURES

For a property to be eligible for national or state designation under criteria related to type, period, or method of construction, the essential physical features (or character-defining features) that enable the property to convey its historic identity must be evident. These distinctive character-defining features are the physical traits that commonly recur in property types and/or architectural styles. To be eligible, a property must clearly contain enough of those characteristics to be considered a true

representative of a particular type, period, or method of construction, and these features must also retain a sufficient degree of integrity. Characteristics can be expressed in terms such as form, proportion, structure, plan, style, or materials.

The character-defining features of 1315 Waller Street include:

- Two-story building with a raised basement and attic
- Rectilinear floor plan and wood construction
- Steeply pitched, front-facing gabled roof
- Asymmetrical front façade with staircase at east end leading to raised first-story entry
- Wood lap exterior cladding
- Front entry with arched surround with molded wood trim, supported by paired columns with foliate capitals
- Spandrels decorated with carved wood leaf designs
- Original double-hung wood sash windows
- Attenuated wood pilasters between window sashes
- Canted bay windows with recessed angled walls on first and second stories
- Entablatures between the first and second stories and between the second story and attic decorated with wood foliate scrolls, masks, dentils and modillions
- Rectangular wood panel at center of front façade with carved snowflake design
- Projecting balcony in the front gable end with wood railings, spindlework balusters, and attenuated Tuscan columns, supported by carved wood brackets
- Carved leaf designs and dentilled border at front gable end

## ARCHITECTURAL DESCRIPTION

The following description was originally prepared by Page & Turnbull for the John A. Whelan House National Register nomination form (December 2019). The photographs in this section were taken in 2019 and 2020.

### Overview and Setting

The John A. Whelan House is a two-story building with a raised basement and finished attic. The wood frame building has a rectilinear floorplan with a projecting rear bay at its southeast corner and a steeply pitched front-facing gabled roof with four skylights. Exterior walls are clad with wood lap siding above a concrete foundation. Typical windows consist of double-hung wood sashes with molded wood trim and undivided lites.

The front stairs of the building extend to the front lot line. The remaining area between the building's primary façade and the sidewalk is paved entirely with concrete and contains a driveway that leads from the garage to Waller Street. The narrow space between the building and the adjacent western property is also paved with concrete. At the rear of the building, the backyard consists of a brick paved patio bordered by low, curving brick planter walls. This planter contains a variety of low plantings and small trees.





**Figure 9. Four Seasons Houses with 1315 Waller St. as the second house from the left, view southwest.**



**Figure 10. Backyard patio, view southeast.**

## EXTERIOR

### Primary (Northwest) Façade

The primary façade faces Waller Street and is roughly two bays wide. A raised basement at street level contains a private garage with double wood paneled doors with nine stippled glass panes in the upper half of each door. The doors are set in a segmentally arched surround. To the west of these doors, a single wood panel door is set back from the façade that opens to a walkway at the southwest side of the house. To the east of the garage doors, an exterior staircase provides access to the main entrance on the first story of the building. These stairs feature concrete newels, curled wrought iron railings with cast iron elements, white marble treads and risers above the lowest three concrete treads and risers, and concrete walls that have been cast to appear as rusticated stone walls. A wood panel door with a slanted top rail, corresponding to the slope of the stairs, is set into the southwest wall of the stairs at street level, providing access to the interior from the driveway.

The main entrance is located through an arched opening at the top of the stairs. The opening has a molded wood trim and is supported by paired columns with foliate capitals that rest on rectangular pedestals. The spandrels of the arched opening are decorated with carved wood leaf designs. The entry beyond consists of a wood panel door with three integrated vertical lites, which is flanked by two narrow sidelites. A non-historic spherical porch light hangs from the ceiling in front of the door.

To the west of the main entrance, a canted bay window with recessed angled walls, wood sash windows, and wood paneled spandrel panels completes the first story. Attenuated pilasters accent the space between each window sash. The first and second stories are visually separated by ornamental bands with carved wood designs. The bands imitate a classical entablature, consisting of an unadorned architrave, a frieze decorated with foliate scrolls and masks, and a dentilled cornice. Windows at the second story rest on another ornamental wood band, decorated with rectangular wood panels. Fenestration at the second story consists of a canted bay window that spans the width of the façade and has angled side windows recessed beneath the corners of the gable end. The windows at the second story are non-historic windows inserted into the original window frames but are similar in style to the original first story windows. A rectangular wood panel carved with a snowflake design is centered between the sashes of the bay window and serves as the primary focal point of the façade. Decoration around the windows matches that of the first story.

The second-story windows support a second, wider entablature, also decorated with foliate scrolls and a cornice with both dentils and block modillions. Curved wood brackets spring from pilasters that frame

the snowflake centerpiece to support a projecting balcony in the gable end. This balcony has wood railings with spindlework balusters and is framed by attenuated Tuscan columns. The remaining surfaces of the gabled end are decorated with carved leaf designs and feature a dentilled border.



**Figure 11. Front northwest façade, view southeast.**



**Figure 12. Garage and exterior front stairs at northwest facade, view southeast.**



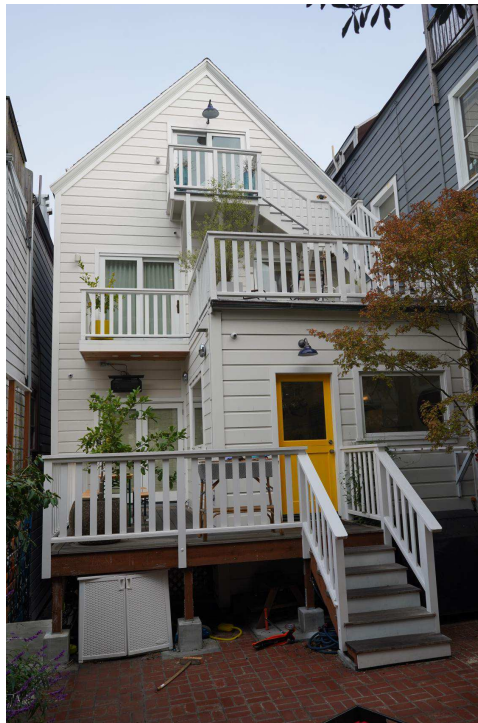
**Figure 13. Front entry detail, view southeast.**

### Southeast Façade

The rear, southeast façade has been modified. It is clad with wide, channel rustic wood lap siding and features a projecting one-story bay with a flat roof. Concrete steps at the southwest corner descend to an excavated basement level landing that is paved with concrete. The façade at this level contains a wood panel door with integrated glazing.

At grade, a small set of wood stairs leads up to wood deck on the first story with wood handrails and balusters, as well as a rear entry in the projecting bay. This entry features a wood panel door with an undivided glass lite and wood trim. A rectangular window with an undivided lite is located to the east. The porch wraps around the bay and leads to a set of wood frame double doors at the west end of the first story.

The flat roof of the projecting bay serves as a balcony at the second-story and features a wood railing that matches the railing of the deck below. Fenestration consists of a set of sliding wood frame glass doors at the façade's west end and a second glass door at its east end. From the second-story balcony, a wood staircase ascends to a smaller balcony and a set of sliding wood frame glass doors located in the gable end.

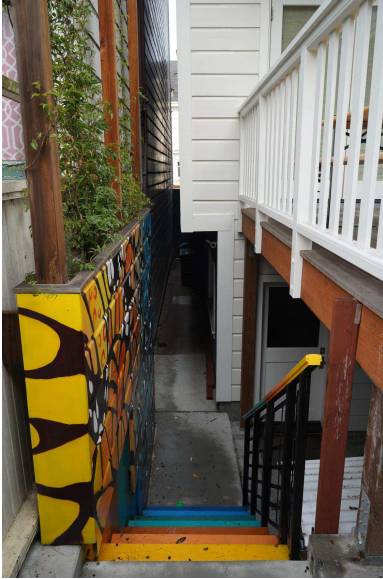


**Figure 14. Rear, southeast facade, view northwest.**

### Northeast and Southwest Façades

The northeast façade fully abuts the adjacent house at 1307 Waller Street to the east, while the southwest façade is separated by only a few feet from 1323 Waller Street to the west, thus the facades are not easily visible. The southwest façade of the projecting rear bay is accessible from the backyard. This portion has a wood panel door with integrated glazing and a wood slider window at the basement level, as well as a large undivided awning window at the first story above. The long southwest facade of the house above the walkway is generally comprised of channel rustic wood lap siding, one horizontal slider window at the basement story near the rear of the façade, one double-hung bathroom window at the second story, and mechanical flues, conduits, pipes, and downspouts. One small portion of the northeast side shares the adjacent building's lightwell and is generally comprised of channel rustic wood lap siding and single casement sashes, presumably at original window openings, at both the first and second stories.





**Figure 15. Steps from backyard to excavated basement level at southeast façade, view northwest.**



**Figure 16. Basement doors and windows at rear of building, view north.**



**Figure 17. Southeast façade at basement level, view northwest.**

## Roof

The main roof is comprised of asphalt shingle roofing and contains a couple skylights over the eastern side of the roof. One of the skylights appears to be a historic copper skylight placed over the interior stair up to the attic level. A copper gutter along the eastern neighboring building covers what appears to be an original gutter. The west slope of the roof could not be easily observed, but a gutter/diverter runs near the lower portion of the slope and directs water into a leader head and downspout on the west side of the building. The lower kitchen roof serves as an exterior occupied roof deck and is covered in an asphaltic roofing material. The wood deck railing is connected to the roof and is tied into the waterproofing system. There is evidence of patching at the wood rails as well. This roof drains to the

rear, southeast end into a copper gutter but can also spill off the southwestern side where there is no gutter or drainage system.

## INTERIOR

The interior contains many of its original materials and features. The first story contains a small entrance vestibule that opens to an elaborately carved wood staircase with spindlework balusters, wood panel wainscot, and a brass lamp on the first-floor newel post in the shape of a female figure holding a torch.<sup>53</sup> A front parlor with a salvaged period fireplace is located to the west of the entrance vestibule.<sup>53</sup> A dining room is located behind it at the rear of the house. From the entrance vestibule, a hallway leads past the staircase to a door accessing the basement, a small pantry, bathroom, and kitchen. The second story contains three bedrooms, while the finished attic contains an office and a rear den. Several skylights have been punched through the roof above the interior staircase and at the rear attic snug. Original wood panel doors, door and window trim, picture railings, base trim, and plaster ceiling medallions are intact in many rooms.



Figure 18. Main interior staircase, view southeast.



Figure 19. Salvaged period fireplace in the living room, view southwest.

<sup>53</sup> The fireplace was acquired from Omega Salvage in Berkeley, California, salvaged from another 1890s house.





Figure 20. View of the dining room and doors to the backyard from the living room, view southeast.



Figure 21. Second-story bedrooms, view northwest.



Figure 22. Third-story den, view southeast.

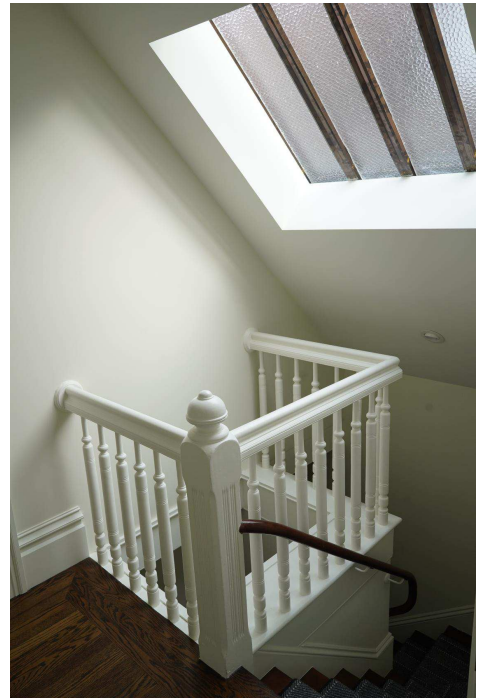


Figure 23. Staircase landing and third-story skylight, view north.

## EXISTING CONDITIONS

### Primary Waller Street (Northwest) Facade

The Waller Street façade is generally in fair condition. Some localized areas of wood deterioration were noted in various wood components. A couple missing ornamental trim pieces were noted near the garage. Gaps around the garage light fixture escutcheons are extant. A flowering bush is growing at the juncture of the garage wall and concrete stair side wall that is vining across the top of the garage and at most of the western metal stair handrail. The paint at this façade is in fair condition; it is beginning to show wear and its age, exhibiting noticeable fading in some locations. Additionally, areas with small holes from previous anchors were noted in various locations. The wood garage doors are in fair condition with some localized deterioration at the base of the doors, and the adjacent single wood panel door accessing the walkway to the side and back of the house is in fair to poor condition with substantially deteriorated mortise and tenon joints at several of the lower styles and rails and has a sistered wood member at the back of the door to stabilize the base.

The main stairs are in fair condition. The white marble is exhibiting a fair amount of ferrous staining, possibly due to moisture exposure. Biological growth is also extant, particularly in joints, under some bullnoses, and at the concrete portion of the steps. The concrete side wall, newels, and lower steps are in otherwise good condition, with the steps exhibiting general soiling. The top landing is in fair to poor condition, where an infill plywood floor panel is covered by a walk-off matt, and the perimeter of the marble landing exhibits more severe ferrous staining than the lower steps. The area beneath the plywood landing exhibits evidence of moisture. The walk-off matt may be holding moisture against the marble and contributing to the staining but cannot be removed until a more permanent repair of the landing is undertaken. The remainder of the wood entry level, including the door and sidelights is in good to fair condition. The wrought and cast iron railing is in fair condition and is beginning to corrode.

The first story historic windows are in fair condition and exhibit cracked, deteriorated and loose glazing putty. The non-historic insert windows at the second story are in fair to poor condition, where the upper sash are fixed in place so they do not fall down, and many of the vinyl tracks are cracked/broken. The owners report that these windows are not properly weather-stripped and are drafty. The owner has currently installed heavy shades/window treatments and Velcro along the sash perimeters in an attempt to mitigate some of the air infiltration. The owners report that the attic window sash in the gabled end is not secure in its opening and is drafty. It is unknown if this window is the original configuration or if it has been modified. Further research and site investigation are required to make this determination.

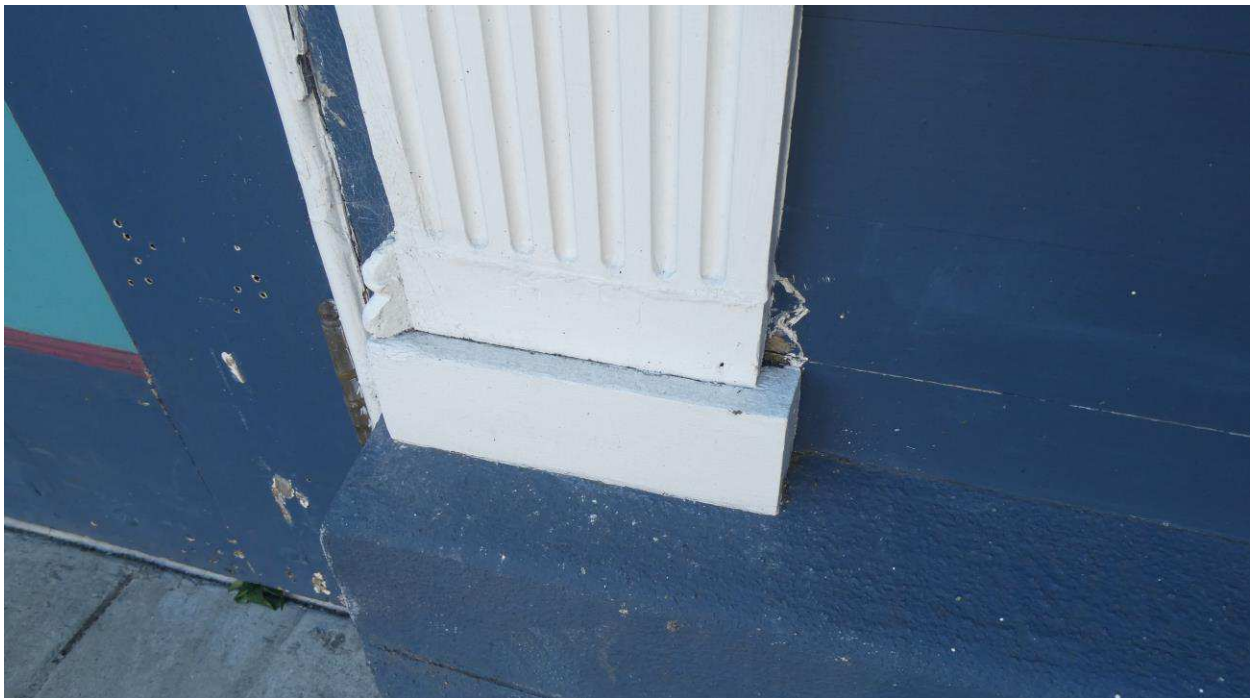




Figure 24: Overall photo showing the primary Waller Street Façade.



**Figure 25: Detail of wood deterioration and checking/splitting at the main entry.**

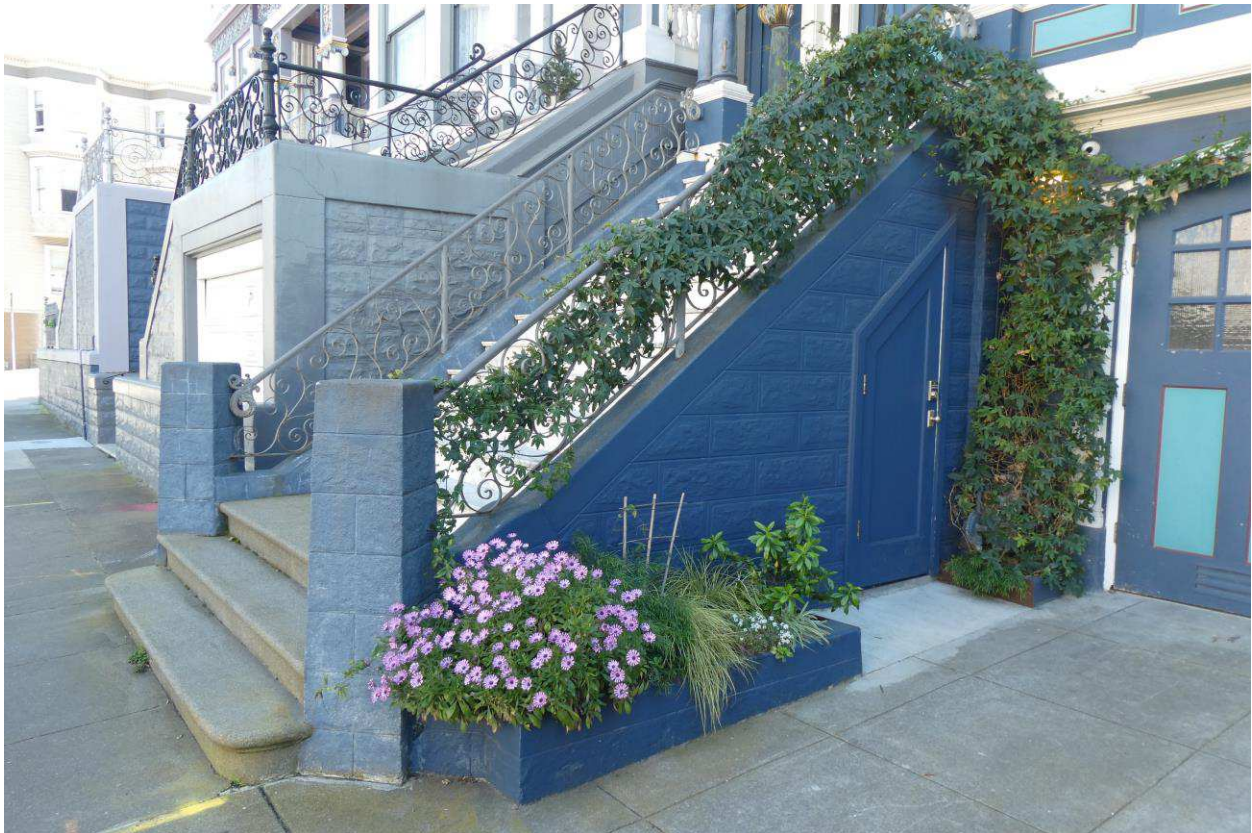


**Figure 26: Detail showing missing profiled trim at the garage door surround.**





**Figure 27: Detail showing gap between garage sconce escutcheon and wood siding.**



**Figure 28: Overall view of entry stairs with concrete lower steps, side wall and newels. Note the flowering plant growing at the juncture of the garage and main stairs.**



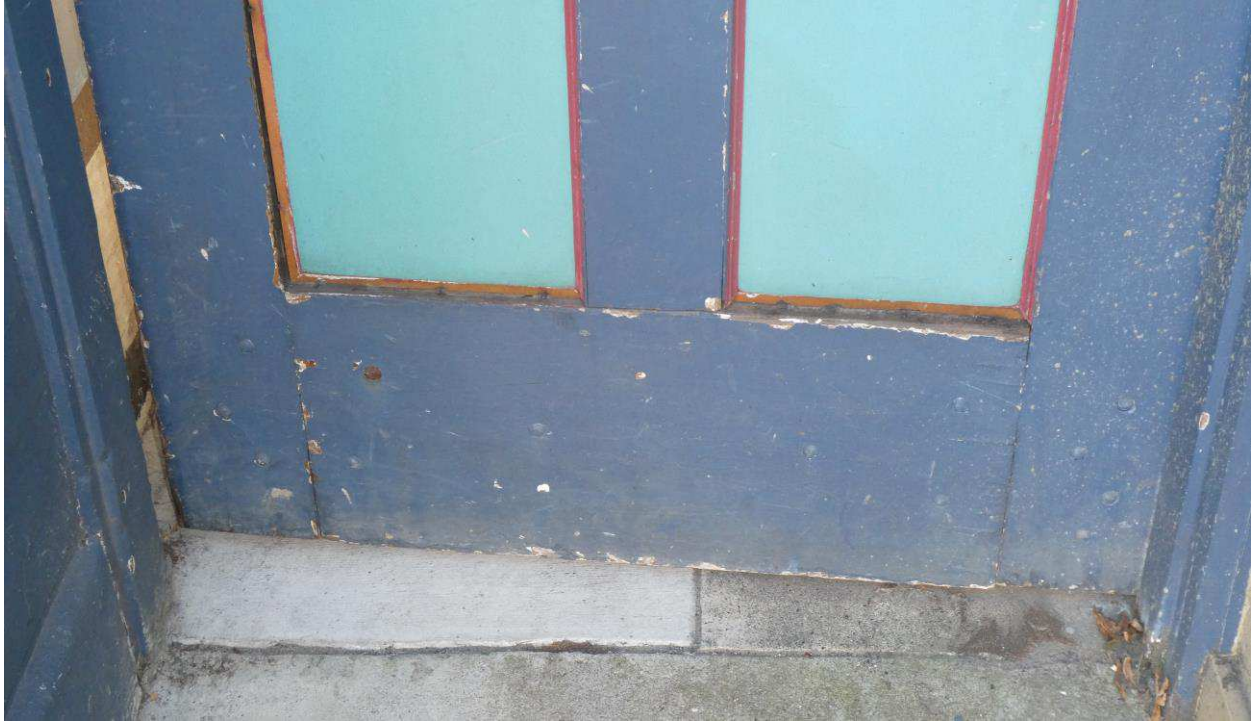


**Figure 29: Detail showing holes at the ground level siding.**



**Figure 30: Detail showing deteriorated wood at the bottoms of both garage doors.**



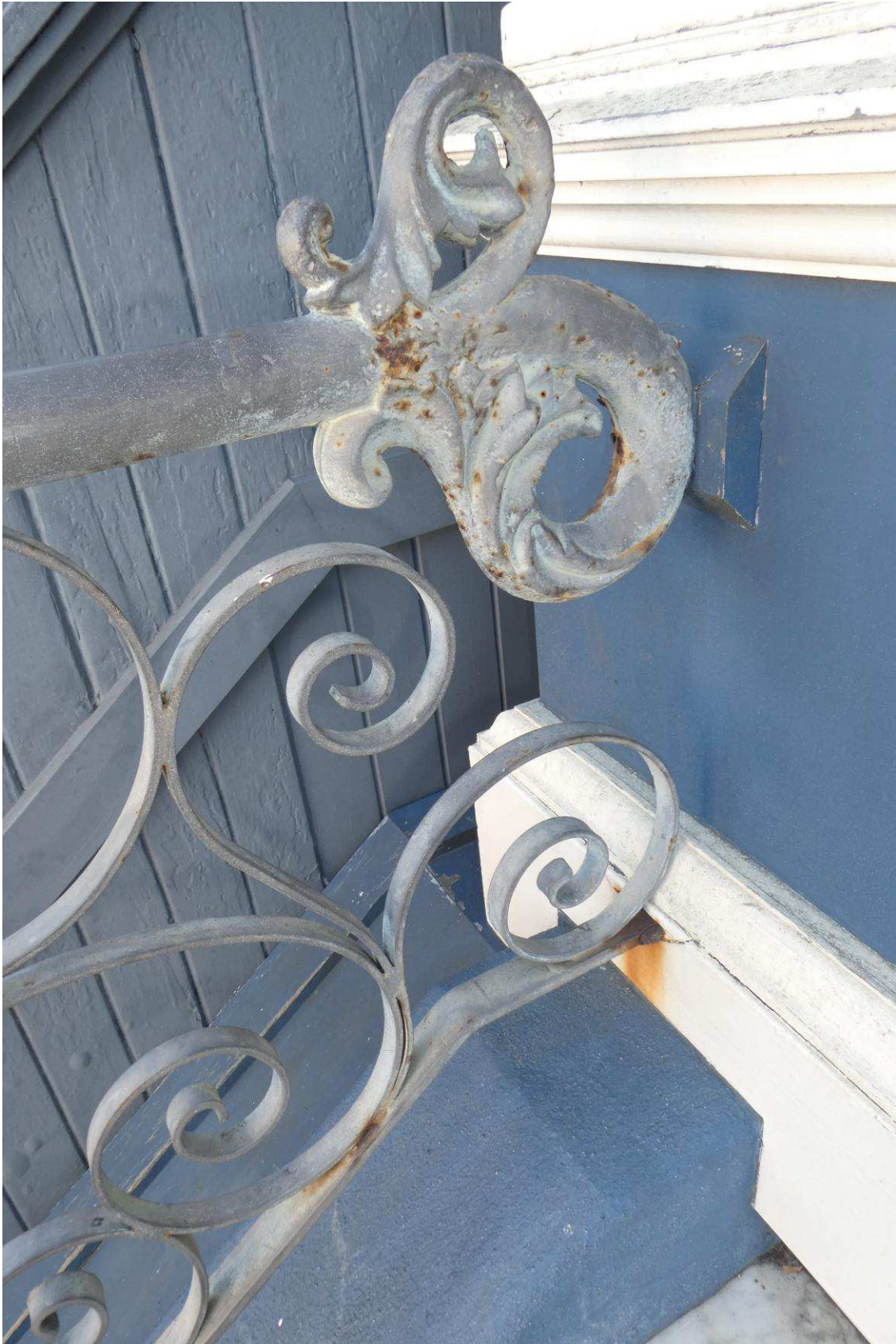


**Figure 31: Detail showing bottom of walkway door adjacent to the garage with deteriorated mortise and tenon joints and missing trim at the perimeter of the panels.**



**Figure 32: Detail showing plants and biological growth at joints in the concrete and marble stairs as well as beneath some of the bullnose marble stair treads.**





**Figure 33: Detail of typical corrosion at the wrought and cast iron stair rail.**

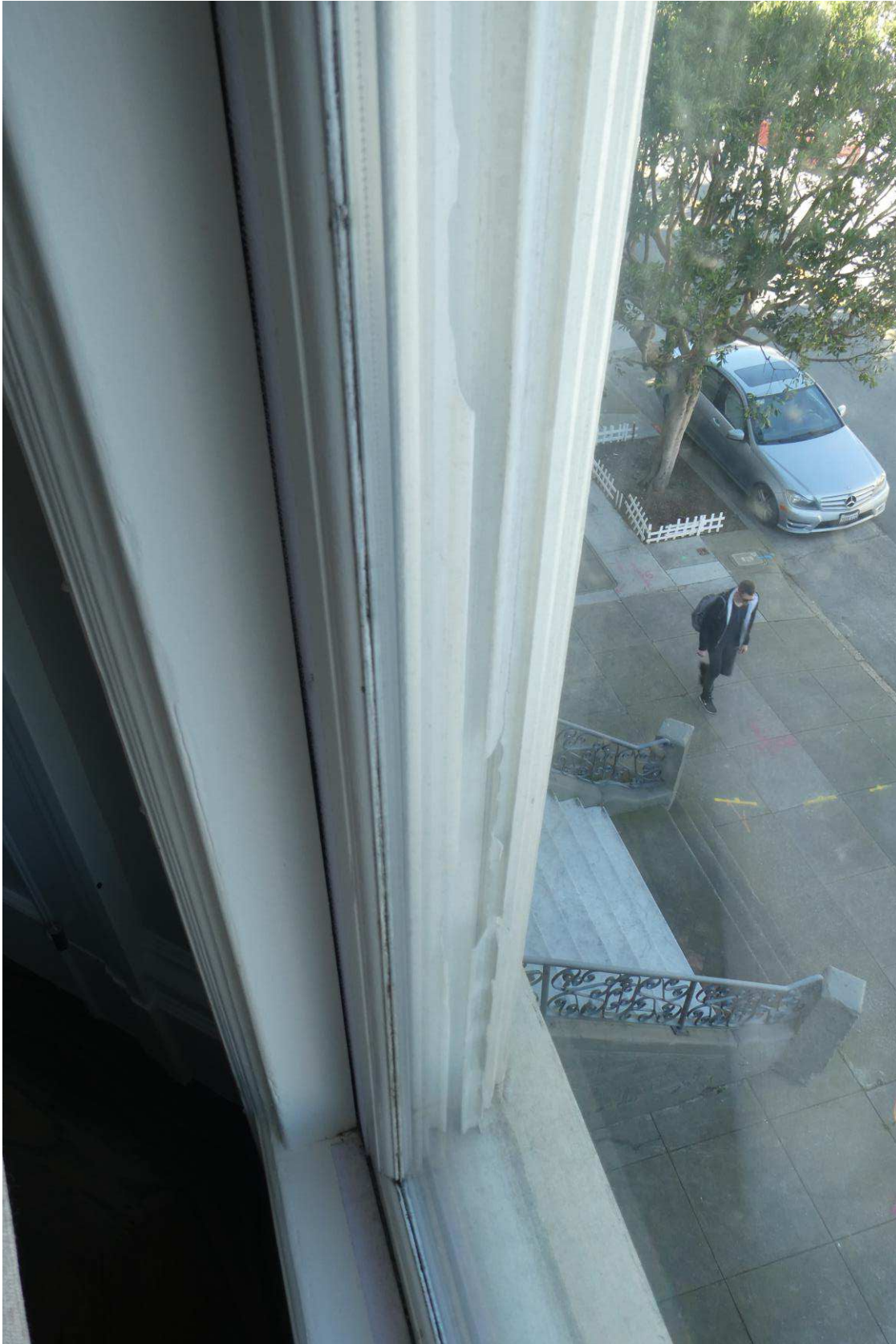




**Figure 34: Detail of top entry landing showing plywood infill and ferrous staining of the marble.**



**Figure 35: Detail showing cracked and deteriorated glazing putty at the first story windows.**



**Figure 36: Detail of the damaged/broken vinyl jambs at the Waller Street second story window exterior.**





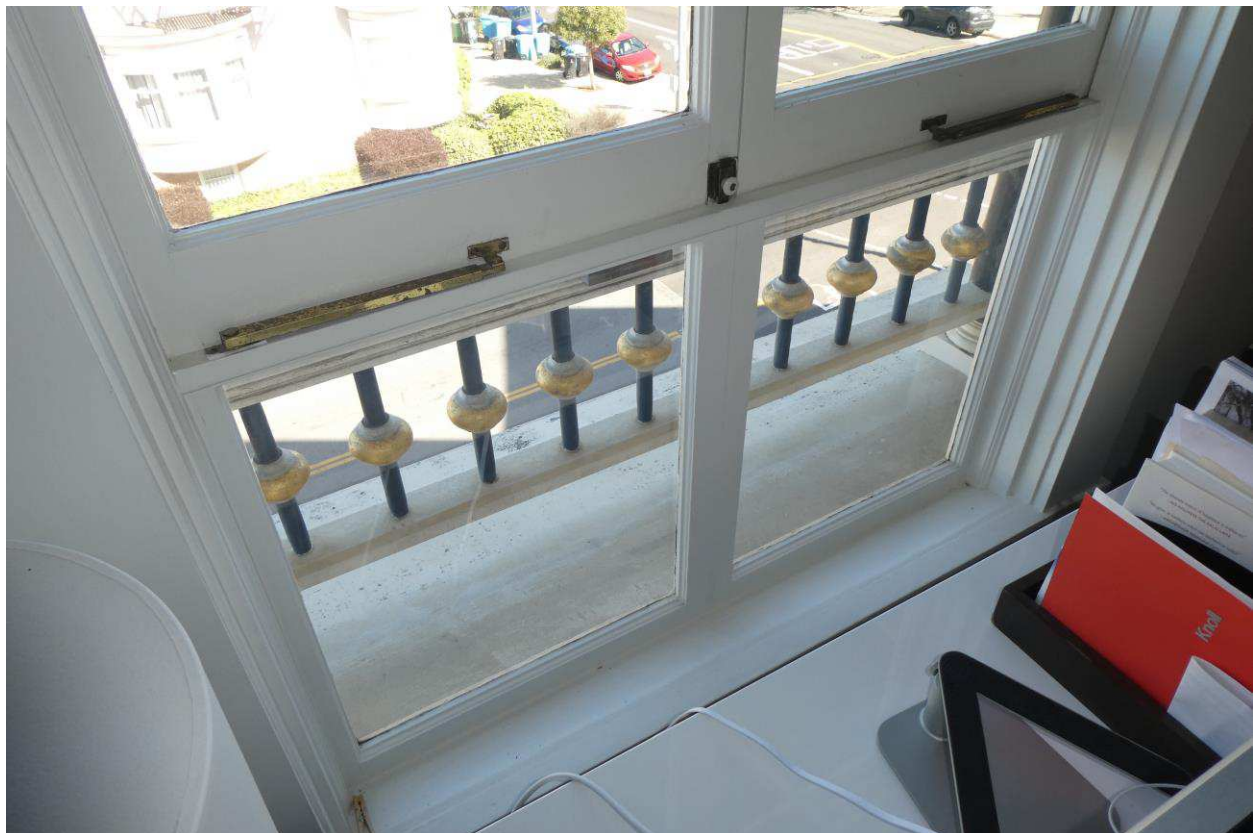
**Figure 37: Detail of the second story Waller Street window showing window treatments and Velcro attempt to mitigate air infiltration at the non-historic insert windows.**



**Figure 38: Exterior detail of the attic window at the Waller Street gable end.**



**Figure 39: Interior detail of the attic window at the Waller Street gable end, upper casement sash.**



**Figure 40: Interior detail of the attic window at the Waller Street gable end, lower fixed sash.**

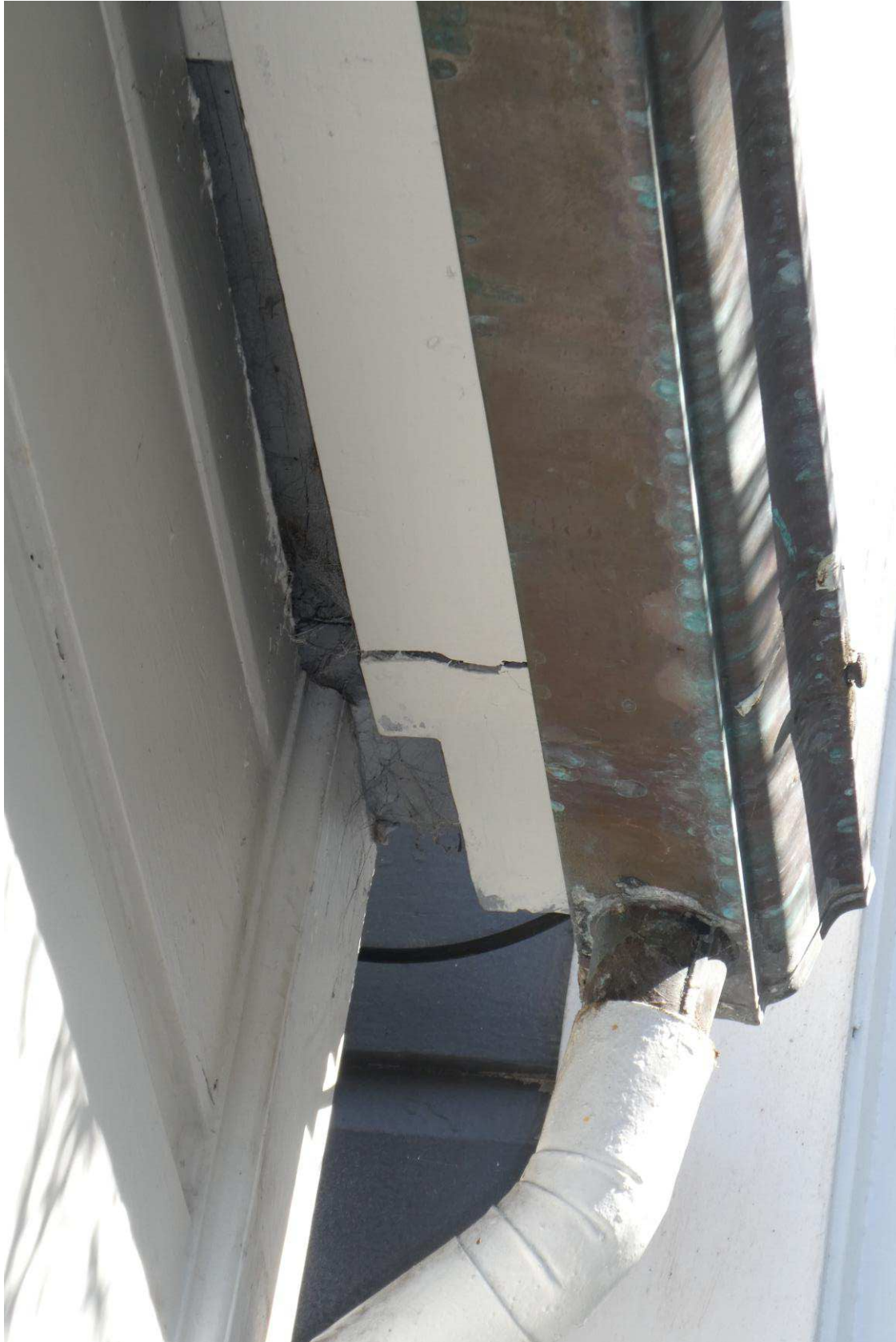


**Rear (Southeast) Facade**

The rear façade is generally in fair condition with a few localized areas in fair-to-poor condition. The painted wood siding is in relatively good condition, however bulging and splitting of the wood siding was noted at the southwest kitchen wall adjacent to the window and at the top of the southeast kitchen wall and at the adjacent eave/soffit boards.



**Figure 41. Overall view of the rear, southeast facade, view northwest.**



**Figure 42: Detail showing the split/damaged wood at the southeast side of the first floor kitchen.**





**Figure 43: Detail of the bulging top siding board at the southeast side of the first floor kitchen.**



**Figure 44: Detail of bulging siding at the upper corner of the window, southwest side of the first floor kitchen. Note bulging at the lower corner in (Figure 45).**





**Figure 45: Detail of bulging siding at the lower corner of the window, southwest side of the first floor kitchen.**

### Side (Northeast and Southwest) Facades

The side façades all appear to be in good to fair condition. The painted wood siding is in relatively good condition. At the southwest façade, minor localized splitting at the wood siding was noted. The double hung bathroom window at the second story is in good condition; it does not have weather stripping. At the northeast façade, the non-historic casement windows at both levels are in fair condition; they have Plexiglas instead of glass, and exhibit failure/deterioration of glazing sealant at the exterior. They also do not have weather stripping.



**Figure 46: Overall view of the walkway at the southwest side of the building. Note the mechanical and plumbing flues/piping at the upper portion of the wall in the distance. See also (Figure 48).**





**Figure 47: Detail of checked/splitting at siding on the southwest elevation.**



**Figure 48: Detail showing the mechanical and plumbing flues/piping/conduits at the upper southwest wall.**



**Figure 49: Non-historic casement sash at the second floor looking into the northeast lightwell.**





**Figure 50: Detail showing deteriorated glazing sealant at the Plexiglas, second floor non-historic casement sash, northeast lightwell.**



Roof

The asphalt shingle roofing at the main roof is nearing the end of its useful life. No issues were noted with the skylights or copper gutters. The asphaltic kitchen roof has also reached the end of its useful life, as it has been previously patched.



**Figure 51: Copper gutter, counterflashing, and leader head where the main roof meets the neighboring building to the northeast.**





**Figure 52: Detail showing the main roof's gutter/diverter at the southwest gable side from Waller Street**



**Figure 53: Detail of the asphalt shingle roofing on the main roof and two skylights. The original copper skylight over the interior stair is to the right in the photo.**





**Figure 54: Detail showing the asphaltic roof at the decking above the first floor kitchen.**



**Figure 55: Detail showing the asphaltic roof at the decking above the first floor kitchen.**

## TREATMENT RECOMMENDATIONS

### Primary Waller Street (Northwest) Facade

Maintain sealants at the façade as well as paint and coatings at the wood elements, including siding, ornamental woodwork, windows, doors, and flashings. In conjunction with painting, assess the wood condition for damage and deterioration. Patch holes, and repair or replace damaged or missing elements to match the original as needed, taking care to avoid removing or altering character defining features unless they are damaged beyond repair. Seal the gaps at the garage scone escutcheons, and repair the deteriorated wood garage doors and the adjacent wood side door accessing the back yard. Monitor the flowering bush growing along the garage and stair rail to ensure the plant is not damaging the historic materials. Maintain the plant accordingly, and consider a planting support system that keeps the plant from attaching to the respective historic materials.

At the stairs, replace the plywood at the entry landing with an appropriate marble/stone/tile/mosaic flooring and waterproofing as needed. Clean the staining and biological growth at the marble and concrete steps, and repair wear, chips, and cracks as encountered and needed at the marble. Consideration of an appropriate marble sealer may help reduce the ferrous staining of the marble but should be further studied prior to application of a sealer. Treat corrosion at the wrought and cast iron handrails, and paint with an appropriate rust-inhibitive paint system. Repair the metal if deterioration is encountered. At the painted side walls and newels, consider removing paint and cleaning, or prime and repaint as part of building repainting campaigns using appropriate breathable paints and taking care not to use acidic or deleterious cleaners and strippers near the marble.

Rehabilitate the first story historic wood windows by repairing deteriorated wood where found, and replace the deteriorated and missing glazing putty. Maintain and repair the window hardware as needed. Consider restoration operability to windows that are not operable, and consider installation of appropriate weatherstripping. Rehabilitate the non-historic (but compatible) second story double-hung wood windows. Repair weatherstripping, sash balancing, and damaged sash tracks, or consider replacing with new sash to match the original appearance. Rehabilitate or replace the attic story window with an appropriate compatible wood window to resolve sash stability/soundness and weather-tightness based on further research and site investigation.

### Rear (Southeast) Facade

Maintain sealants at the façade as well as paint and coatings at the wood elements, including siding, windows, doors, and flashings. In conjunction with painting, assess the wood condition for damage and deterioration. Patch holes, and repair or replace damaged or missing elements to match the original as needed. Investigate bulged and split siding at the southwest (side) kitchen wall adjacent to the window and at the top of the southeast (rear) kitchen wall and at the adjacent eave/soffit boards.

### Side (Northeast and Southwest) Facades

Maintain sealants at the façades as well as paint and coatings at the wood elements, including siding, windows, and flashings. In conjunction with painting, assess the wood condition for damage and deterioration. Patch holes, and repair or replace damaged or missing elements to match the original as needed.

At the southwest façade, specifically repair splits at siding near the walkway and wherever encountered otherwise. Ensure pipe, vent, and other mechanical/plumbing penetrations are properly sealed. Repair

and paint the original bathroom window at the second story, and consider installation of weatherstripping.

At the northeast lightwell, specifically repair the two non-historic casement sash, and repair wood as needed if deterioration is found. Replace the Plexiglas with glass, and consider the installation of weatherstripping, or as an alternative, consider appropriate replacement sash or windows.

### Roof

Inspect the main roof, and replace the shingle roofing with new shingle roofing. Repair or replace related flashing, waterproofing, and gutters as needed. Regularly clean and maintain skylights and their weeps, gutters, and downspouts. Maintain flashing and sealants.

At the kitchen roof, replace the roofing at the deck area over the kitchen. Ensure complete waterproofing at the guard rail penetrations/anchorage, and repair the wood guard rail as needed. Ensure the roof is sloped to drain properly to the rear gutter, and ensure that water sheds properly at the side of the roof. Repair or replace the gutter as needed.



## IV. 1315 WALLER STREET ADDITIONAL PHOTOGRAPHY

### EXTERIOR PHOTOGRAPHS



Figure 24. Four Seasons Houses with 1315 Waller Street as the second house from the left, view southwest.



Figure 25. 1315 Waller Street, view southeast.





Figure 26. Front northwest façade, view southeast.





Figure 27. Garage and exterior front stairs at northwest facade, view southeast.



Figure 28. Front entry detail, view southeast.



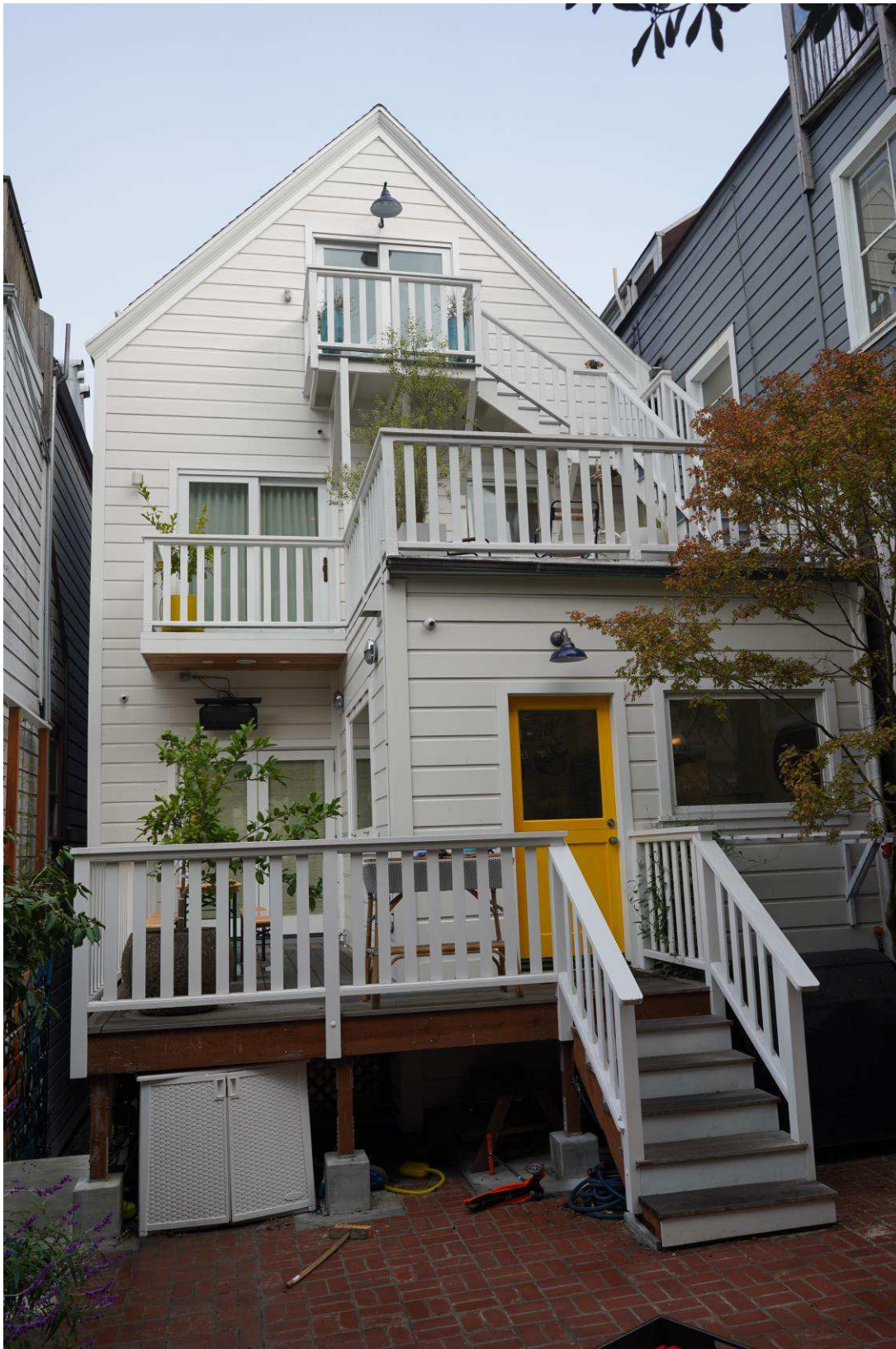


Figure 29. Rear, southeast facade, view northwest.



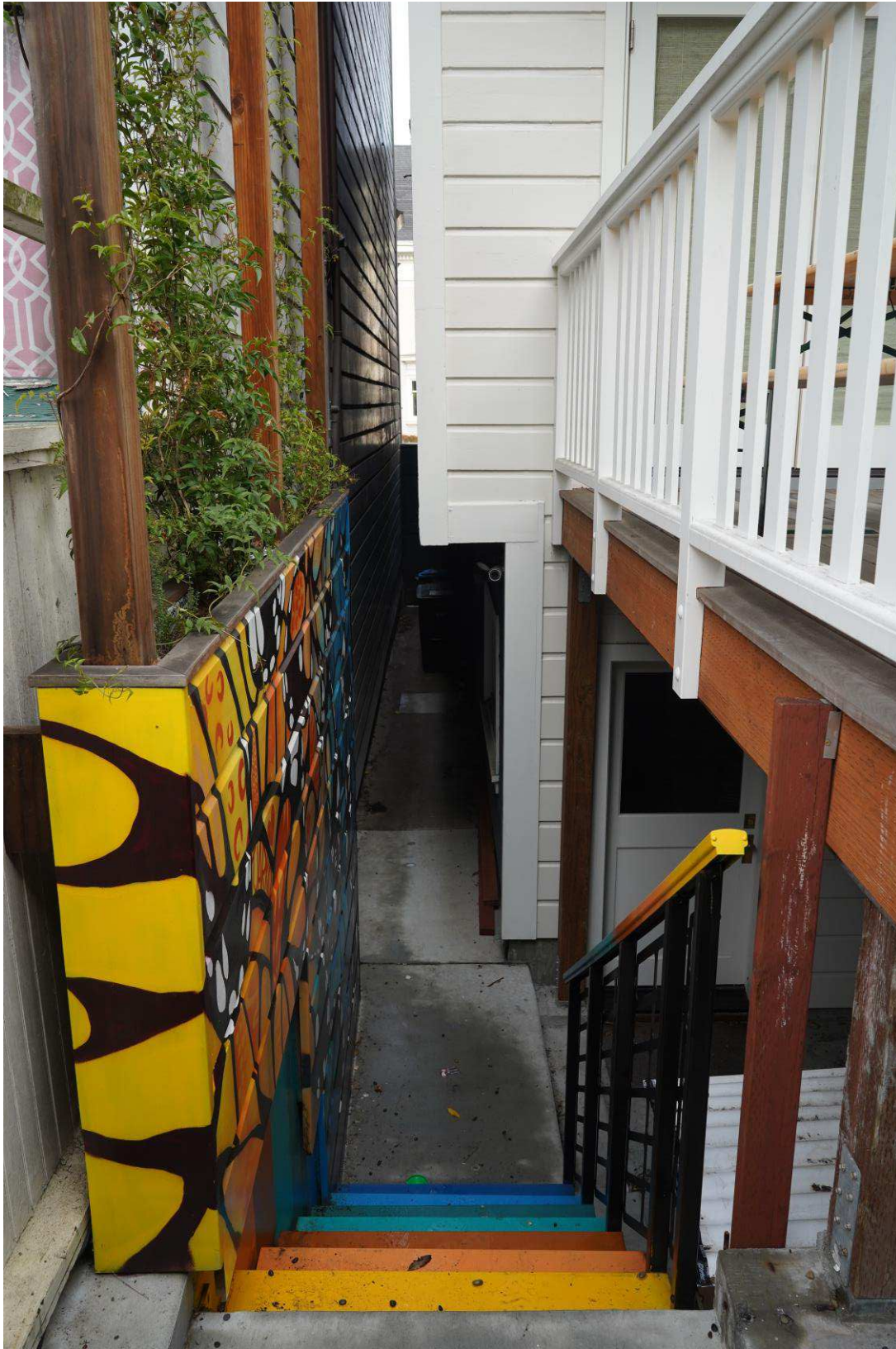


Figure 30. Steps from backyard to excavated basement level at southeast façade, view northwest.





Figure 31. Southeast façade at basement level, view northwest.



Figure 32. Basement doors and windows at rear of building, view north.

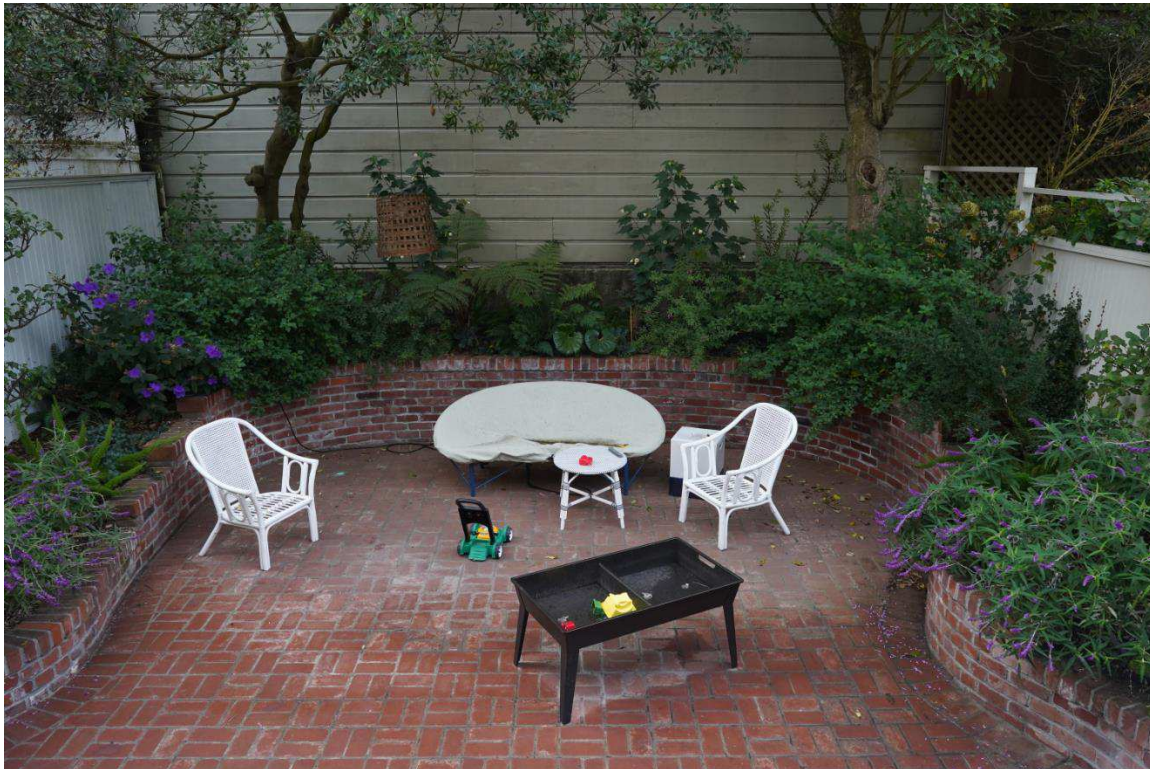


Figure 33. Backyard patio, view southeast.



INTERIOR PHOTOGRAPHS



Figure 34. Main interior staircase, view southeast.



Figure 35. Salvaged period fireplace in the living room, view southwest.





Figure 36. Living room, view northeast.



Figure 37. Living room, view southeast.



Figure 38. View of the dining room and doors to the backyard from the living room, view southeast.





Figure 39. Dining room, view southeast.

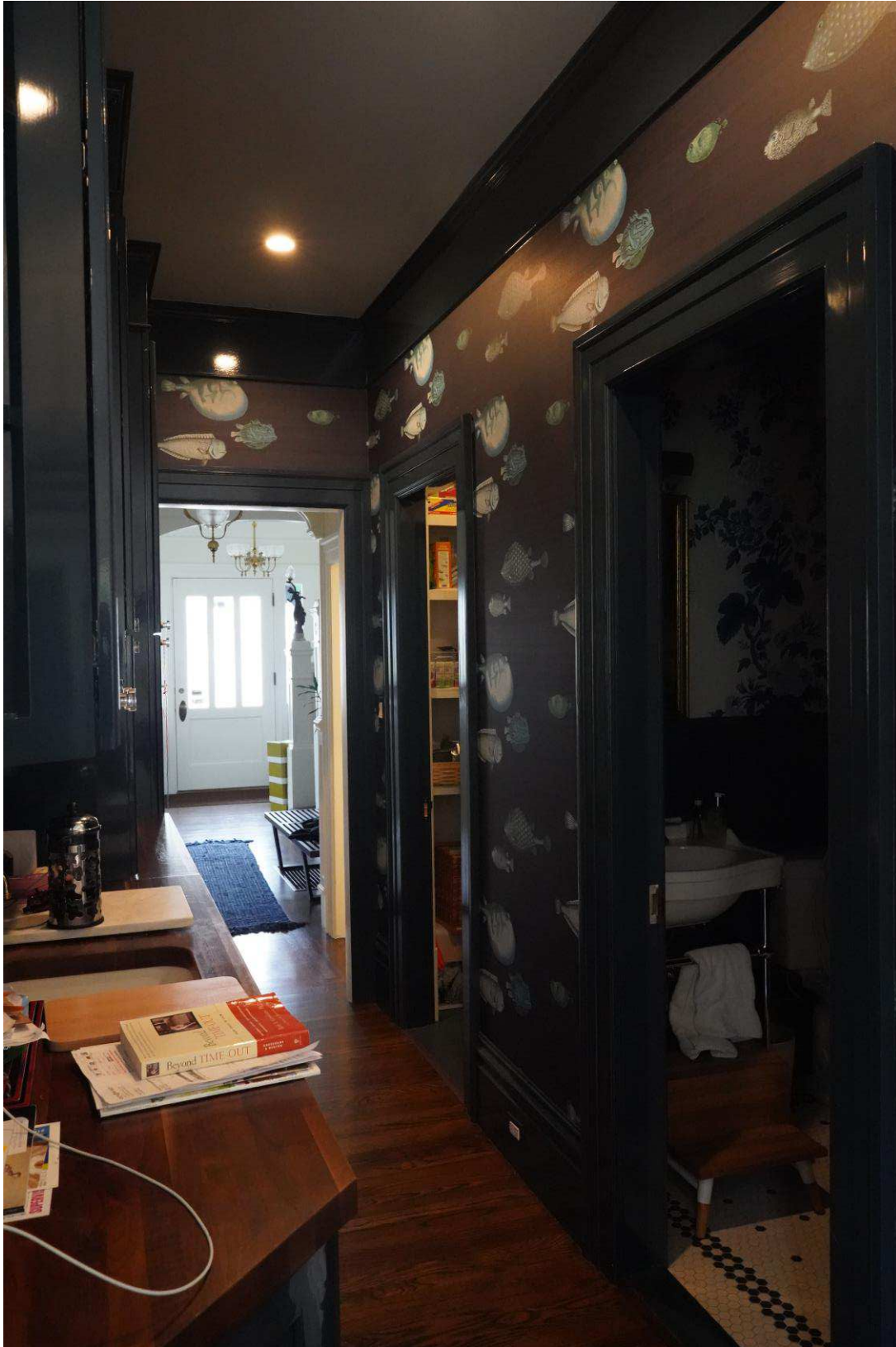


Figure 40. First floor hallway from front entry to kitchen, view northeast.





Figure 41. First-floor bathroom off the hallway, view northeast.



Figure 42. Kitchen, view southeast.





Figure 43. Kitchen, view southwest.



Figure 44. View looking north down stairs between first and second floors.



Figure 45. Detail of stair railing, view southwest.





Figure 46. Bedrooms on the second floor, view north.



Figure 47. Bedroom on west side of second floor, view northwest.



Figure 48. Bedroom on east side of second floor, view northeast.





Figure 49. Second-floor hallway, view southeast.





Figure 50. Seating room on east side of second floor, view southeast.



**Figure 51. View looking up at the third-floor stair landing and skylight.**



Figure 52. Third-floor stair landing, view northeast.





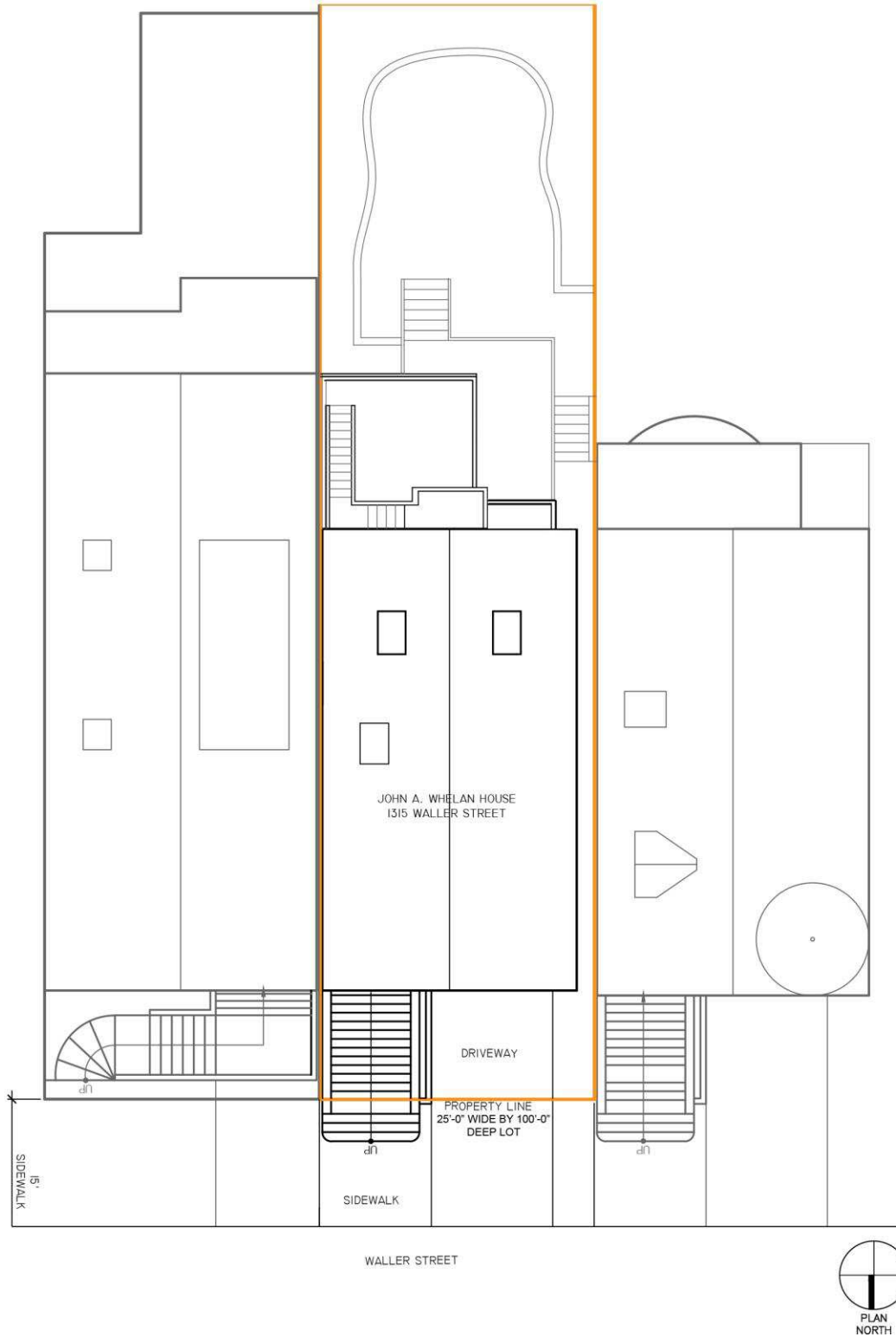
Figure 53. Den at rear of third floor, view southeast.



Figure 54. Office on third floor, view northwest.



### V. SITE PLAN



**VI. TAX BILL**



City & County of San Francisco  
José Cisneros, Treasurer  
David Augustine, Tax Collector  
Property Tax Bill (Secured)

1 Dr. Carlton B. Goodlett Place  
City Hall, Room 140  
San Francisco, CA 94102  
www.sftreasurer.org

For Fiscal Year July 1, 2019 through June 30, 2020

Vol 09	Block 1255	Lot 080	Tax Bill No 048288	Mail Date October 9, 2019	Property Location 1315 WALLER ST
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Assessed on January 1, 2019 at 12:01 am  
To: NAME WITHHELD PER CA AB 2238

**ADDRESS INFORMATION  
NOT AVAILABLE ONLINE**

Description	Assessed Value	
	Full Value	Tax Amount
Land	1,911,735	22,560.38
Structure	1,414,415	16,691.51
Fixtures		
Personal Property		
Gross Taxable Value	3,326,150	39,251.89
Less HO Exemption	7,000	82.60
Less Other Exemption		
<b>Net Taxable Value</b>	<b>3,319,150</b>	<b>\$39,169.28</b>

Direct Charges and Special Assessments			
Code	Type	Telephone	Amount Due
45	LWEA2018TAX	(415) 355-2203	309.52
46	SF BAY RS PARCEL TAX	(888) 508-8157	12.00
89	SFUSD FACILITY DIST	(415) 355-2203	38.28
91	SFCCD PARCEL TAX	(415) 487-2400	99.00
98	SF - TEACHER SUPPORT	(415) 355-2203	261.70
<b>Total Direct Charges and Special Assessments</b>			<b>\$720.50</b>

<b>▶ TOTAL DUE</b>	<b>\$39,889.78</b>
1st Installment	2nd Installment
\$19,944.89	\$19,944.89
DUE 12/10/2019	DUE 04/10/2020

Keep this portion for your records. See back of bill for payment options and additional information.



City & County of San Francisco  
Property Tax Bill (Secured)  
For Fiscal Year July 1, 2019 through June 30, 2020

Pay online at [www.sftreasurer.org](http://www.sftreasurer.org)

Vol 09	Block 1255	Lot 080	Tax Bill No 048288	Mail Date October 9, 2019	Property Location 1315 WALLER ST
-----------	---------------	------------	-----------------------	------------------------------	-------------------------------------

Check if contribution to Arts Fund is enclosed.  
For other donation opportunities go to [Give2SF.org](http://Give2SF.org)

Detach stub and return with your payment.  
Write your block and lot on your check.  
2nd installment cannot be accepted unless 1st is paid.

San Francisco Tax Collector  
Secured Property Tax  
P.O. Box 7426  
San Francisco, CA 94120-7426

**SECURED 2**

<b>▶ 2nd Installment Due</b>	<b>\$19,944.89</b>
------------------------------	--------------------

If paid or postmarked after APRIL 10, 2020  
the amount due (includes delinquent penalty of 10% and  
other applicable fees) is: \$21,984.37

091255008000 048288 00000000 00000000 0000 2003



City & County of San Francisco  
Property Tax Bill (Secured)  
For Fiscal Year July 1, 2019 through June 30, 2020

Pay online at [www.sftreasurer.org](http://www.sftreasurer.org)

Vol 09	Block 1255	Lot 080	Tax Bill No 048288	Mail Date October 9, 2019	Property Location 1315 WALLER ST
-----------	---------------	------------	-----------------------	------------------------------	-------------------------------------

Check if contribution to Arts Fund is enclosed.  
For other donation opportunities go to [Give2SF.org](http://Give2SF.org)

Detach stub and return with your payment.  
Write your block and lot on your check.  
If property has been sold, please forward bill to new owner.

San Francisco Tax Collector  
Secured Property Tax  
P.O. Box 7426  
San Francisco, CA 94120-7426

**SECURED 1**

<b>▶ 1st Installment Due</b>	<b>\$19,944.89</b>
------------------------------	--------------------

If paid or postmarked after DECEMBER 10, 2019  
the amount due (includes delinquent penalty of 10%) is:  
\$21,939.37

091255008000 048288 00000000 00000000 0000 1003



City & County of San Francisco  
José Cisneros, Treasurer  
David Augustine, Tax Collector  
Supplemental Property Tax Bill (Secured)  
FOR FISCAL YEAR JULY 1, 2018 THROUGH JUNE 30, 2019

1 Dr. Carlton B. Goodlett Place  
City Hall, Room 140  
San Francisco, CA 94102  
www.sftreasurer.org

Vol 09	Block 1255	Lot 080	Tax Bill No 811250	Mail Date 08/26/2019	Property Location 1315 WALLER ST
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Assessee: NAME WITHHELD PER CA AB 2238

**ADDRESS INFORMATION  
NOT AVAILABLE ONLINE**

<b>▶ TOTAL TAX DUE</b>		<b>\$590.22</b>
First Installment	Second Installment	
<b>\$295.11</b>	<b>\$295.11</b>	
<b>DUE</b>	<b>DUE</b>	
<b>12/10/2019</b>	<b>04/10/2020</b>	

Assessed Value			
Description	New Base Year Value	Current Roll	Supplemental Assessment
Land	1,874,250	1,874,250	
Improvement, Structure	1,398,350	1,303,850	94,500
Less HO Exemption	7,000		7,000
Less Other Exemption			
<b>Assessed Value Total</b>	<b>3,265,600</b>	<b>3,178,100</b>	<b>87,500</b>

Supplemental assessment - see back for details

For The Period 11/08/2018 THROUGH 06/30/2019		
1.1630%	58%	Event Date 11/08/2018

Keep this portion for your records. See back of bill for payment options and additional information.



City & County of San Francisco  
Supplemental Property Tax Bill (Secured)  
FOR THE PERIOD 11/08/2018 THROUGH 06/30/2019

Pay online at [SFTREASURER.ORG](http://SFTREASURER.ORG)

Vol 09	Block 1255	Lot 080	Tax Bill No 811250	Mail Date 08/26/2019	Property Location 1315 WALLER ST
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Detach stub and return with payment.  
Write your block and lot on your check.  
2nd installment cannot be accepted unless 1st is paid.

<b>2nd Installment Due</b>
<b>\$295.11</b>

**2**

San Francisco Tax Collector  
Secured Supplemental Property Tax  
P.O. Box 7426  
San Francisco, CA 94120-7426

If paid or postmarked after  
the amount due (includes delinquent penalty of 10% and  
other applicable fees) is:  
**\$369.62**

**APRIL 10, 2020**

0912550008000 811250 000029511 000002951 042018 2503



City & County of San Francisco  
Supplemental Property Tax Bill (Secured)  
FOR THE PERIOD 11/08/2018 THROUGH 06/30/2019

Pay online at [SFTREASURER.ORG](http://SFTREASURER.ORG)

Vol 09	Block 1255	Lot 080	Tax Bill No 811250	Mail Date 08/26/2019	Property Location 1315 WALLER ST
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Detach stub and return with payment.  
Write your block and lot on your check.

<b>1st Installment Due</b>
<b>\$295.11</b>

**1**

San Francisco Tax Collector  
Secured Supplemental Property Tax  
P.O. Box 7426  
San Francisco, CA 94120-7426

If paid or postmarked after  
the amount due (includes delinquent penalty  
of 10%) is:  
**\$324.62**

**DECEMBER 10, 2019**

0912550008000 811250 000029511 000002951 121918 1503

ARCHITECTURE  
PLANNING & RESEARCH  
BUILDING TECHNOLOGY

[www.page-turnbull.com](http://www.page-turnbull.com)

170 Maiden Lane, 5th Floor  
San Francisco, California 94108  
415.362.5154 / 415.362.5560 fax

2401 C Street, Suite B  
Sacramento, California 95816  
916.930.9903 / 916.930.9904 fax

417 S. Hill Street, Suite 211  
Los Angeles, California 90013  
213.221.1200 / 213.221.1209 fax





**ALL-PURPOSE ACKNOWLEDGMENT**

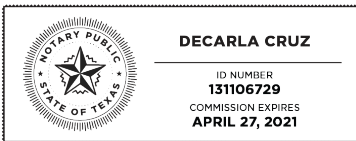
State/Commonwealth of TEXAS )  
 )  
 City  County of Denton )

On 05/01/2020 before me, DeCarla Cruz,  
*Date Notary Name*

personally appeared Aimee Leifer, Tjarko Zuri Leifer  
*Name(s) of Signer(s)*

- personally known to me -- **OR** --
- proved to me on the basis of the oath of \_\_\_\_\_ -- **OR** --  
*Name of Credible Witness*
- proved to me on the basis of satisfactory evidence: driver license  
*Type of ID Presented*

to be the individual(s) whose 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 by proper authority, and that by his/her/their signature(s) on the instrument, the individual(s), or the person(s) or entity upon behalf of which the individual(s) acted, executed the instrument for the purposes and consideration therein stated.



WITNESS my hand and official seal.

Notary Public Signature: Decarla Cruz

Notary Name: Decarla Cruz

Notary Commission Number: 131106729

Notary Commission Expires: 04/27/2021

*Notarized online using audio-video communication*

Notarized online using audio-video communication

**DESCRIPTION OF ATTACHED DOCUMENT**

Title or Type of Document: Mills Act Historical Property Contract Application

Document Date: 05/01/2020 Number of Pages (w/ certificate): 138

Signer(s) Other Than Named Above: N/A

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: Tjarko Leifer

Corporate Officer Title: \_\_\_\_\_

Partner –  Limited  General

Individual  Attorney in Fact

Trustee  Guardian of Conservator

Other: \_\_\_\_\_

Signer Is Representing: self

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: Aimee Leifer

Corporate Officer Title: \_\_\_\_\_

Partner –  Limited  General

Individual  Attorney in Fact

Trustee  Guardian of Conservator

Other: \_\_\_\_\_

Signer Is Representing: self

## Exemption from Tax Assessment Value

If the property value exceeds the Tax Assessment Value, please explain below how the property meets the following two criteria and why it should be exempt from the Tax Assessment Value.

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;

**Constructed in 1896 by shipwright and real estate developer John A. Whelan as his personal home, 1315 Waller Street is significant for its association with the pattern of residential development that characterized the Haight-Ashbury neighborhood at its peak in the late nineteenth century. With its dominant steeply gabled roof facing Waller Street and asymmetrical composition with a partial width front porch, canted bay windows, paired column supports, and abundance of richly patterned wall surfaces, 1315 Waller Street is also an exceptional example of the Queen Anne style of architecture as applied to a single-family house in the late nineteenth century in San Francisco.**

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.

**Granting the exemption will aid in financing repairs, rehabilitation/restoration, and maintenance of the home that would otherwise be in danger of disrepair including: the historic decorative wood Queen Anne facade and wood-sided secondary facades, a deteriorated historic exterior door and garage doors at the primary facade, rehabilitation of the historic and replacement windows, the concrete/marble/wrought/cast iron entry stair including replacement of the plywood landing with a more appropriate stone/tile landing, and replacement of the roofing, flashings, and gutters/drains, and maintenance of the associated skylights.**

## Priority Consideration Criteria

Please check the appropriate criteria as they apply to your property and explain on a separate piece of paper how the property meets the stated Priority Consideration Criteria. Only properties qualifying in three of the five categories are given priority consideration.

**X Necessity:** The project will require a financial incentive to help ensure the preservation of the property. This criterion will establish that the property is in danger of deterioration and in need of substantial rehabilitation and restoration that has significant associated costs. Properties with open complaints, enforcement cases or violations will not meet this criterion.

**The Mills Act will allow the building owners to conduct work that will restore historic integrity to the building, including the rehabilitation of the missing entry landing and of the replacement second floor windows and existing historic windows, restoration of deteriorated doors and garage doors at the primary facade, as well as wood repair and painting of the home. It will also allow for replacement of the roofing that has reached the end of its useful life. This work will be infeasible without the financial incentive that the Mills Act offers.**

**X Investment:** The project will result in additional private investment in the property other than for routine maintenance. This may include seismic retrofitting and substantial rehabilitation and restoration work. This criterion will establish that the owner is committed to investing in the restoration, rehabilitation and maintenance the property.

**As stated under "Necessity," granting the Mills Act Contract will allow the building owners to invest in the home in a way that would otherwise be infeasible. The owners are very much committed to investing in the home as evidenced by the substantial loan they have taken already for major scopes such as seismic work (outside of the Mills Act application). The Mills Act will allow further investment into rehabilitation/restoration and maintenance and incentivize proper but costly rehabilitation and restoration that will contribute to preserving the home.**

**X Distinctiveness:** The project preserves a distinctive example of a property that is especially deserving of a contract due to its exceptional nature.

**Known colloquially as "Winter" because of the distinctive snowflake applique at the center of its front façade, 1315 Waller Street was constructed in 1896 by shipwright and real estate developer John A. Whelan as part of a row of four houses, now known as the Four Seasons, and as Whelan's personal home. The house has become a prominent visual landmark in the Haight-Ashbury neighborhood along with the other three Four Seasons Houses thanks to its playful and expressive decorative theme. An excellent example of a Queen Anne house, 1315 Waller Street exemplifies the pattern of residential development that characterized the Haight-Ashbury neighborhood at its peak in the late nineteenth century.**

**Exhibit A: Rehabilitation/ Restoration Plan**

#	Building Feature	Description	Quantity	Unit	Rate	Sub	Markup	Total Cost (Current)	Total Cost Per Item	55.0% <= Markup	5.0% <= Escalation per year
# 1	Building Feature: Waller Street - Entry Stair Landing	Remove existing plywood, preparation	8	HR	\$ 125.00	\$ 1,000	\$ 550	\$ 1,550	Sub Total Before Escalation =>		
Rehab/Restoration	Maintenance	Completed	Proposed	Install new marble/ tile TBD	60	SF	\$ 85.00	\$ 5,100		\$ 2,805	\$ 7,905
Contract Year for Work Completion: 2023		Waterproof subfloor	60	SF	\$ 30.00	\$ 1,800	\$ 990	\$ 2,790			
Total Cost (rounded to nearest dollar): \$12,245						\$ -	\$ -	\$ -		\$ 12,245	
Description of Work:		Escalate to 2023	1	LS	\$ 1,836.75	\$ 1,837	\$ 1,010	\$ 2,847			
Replace exposed plywood landing at the front door entry with appropriate marble/stone/tile mosaic flooring and waterproofing at landing. New front landing will be compatible to the historic building and conform to the Secretary of the Interior's Standards for Treatment of Historic Properties.											
<b>Total with Escalation =&gt;</b>									<b>\$15,091.96</b>		
# 2	Building Feature: Waller Street - Front Entry Stairs	Clean stair case.	32	HR	\$ 125.00	\$ 4,000	\$ 2,200	\$ 6,200	Sub Total Before Escalation =>		
Rehab/Restoration	Maintenance	Completed	Proposed	Repair stone	40	HR	\$ 125.00	\$ 5,000		\$ 2,750	\$ 7,750
Contract Year for Work Completion: 2023		Allow for new material	1	LS	\$ 1,500.00	\$ 1,500	\$ 825	\$ 2,325			
Total Cost (rounded to nearest dollar): \$17,515		Water repellent treatment	8	HR	\$ 100.00	\$ 800	\$ 440	\$ 1,240		\$ 17,515	
Description of Work:		Escalate to 2023	1	LS	\$ 2,627.25	\$ 2,627	\$ 1,445	\$ 4,072			
Clean staining, soiling, biological growth, and discoloration at marble entry stair and concrete base landing/steps. Repair stone, including wear, chips, and cracks as needed. All work will comply with the National Park Service's Preservation Brief #1: Cleaning and Water-Repellent Treatments for Historic Masonry Buildings. All work will conform to the Secretary of the Interior's Standards for Treatment of Historic Properties.											
<b>Total with Escalation =&gt;</b>									<b>\$21,587.24</b>		
# 3	Building Feature: Entry Stair Iron Handrail & Concrete Base	Prepare, prime and paint handrail	32	HR	\$ 95.00	\$ 3,040	\$ 1,672	\$ 4,712	Sub Total Before Escalation =>		
Rehab/Restoration	Maintenance	Completed	Proposed	Remove, prepare, prime and paint masonry	32	HR	\$ 100.00	\$ 3,200		\$ 1,760	\$ 4,960
Contract Year for Work Completion: 2023 and Every 7-10 years as Needed						\$ -	\$ -	\$ -			
Total Cost (rounded to nearest dollar): \$9,672						\$ -	\$ -	\$ -		\$ 9,672	
Description of Work:		Escalate to 2023	1	LS	\$ 1,450.80	\$ 1,451	\$ 798	\$ 2,249			
Treat corrosion at handrails and prepare, prime, and paint with appropriate rust inhibitive metal paint. At the concrete base of the rail/side walls, remove paint and clean concrete substrate (taking care not to use acidic cleaners near the marble steps) or prepare, prime, and repaint with appropriate breathable masonry paint. Work will comply with the National Park Service's Preservation Brief #27: The Maintenance and Repair of Architectural Cast Iron and Preservation Brief #15: Preservation of Historic Concrete. Work will conform to the Secretary of the Interior's Standards for Treatment of Historic Properties.											
<b>Total with Escalation =&gt;</b>									<b>\$11,920.74</b>		

**Exhibit A: Rehabilitation/ Restoration Plan**

#	Building Feature	Description	Quantity	Unit	Rate	Sub	Markup	Total Cost (Current)	Total Cost Per Item	55.0% <= Markup	
# 4	Building Feature: Waller Street Façade - Painting	Façade wood repair, sealing etc.	160	HR	\$ 95.00	\$ 15,200	\$ 8,360	\$ 23,560	Sub Total Before Escalation =>		
Rehab/Restoration	Maintenance	Completed	Proposed	320	HR	\$ 95.00	\$ 30,400	\$ 16,720		\$ 47,120	
Contract Year for Work Completion: 2023 and Every 7-10 years as Needed						\$ -	\$ -	\$ -		\$ -	
Total Cost (rounded to nearest dollar): \$70,680						\$ -	\$ -	\$ -	\$ 70,680		
Description of Work:		Escalate to 2023	1	LS	\$ 17,670.00	\$ 17,670	\$ 9,719	\$ 27,389			
<p>It appears the façade was last repainted sometime before 2008. Assess and inspect the facade for wood damage or deterioration, and repair as needed, including patching holes and sealing gaps at the garage sconce escutcheons. Any needed repairs will avoid altering, removing or obscuring character-defining features of the building, and elements determined to be damaged or deteriorated beyond repair will be replaced in-kind (e.g., wood for wood). Prepare, prime, and paint with appropriate paint, including windows - (see Rehabilitation/Restoration Item 5 for detail at windows and Item 6 for detail at doors). Install new sealants every paint cycle at flashings and where occurs as needed. All work will comply with the National Park Service's Preservation Brief #10: Exterior Paint Problems on Historic Woodwork. All work will conform to the Secretary of the Interior's Standards for Treatment of Historic Properties.</p>											
									<b>Total with Escalation =&gt;</b>	<b>\$98,068.50</b>	

#	Building Feature	Description	Quantity	Unit	Rate	Sub	Markup	Total Cost (Current)	Total Cost Per Item	55.0% <= Markup	
# 5	Building Feature: Waller Street Façade - Windows	Repair missing wood/ hardware	104	HR	\$ 95.00	\$ 9,880	\$ 5,434	\$ 15,314	Sub Total Before Escalation =>		
Rehab/Restoration	Maintenance	Completed	Proposed	52	HR	\$ 95.00	\$ 4,940	\$ 2,717		\$ 7,657	
Contract Year for Work Completion: 2023		Rehab weather stripping	26	HR	\$ 95.00	\$ 2,470	\$ 1,359	\$ 3,829		\$ 3,829	
Total Cost (rounded to nearest dollar): \$84,925		Replace windows	5	EA	\$ 7,500.00	\$ 37,500	\$ 20,625	\$ 58,125	\$ 84,925		
Description of Work:		Escalate to 2023	1	LS	\$ 12,738.68	\$ 12,739	\$ 7,006	\$ 19,745			
<p>Rehabilitate wood windows. Repair/maintain hardware for operation where applicable. Prepare, prime, and paint all wood and putty with appropriate paint. Consider installation of appropriate weather-stripping. At first floor original windows, consider restoring operability to windows that are not operable. Repair deteriorated wood where found and replace all unsound/deteriorated/missing glazing putty as needed. At second floor non-historic (but compatible) double-paned insert windows, rehabilitate to improve weather- stripping/poor performance and deteriorated sash tracks or consider replacing with new wood sash to match the original appearance. At attic window, rehabilitate or replace attic window with appropriate compatible wood window (based on further research and site investigation) to resolve soundness of window and weather-tightness. All work will comply with the National Park Service's Preservation Brief #9: The Repair of Historic Wooden Windows and Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings. All work will conform to the Secretary of the Interior's Standards for Treatment of Historic Properties.</p>											
									<b>Total with Escalation =&gt;</b>	<b>\$104,669.45</b>	



**Exhibit A: Rehabilitation/ Restoration Plan**

Exhibit A: Rehabilitation/ Restoration Plan				Description	Quantity	Unit	Rate	Sub	Markup	Total Cost (Current)	Total Cost Per Item	55.0% <= Markup
# 6	Building Feature: Waller Street Doors			Repair missing wood/ hardware	80	HR	\$ 95.00	\$ 7,600	\$ 4,180	\$ 11,780	Sub Total Before Escalation	
Rehab/Restoration	Maintenance	Completed	Proposed	Prepare, prime and paint	50	HR	\$ 95.00	\$ 4,750	\$ 2,613	\$ 7,363		
Contract Year for Work Completion: 2023												
Total Cost (rounded to nearest dollar): \$19,143												
Description of Work:				Escalate to 2023	1	LS	\$ 2,871.38	\$ 2,871	\$ 1,579	\$ 4,451		
Rehabilitate and maintain doors, including hardware to keep in good working order. Prepare, prime, and paint with appropriate paint. At garage doors and side (trade hall) door, treat deterioration, including checks/splits, and deterioration at joints of stiles and rails. Clean and maintain glass lites at garage doors. All work will comply with the National Park Service's Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings. All work will conform to the Secretary of the Interior's Standards for Treatment of Historic Properties.												
										<b>Total with Escalation =&gt;</b>	<b>\$23,593.13</b>	

# 7	Building Feature: Main Roof			Strip and replace existing shingle roof	1,500	SF	\$ 12.50	\$ 18,750	\$ 10,313	\$ 29,063	Sub Total Before Escalation	
Rehab/Restoration	Maintenance	Completed	Proposed	Repair, paint flashings, sealant joints	48	HR	\$ 95.00	\$ 4,560	\$ 2,508	\$ 7,068		
Contract Year for Work Completion: 2025												
Total Cost (rounded to nearest dollar): \$47,043												
Description of Work:				Escalate to 2025	1	LS	\$ 11,760.63	\$ 11,761	\$ 6,468	\$ 18,229		
The roofing at the main roof appears to have been replaced in 1993. Inspect main roof and replace existing shingle roofing with new shingle roofing. Repair or replace related flashing, waterproofing, and gutters as needed. Inspect gutters and downspouts, including copper gutters, and repair or replace as needed in conjunction with roofing work. Work shall be done in accordance with the National Park Service's Preservation Brief #4: Roofing for Historic Buildings and Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings. All work will conform to the Secretary of the Interior's Standards for Treatment of Historic Properties.												
										<b>Total with Escalation =&gt;</b>	<b>\$65,271.47</b>	

**Exhibit A: Rehabilitation/ Restoration Plan**

Exhibit A: Rehabilitation/ Restoration Plan				Description	Quantity	Unit	Rate	Sub	Markup	Total Cost (Current)	Total Cost Per Item	55.0% <= Markup
# 8	Building Feature: Rear/ South Façade - Wood Repair			Investigate bulge/ struct., contractor, AE	24	HR	\$ 150.00	\$ 3,600	\$ 1,980	\$ 5,580	Sub Total Before Escalation	
Rehab/Restoration	Maintenance	Completed	Proposed	Repair and match siding as needed - allow	54	SF	\$ 75.00	\$ 4,050	\$ 2,228	\$ 6,278		
Contract Year for Work Completion: 2027				Prime and paint siding	24	HR	\$ 95.00	\$ 2,280	\$ 1,254	\$ 3,534		
Total Cost (rounded to nearest dollar): \$15,392							\$ -	\$ -	\$ -	\$ -		\$ 15,392
Description of Work:				Escalate to 2027	1	LS	\$ 5,387.03	\$ 5,387	\$ 2,963	\$ 8,350		

Investigate bulged/split siding at the west kitchen window and bulged siding and split eave board at the top of the south kitchen wall. Correct deficiencies and ensure weather-tightness as needed. Repair or replace siding to match existing as needed. Prepare, prime, and paint with appropriate paint. All work will comply with the National Park Service's Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings and National Park Service's Preservation Brief #10: Exterior Paint Problems on Historic Woodwork. All work will conform to the Secretary of the Interior's Standards for Treatment of Historic Properties.

**Total with Escalation => \$23,741.39**

# 9	Building Feature: Rear/ South Façade - Painting			Investigate for damage	8.0	HR	\$ 125.00	\$ 1,000	\$ 550	\$ 1,550	Sub Total Before Escalation	
Rehab/Restoration	Maintenance	Completed	Proposed	Repair and match siding as needed - allow	100	SF	\$ 25.00	\$ 2,500	\$ 1,375	\$ 3,875		
Contract Year for Work Completion: 2027				Prime and paint siding, doors, windows	1,350	SF	\$ 7.50	\$ 10,125	\$ 5,569	\$ 15,694		
Total Cost (rounded to nearest dollar): \$23,444				New sealants, flashing	1	LS	\$ 1,500.00	\$ 1,500	\$ 825	\$ 2,325		\$ 23,444
Description of Work:				Escalate to 2027	1	LS	\$ 8,205.31	\$ 8,205	\$ 4,513	\$ 12,718		

Assess and inspect the facades for wood damage or deterioration, and repair as needed. Repair checked/split wood siding. Prepare, prime, and paint with appropriate paint, including windows and doors - (see Rehabilitation/Restoration Item #8 for detail at wood siding). Install new sealants every paint cycle at flashings and where occurs as needed. All work will comply with the National Park Service's Preservation Brief #10: Exterior Paint Problems on Historic Woodwork. All work will conform to the Secretary of the Interior's Standards for Treatment of Historic Properties.

**Total with Escalation => \$36,161.98**

**Exhibit A: Rehabilitation/ Restoration Plan**

#	Building Feature	Description	Quantity	Unit	Rate	Sub	Markup	Total Cost (Current)	Total Cost Per Item	55.0% <= Markup	
# 10	Building Feature: Secondary Side Elevations - Painting	Investigate for damage	4.0	HR	\$ 125.00	\$ 500	\$ 275	\$ 775	Sub Total Before Escalation =>		
Rehab/Restoration	Maintenance	Completed	Proposed	Repair and match siding as needed - allow	100	SF	\$ 25.00	\$ 2,500		\$ 1,375	\$ 3,875
Contract Year for Work Completion: 2029		Prime and paint siding, doors, windows	4,620	SF	\$ 7.50	\$ 34,650	\$ 19,058	\$ 53,708			
Total Cost (rounded to nearest dollar): \$58,358						\$ -	\$ -	\$ -		\$ 58,358	
Description of Work:		Escalate to 2029	1	LS	\$ 26,260.88	\$ 26,261	\$ 14,443	\$ 40,704			
Assess and inspect the facades for wood damage or deterioration, and repair as needed. Repair checked/split wood siding. Patch holes at abandoned mechanical conduits/ducts as needed. Prepare, prime, and paint with appropriate paint, including windows - (see Rehabilitation/Restoration Item 5 for detail at windows). Install new sealants every paint cycle at flashings and where occurs as needed. All work will comply with the National Park Service's Preservation Brief #10: Exterior Paint Problems on Historic Woodwork. All work will conform to the Secretary of the Interior's Standards for Treatment of Historic Properties.											
<b>Total with Escalation =&gt;</b>									<b>\$99,061.86</b>		

#	Building Feature	Description	Quantity	Unit	Rate	Sub	Markup	Total Cost (Current)	Total Cost Per Item	55.0% <= Markup	
# 11	Building Feature: Secondary Side Elevations - Windows	Investigate for damage	4.0	HR	\$ 125.00	\$ 500	\$ 275	\$ 775	Sub Total Before Escalation =>		
Rehab/Restoration	Maintenance	Completed	Proposed	Repair wood, putty and hardware	24	HR	\$ 95.00	\$ 2,280		\$ 1,254	\$ 3,534
Contract Year for Work Completion: 2029		Prime and paint windows	16	SF	\$ 95.00	\$ 1,520	\$ 836	\$ 2,356			
Total Cost (rounded to nearest dollar): \$24,490		New sealants, flashing, weatherstripping	1	LS	\$ 1,500.00	\$ 1,500	\$ 825	\$ 2,325			
Description of Work:		Window replace allow	2	EA	\$ 5,000.00	\$ 10,000	\$ 5,500	\$ 15,500	\$ 24,490		
During painting work access, assess wood condition and repair deteriorated wood where found and replace all unsound/deteriorated/missing glazing putty as needed. Repair/maintain hardware for operation where applicable. Prepare, prime, and paint all wood and putty. Consider installation of appropriate weatherstripping. At the east lightwell non-historic wood casement windows, replace Plexiglas with glass, and consider installation of appropriate weatherstripping. Alternatively, consider appropriate replacement windows. All work will comply with the National Park Service's Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings. All work will conform to the Secretary of the Interior's Standards for Treatment of Historic Properties.											
		Escalate to 2029	1	LS	\$ 11,020.50	\$ 11,021	\$ 6,061	\$ 17,082			
<b>Total with Escalation =&gt;</b>									<b>\$41,571.78</b>		

**Exhibit A: Rehabilitation/ Restoration Plan**

#	Building Feature	Description	Quantity	Unit	Rate	Sub	Markup	Total Cost (Current)	Total Cost Per Item	55.0% <= Markup
# 12	Roofing Over Kitchen	Investigate for damage	4.0	HR	\$ 125.00	\$ 500	\$ 275	\$ 775		
Rehab/Restoration	Maintenance	Completed	Proposed	Remove and replace roofing	500	SF	\$ 35.00	\$ 17,500	\$ 9,625	\$ 27,125
Contract Year for Work Completion: 2031				Waterproofing, guardrail repair	8	HR	\$ 95.00	\$ 760	\$ 418	\$ 1,178
Total Cost (rounded to nearest dollar): \$33,728				New sealants, flashing	1	LS	\$ 3,000.00	\$ 3,000	\$ 1,650	\$ 4,650
Description of Work:							\$ -	\$ -	\$ -	\$ -
Inspect roofing, and replace roofing at deck area over kitchen. Ensure waterproofing at guard rail penetrations/anchorage including repairing wood guardrail as needed. Ensure roof is sloped to drain properly to adjacent gutter. Inspect gutters and downspouts, including copper gutters, and repair or replace as needed in conjunction with roofing work. Work shall be done in accordance with the National Park Service's Preservation Brief #4: Roofing for Historic Buildings and Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings. All work will conform to the Secretary of the Interior's Standards for Treatment of Historic Properties.				Escalate to 2031	1	LS	\$ 18,550.40	\$ 18,550	\$ 10,203	\$ 28,753
									Sub Total Before Escalation =>	\$ 33,728
									<b>Total with Escalation =&gt;</b>	<b>\$62,481.12</b>



**Exhibit B: Maintenance Plan**

				Description	Quantity	Unit	Rate	Sub	Markup	Total Cost (Current)	Total Cost Per Item	55.0% <= Markup
# 1	Building Feature: Front Entry Stairs - Visual Inspection			Inspect and repair as noted	8	HR	\$ 125.00	\$ 1,000	\$ 550	\$ 1,550	Sub Total Before Escalation =>	5.0% <= Escalation per year
Rehab/Restoration	Maintenance	Completed	Proposed					\$ -	\$ -			
Contract Year for Work Completion: 2021 and annually thereafter								\$ -	\$ -			
Total Cost (rounded to nearest dollar): \$15,500								\$ -	\$ -	\$ -	\$ 1,550	
Description of Work:				Escalate to 2026 midpoint	1	LS	\$ 465.00	\$ 465	\$ 256	\$ 721	\$ 2,271	<= Subtotal per year
Perform visual inspection of concrete and marble main entry stair with metal railings and marble/stone/tile landing annually for paint and sealant failure, wood deterioration, metal railing deterioration, and other signs of deterioration. Assess adjacent bush/vegetation and maintain/trim to prevent building damage; consider a planting support system that keeps the plant from attaching to the adjacent historic materials. Repair as needed. 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). Work shall be done in accordance with the National Park Service's Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings and National Park Service's Preservation Brief #1: Cleaning and Water-Repellent Treatments for Historic Masonry Buildings.												
				Years =>	10	YR					Total =>	\$15,500.00
				Years =>	10	YR					Total with Escalation =>	\$22,707.50
# 2	Building Feature: Facades - Visual Inspection			Inspect and repair as noted	12	HR	\$ 125.00	\$ 1,500	\$ 825	\$ 2,325	Sub Total Before Escalation =>	
Rehab/Restoration	Maintenance	Completed	Proposed					\$ -	\$ -			
Contract Year for Work Completion: 2021 and annually thereafter								\$ -	\$ -			
Total Cost (rounded to nearest dollar): \$23,250								\$ -	\$ -	\$ -	\$ 2,325	
Description of Work:				Escalate to 2026 midpoint	1	LS	\$ 697.50	\$ 698	\$ 384	\$ 1,081	\$ 3,406	<= Subtotal per year
Perform visual inspection of facades, including wood siding and decorative trim, metal work and flashings, sealant failure, and other signs of deterioration. Repair as needed. 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). Work shall be done in accordance with the National Park Service's Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings and National Park Service's Preservation Brief #10: Exterior Paint Problems on Historic Woodwork.												
				Years =>	10	YR					Total =>	\$23,250.00
				Years =>	10	YR					Total with Escalation =>	\$34,061.25

**Exhibit B: Maintenance Plan**

				Description	Quantity	Unit	Rate	Sub	Markup	Total Cost (Current)	Total Cost Per Item	55.0% <= Markup
# 3	Building Feature: Windows and Doors - Visual Inspection			Inspect and repair as noted	12	HR	\$ 125.00	\$ 1,500	\$ 825	\$ 2,325	Sub Total Before Escalation =>	
Rehab/Restoration	Maintenance	Completed	Proposed				\$ -	\$ -	\$ -	\$ -		
Contract Year for Work Completion: 2021 and annually thereafter							\$ -	\$ -	\$ -	\$ -		
Total Cost (rounded to nearest dollar): \$23,250							\$ -	\$ -	\$ -	\$ -	\$ 2,325	
Description of Work:				Escalate to 2026 midpoint	1	LS	\$ 697.50	\$ 698	\$ 384	\$ 1,081	\$ 3,406	<= Subtotal per year
Perform visual inspection of wood windows and doors (including main entry door, garage doors, and side/trade hall doors at Waller St.) with binoculars, spotting scope, or similar as needed annually for paint, putty, and sealant failure as well as wood and other signs of deterioration. Assess hardware, window sash cords, window function, lubricate hardware, etc. Repair as needed. 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). Work shall be done in accordance with the National Park Service's Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings and Preservation Brief #9: The Repair of Historic Wooden Windows.												
				Years =>	10	YR					Total =>	\$23,250.00
				Years =>	10	YR					Total with Escalation =>	\$34,061.25
# 4	Building Feature: Waller St. Façade - Cleaning			Soft wash, clean facades	8	HR	\$ 125.00	\$ 1,000	\$ 550	\$ 1,550	Sub Total Before Escalation =>	
Rehab/Restoration	Maintenance	Completed	Proposed				\$ -	\$ -	\$ -	\$ -		
Contract Year for Work Completion: 2025 and every 2 years thereafter							\$ -	\$ -	\$ -	\$ -		
Total Cost (rounded to nearest dollar): \$6,200							\$ -	\$ -	\$ -	\$ -	\$ 1,550	
Description of Work:				Escalate to 2028	1	LS	\$ 620.00	\$ 620	\$ 341	\$ 961	\$ 2,511	<= Subtotal per year
Soft-wash/gently clean with mild detergent and low pressure rinsing/hand wiping to maintain appearance and prolong life of paint as recommended by paint manufacturer. Work shall be done in accordance with the National Park Service's Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings.												
				Years =>	4	YR					Total =>	\$6,200.00
				Years =>	4	YR					Total with Escalation =>	\$10,044.00
# 5	Building Feature: Roof (Main & Roof Over Kitchen)			Inspect and repair as noted	8	HR	\$ 125.00	\$ 1,000	\$ 550	\$ 1,550	Sub Total Before Escalation =>	
Rehab/Restoration	Maintenance	Completed	Proposed				\$ -	\$ -	\$ -	\$ -		
Contract Year for Work Completion: 2021 and annually thereafter							\$ -	\$ -	\$ -	\$ -		
Total Cost (rounded to nearest dollar): \$15,500							\$ -	\$ -	\$ -	\$ -	\$ 1,550	
Description of Work:				Escalate to 2026 midpoint	1	LS	\$ 465.00	\$ 465	\$ 256	\$ 721	\$ 2,271	<= Subtotal per year
Inspect roofing for defects and deterioration annually, including associated flashing and sealants (and skylights at the main roof). Repair as needed. 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). Work shall be done in accordance with the National Park Service's Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings.												
				Years =>	10	YR					Total =>	\$15,500.00
				Years =>	10	YR					Total with Escalation =>	\$22,707.50

**Exhibit B: Maintenance Plan**

#	Building Feature: Roof Gutters and Downspouts	Description
# 6		Inspect and repair as noted
Rehab/Restoration	Maintenance	Completed
		Proposed

Contract Year for Work Completion: 2021 and annually thereafter

Total Cost (rounded to nearest dollar): \$15,500

**Description of Work:**

Inspect and clean all roof gutters, drains and downspouts annually. Repair as needed. 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). Work shall be done in accordance with the National Park Service's Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings.

Escalate to 2026 midpoint

Years =>

Quantity	Unit	Rate	Sub	Markup	Total Cost (Current)	Total Cost Per Item	55.0% <= Markup
8	HR	\$ 125.00	\$ 1,000	\$ 550	\$ 1,550	Sub Total Before Escalation =>	
		\$ -	\$ -	\$ -	\$ -		\$ 1,550
1	LS	\$ 465.00	\$ 465	\$ 256	\$ 721	\$ 2,271	<= Subtotal per year
						<b>Total =&gt;</b>	<b>\$15,500.00</b>
						<b>Total with Escalation =&gt;</b>	<b>\$22,707.50</b>

Years =>

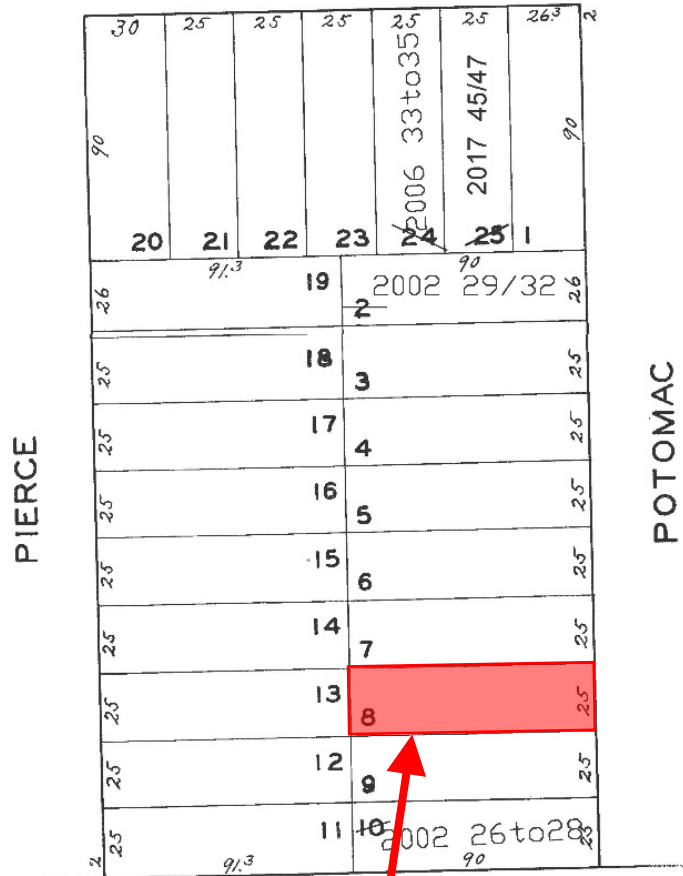
**Attachment C**  
**59 Potomac Street**



# Parcel Map



WALLER

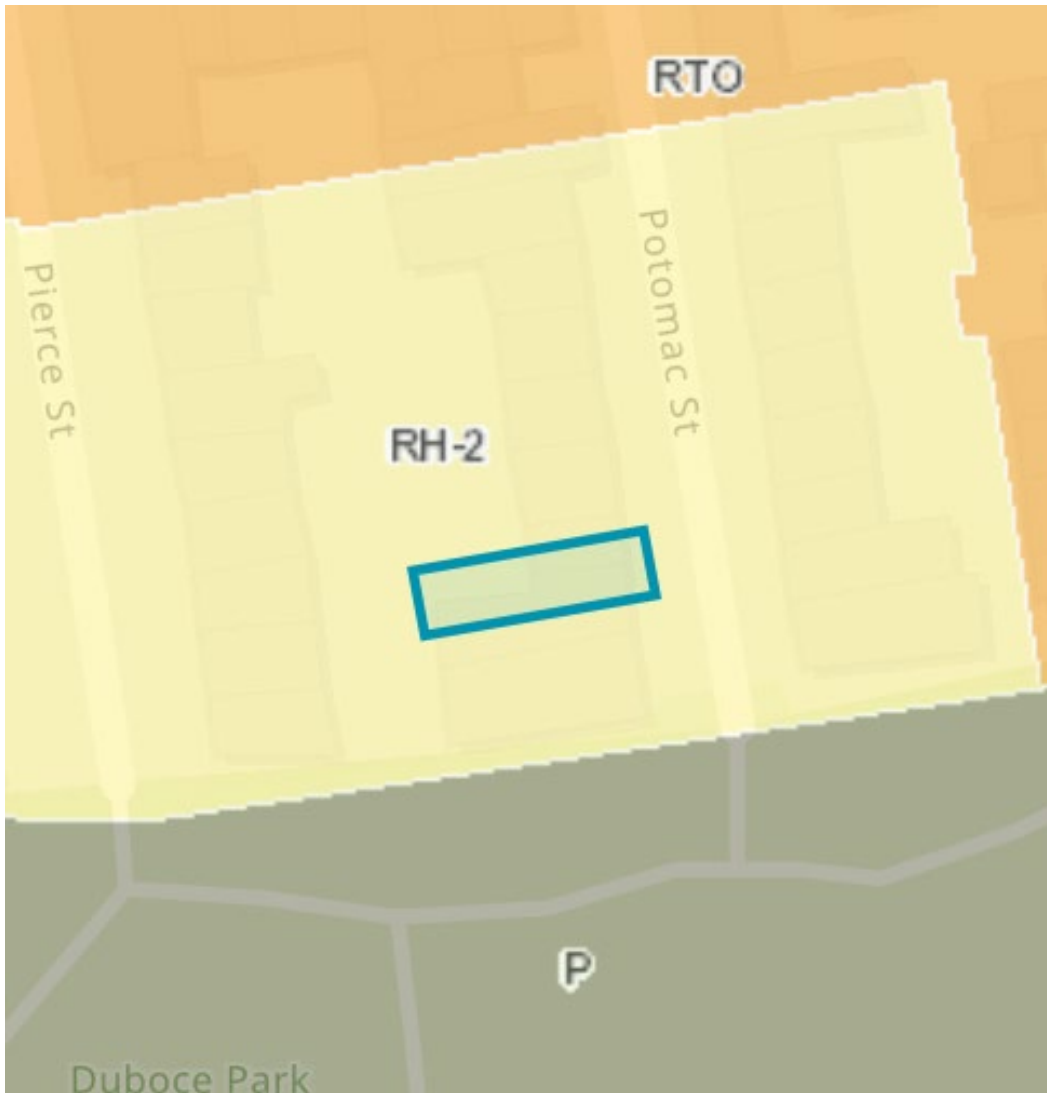


DUBOCE PARK

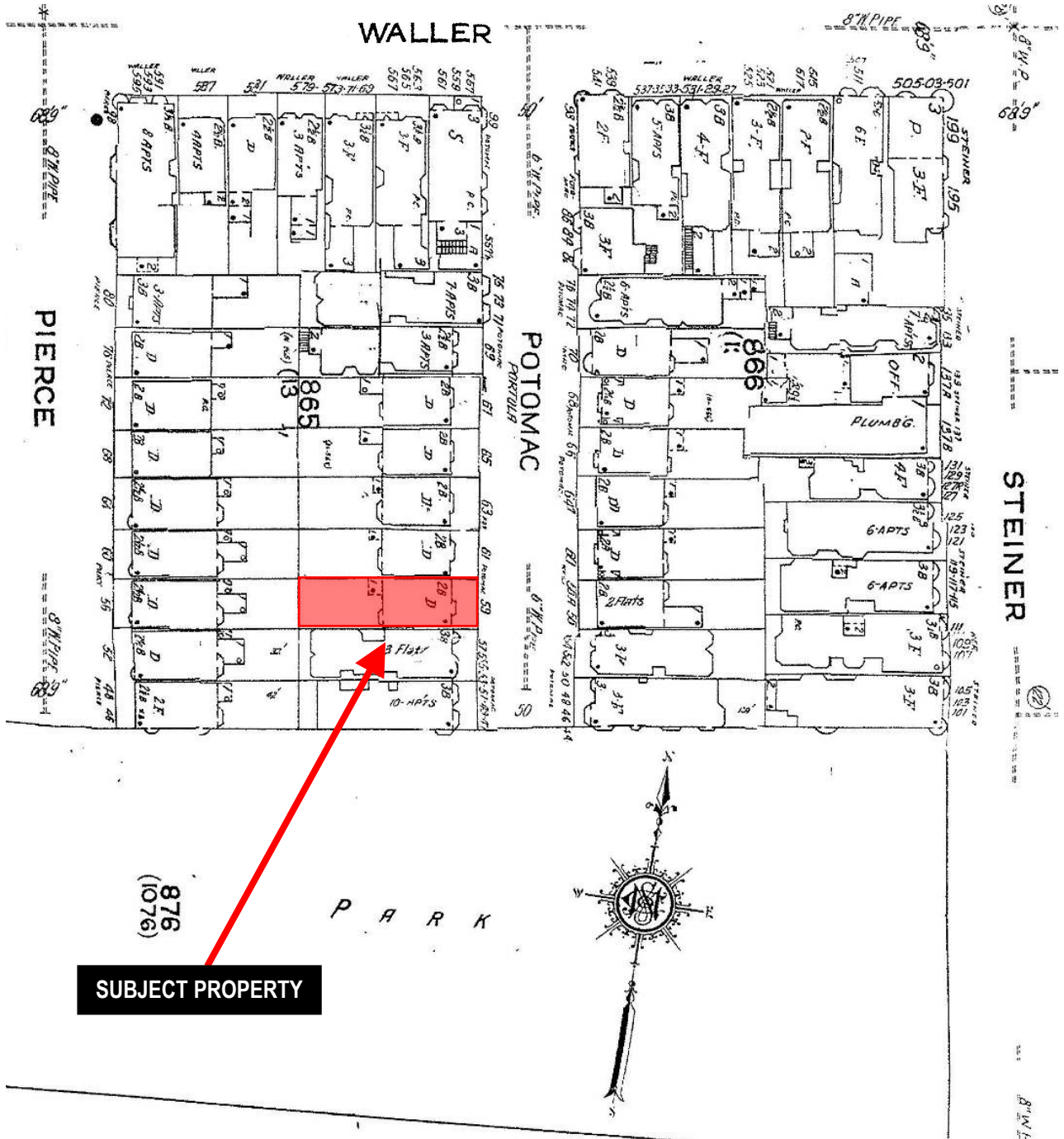
**SUBJECT PROPERTY**

**Record Number: 2020-004685MLS**  
 59 Potomac Street  
 Mills Act Historical Property Contract

# Zoning Map



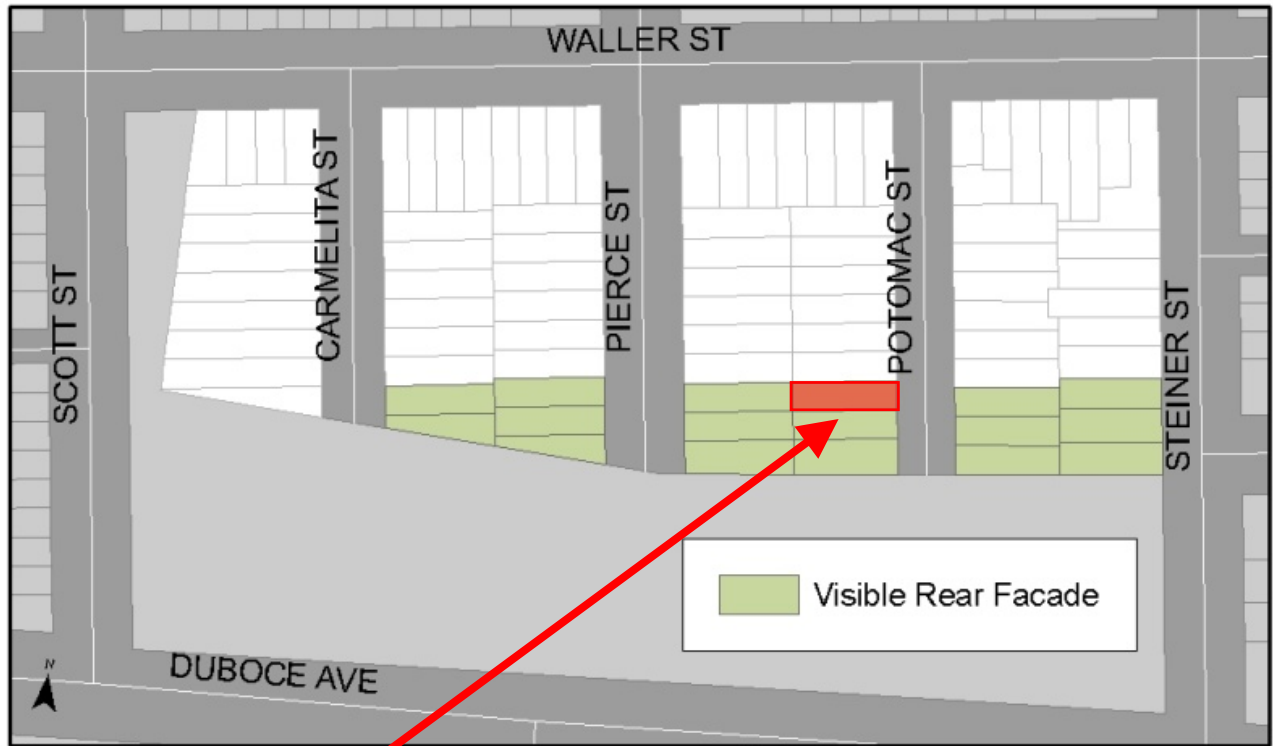
# Sanborn Map\*



\*The Sanborn Maps in San Francisco have not been updated since 1998, and this map may not accurately reflect existing conditions.

**Record Number: 2020-004685MLS**  
 59 Potomac Street  
 Mills Act Historical Property Contract

# Duboce Park Landmark District



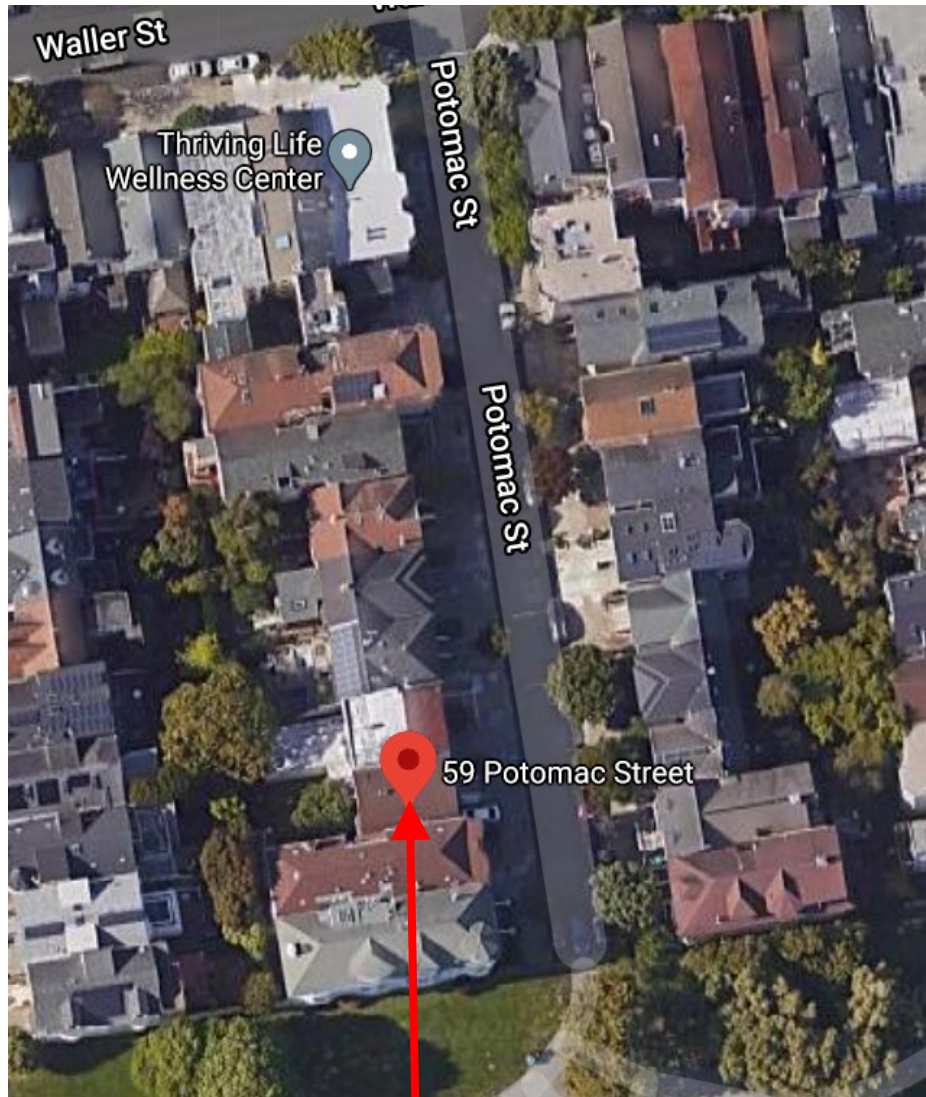
**SUBJECT PROPERTY**

Visible Rear Facade





# Aerial Photo



**SUBJECT PROPERTY**



**Record Number: 2020-004685MLS**  
59 Potomac Street  
Mills Act Historical Property Contract

# Site Photo



**Record Number: 2020-004685MLS**  
59 Potomac Street  
Mills Act Historical Property Contract



# HISTORIC PRESERVATION COMMISSION DRAFT RESOLUTION

**HEARING DATE: OCTOBER 7, 2020**

**Record No.:** 2020-004685MLS  
**Project Address:** 59 POTOMAC STREET  
**Zoning:** RH-2-1 (Residential - House, Two-Family) Zoning District  
**Height/Bulk:** 40-X Height and Bulk District  
**Historic District:** Duboce Park Historic District  
**Block/Lot:** 0865/008  
**Project Sponsor/  
Property Owner:** Jonathan Dascola & Kamariah Sulaiman Dascola  
59 Potomac Street  
San Francisco, CA 94117  
**Staff Contact:** Shannon Ferguson – (628) 652-7354  
Shannon.Ferguson@sfgov.org

ADOPTING FINDINGS RECOMMENDING TO THE BOARD OF SUPERVISORS APPROVAL OF THE DRAFT MILLS ACT HISTORICAL PROPERTY CONTRACT, REHABILITATION PROGRAM, AND MAINTENANCE PLAN FOR 59 POTOMAC STREET.

WHEREAS, The Mills Act, California Government Code Sections 50280 et seq. (“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, 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 those provided for in the Mills Act; and

WHEREAS, Ordinance No. 191-96 amended the San Francisco Administrative Code by adding Chapter 71, to implement Mills Act locally; 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 59 Potomac Street is a contributor to the Duboce Park Historic District and thus qualifies as a historical property for purposes of the Mills Act; and

WHEREAS, The Planning Department has reviewed the Mills Act Application, draft Historical Property Contract, Rehabilitation Program, and Maintenance Plan for 59 Potomac Street, which are located in Case Docket No. 2020-004685MLS. The Planning Department recommends approval of the draft Mills Act historical property contract, rehabilitation program, and maintenance plan; and

WHEREAS, The Historic Preservation Commission (HPC) recognizes the historic building at 59 Potomac 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, 2020, the HPC reviewed documents, correspondence and heard oral testimony on the Mills Act Application, Draft Historical Property Contract, Rehabilitation Program, and Maintenance Plan for 59 Potomac Street, which are located in Case Docket No. 2020-004685MLS.

THEREFORE, BE IT RESOLVED That the HPC hereby recommends that the Board of Supervisors approve the Draft Mills Act Historical Property Contract, including the Rehabilitation Program, and Maintenance Plan for the historic building located at 59 Potomac Street, attached herein as Exhibits A and B, and fully incorporated by this reference.

BE IT FURTHER RESOLVED That the HPC hereby directs its Commission Secretary to transmit this Resolution, the Draft Mills Act Historical Property Contract, including the Rehabilitation Program, and Maintenance Plan for 59 Potomac Street, and other pertinent materials in the case file 2020-004685MLS to the Board of Supervisors.

I hereby certify that the foregoing Resolution was ADOPTED by the Historic Preservation Commission on October 7, 2020.

Jonas P. Ionin  
Commissions Secretary

AYES:

NOES:

ABSENT:

ADOPTED: October 7, 2020



## EXHIBITS A & B

Mills Act Historical Property Contract, including the Rehabilitation Program (Exhibit A), and Maintenance Plan (Exhibit B) for the historic building located at 59 Potomac Street.

Recording Requested by, and  
when recorded, send notice to:  
Shannon Ferguson  
1650 Mission Street, Suite 400  
San Francisco, CA 94103-2414

## **CALIFORNIA MILLS ACT HISTORIC PROPERTY AGREEMENT**

THIS AGREEMENT is entered into by and between the City and County of San Francisco, a California municipal corporation (“City”) and Jonathan Dascola & Kamariah Sulaiman Dascola (“Owners”).

### RECITALS

Owners are the owners of the property located at 59 Potomac Street, in San Francisco, California (Block 0865, Lot 008). The building located at 59 Potomac Street is designated as a contributor to the Duboce Park Historic District pursuant to Article 10 of the Planning Code, and is also known as the “Historic Property”. The Historic Property is a Qualified Historic Property, as defined under California Government Code Section 50280.1.

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 two hundred ninety six thousand five hundred dollars (\$296,500.00). (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 two thousand dollars (\$2,000.00) 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 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 within no more 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 12 and 13 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 within no more 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 13 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 and Compliance Monitoring. Prior to entering into this Agreement and every five years thereafter, and upon seventy-two (72) hours advance notice, Owners shall permit any representative of the City, the Office of Historic Preservation of the California Department of Parks and Recreation, or the State Board of Equalization, to inspect of the interior and exterior of the Historic Property, to determine Owners' compliance with this Agreement. Throughout the duration 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 ("Term"). As provided in Government Code section 50282, one year shall be added automatically to the Term, on each anniversary date of this Agreement, unless notice of nonrenewal is given as set forth in Paragraph 9 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. Notice of Nonrenewal. If in any year of this Agreement either the Owners or the City desire 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 either party serves notice of nonrenewal of this Agreement, this Agreement shall remain in effect for the balance of the period remaining since the original execution or the last renewal of the Agreement, as the case may be. Thereafter, 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 expiration of this Agreement.

10. Payment of Fees. As provided for in Government Code Section 50281.1 and San Francisco Administrative Code Section 71.6, upon filing an application to enter into a Mills Act Agreement with the City, Owners shall pay the City the reasonable costs related to the preparation and approval of the Agreement. In addition, Owners shall pay the City for the actual costs of inspecting the Historic Property, as set forth in Paragraph 6 herein.

11. 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 as set forth in Exhibit B, 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 or requests for information, as provided in Paragraph 6 herein;
- (e) Owners' failure to pay any fees requested by the City as provided in Paragraph 10 herein;
- (f) Owners' failure to maintain adequate insurance for the replacement cost of the Historic Property, as required by Paragraph 5 herein; or
- (g) 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 12 and 13 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 13 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 12 herein prior to cancellation of this Agreement.

12. 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 11 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.

13. Cancellation Fee. If the City cancels this Agreement as set forth in Paragraph 12 above, and as required by Government Code Section 50286, 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.

14. 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 do 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 12 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.

15. 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.

16. 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.

17. Binding on Successors and Assigns. The covenants, benefits, restrictions, and obligations contained in this Agreement shall run with the land and shall be binding upon and inure to the benefit of all successors in interest and assigns of the Owners. Successors in interest and assigns shall have the same rights and obligations under this Agreement as the original Owners who entered into the Agreement.

18. 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.

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

20. Recordation. Within 20 days from the date of execution of this Agreement, the parties shall cause this Agreement to be recorded with the Office of the Recorder of the City and County of San Francisco. From and after the time of the recordation, this recorded Agreement shall impart notice to all persons of the parties' rights and obligations under the Agreement, as is afforded by the recording laws of this state.

21. 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.

22. 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.

23. 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 Owners have 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.

24. 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.

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

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

27. 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: \_\_\_\_\_  
Rich Hillis, Director of Planning

DATE: \_\_\_\_\_

APPROVED AS TO FORM:  
DENNIS J. HERRERA  
CITY ATTORNEY

By: \_\_\_\_\_  
Andrea Ruiz-Esquide, Deputy City Attorney

DATE: \_\_\_\_\_

OWNERS

By: \_\_\_\_\_  
Jonathan Dascola, Owner

DATE: \_\_\_\_\_

By: \_\_\_\_\_  
Kamariah Sulaiman Dascola, Owner

DATE: \_\_\_\_\_

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

**Mills Act Application 59 Potomac St  
Exhibit A - Rehabilitation & Restoration Plan**

Dated April 17, 2020

**Rehabilitation & Restoration Plan**

**Supporting Documents:** Contractor's Bid + Change Order Estimates

**Scope #1 Replace roof and shingles in full**

**Rehab/Restoration: Yes**

**Completed: No**

**Proposed: Yes**

**Contract Year Completion: 2021**

**Total Cost: \$32,000**

**Description of work:** The current roof is in poor shape. We have engaged a licensed roofing contractor to replace the current roof with new asphalt shingles, ensuring a watertight finish. New gutters and down sprouts will be installed to direct water away from the building and the space where the neighboring homes abut will be water secured. Installation of the new roof and gutters will avoid changing the roof configuration, or altering, removing or obscuring character-defining features of the building, including decorative elements in the gable ends, as well as eave trim and moldings. New gutters and down sprouts will be installed to direct water away from the building and the space where the neighboring homes connect will be water secured.

**Scope #2 Exterior Siding and Trim**

**Rehab/Restoration: Yes**

**Completed: No**

**Proposed: Yes**

**Contract Year Completion: 2021**

**Total Cost: \$45,000**

**Description of work:** We will repair all exterior sides, windows and trim of the house as necessary and repaint the house in its entirety. There is some damage and deterioration of trim in the front of the house. The wood horizontal siding at the rear of the house has dry rot. Deteriorated wood trim and siding will be replaced in kind. Any repairs or replacements will avoid altering, removing or obscuring character-defining features of the building and all materials that are used will be made in kind.

**Scope #3 Exterior Windows & Doors**

**Rehab/Restoration: Yes**

**Completed: No**

**Proposed: Yes**

**Contract Year Completion: 2021**



**Total Cost:** \$65,000

**Description of work:** We will replace all exterior windows and doors. There are three sets of bay windows on the front facade of the house in poor condition. They will be replaced in-kind to match existing wooden materials, ornaments, and operation. There are two exterior doors in the front of the house, and a single-car garage door that will also be replaced with compatible wood doors. While replacing the windows and doors we will avoid altering, removing, or obscuring any character defining features to the exterior.

#### **Scope #4 Exterior Stairs**

**Rehab/Restoration:** Yes

**Completed:** No

**Proposed:** Yes

**Contract Year Completion:** 2021

**Total Cost:** \$25,000

**Description of work:** We will demo and replace the existing stained and damaged terrazzo stairs and concrete siding. We will replace this non-historic detail with wooden stairs and handrails that are compatible with the design and materials of the district.

#### **Scope #5 Foundation reinforcement and stabilization**

**Rehab/Restoration:** Yes

**Completed:** Partially

**Proposed:** Yes

**Contract Year Completion:** 2021

**Total Cost:** \$96,500

**Description of work:** We are completing structural upgrades to the foundation of the house. While converting the basement to livable space we will reinforce the existing foundation and pour a new concrete foundation for the addition. During the scope of work we completed an A-B-C pour to ensure stability of both 59 Potomac and 57 Potomac to help reinforce the foundation of the neighboring house to the south.

#### **Scope #6 New driveway, sidewalk, entryway**

**Rehab/Restoration:** Yes

**Completed:** No

**Proposed:** Yes

**Contract Year Completion:** 2021

**Total Cost:** \$25,000

**Description of work:** We will replace the current driveway and ground floor entry with a new level, permeable driveway and walkway when the remainder of construction is completed. We will also replace the sidewalk.

**Scope #7 Planters**

**Rehab/Restoration:** Yes

**Completed:** No

**Proposed:** Yes

**Contract Year Completion:** 2022

**Total Cost:** \$8,000

**Description of work:** We will remove the current concrete poured planters throughout the property. We will replace the planters on the north and south sides of the front yard with new planters in a style and material compatible with the house and district.

**Mills Act Application 59 Potomac St**  
**Exhibit B - Maintenance Plan**

Dated April 29, 2020

**Maintenance Plan**

**Supporting Documents:** Contractor's Estimates

**Scope #1 Overall Maintenance - Exterior (Roof, siding, paint and trim)**

**Maintenance: Yes**

**Completed: No**

**Proposed: Yes**

**Contract Year Completion:** 2021-ongoing

**Total Cost:** Annually; estimated \$1000 per year

**Description of work:** We will perform routine inspection and maintenance on our roof. We will keep gutters and downspouts clear from debris. Any roof coverings that have been injured will be replaced. We will broom sweep branches or leaf debris from shingles.

We will inspect the exterior doors and windows annually. We will look for signs of water damage and dry rot and confirm functionality. If any repair or replacement is found necessary this will be done in line with the house historic character and any materials used will be in kind.

When the house has been repainted we will inspect the wooden elements of the exterior of the house annually and repaint as necessary. If any damage or deterioration is found, the extent and the nature of the damage will be assessed and addressed. Any repairs or replacements will avoid altering, removing or obscuring character-defining features of the building and all materials that are used will be made in kind e.g. wood for wood.

This maintenance routine will be informed by the guidance outlined in the National Park Service's Preservation Brief 47: Maintaining the Exterior of Small and Medium Size Historic Buildings.

**Scope #2 Professional roof inspections and repair**

**Maintenance: Yes**

**Completed: No**

**Proposed: Yes**

**Contract Year Completion:** 2021-ongoing

**Total Cost:** Periodic \$5,000 over 10 years (estimated \$2500/inspection + repair)

**Description of work:** We will have a licensed roofing contractor conduct periodic inspections

approximately every 5 years to ensure that it remains in good condition. Any repairs or replacements needed as a consequence of these inspections will be performed. Both these routines will be informed by the guidance outlined in the National Park Service's Preservation Brief 47: Maintaining the Exterior of Small and Medium Size Historic Buildings.

### **Scope #3 Exterior Siding + Trim**

**Maintenance: Yes**

**Completed: No**

**Proposed: Yes**

**Contract Year Completion:** 2021-ongoing

**Total Cost:** Periodic; \$25,000 within 6 years

**Description of work:** Approximately 5 years from the completion of work; estimated 2026, we will fully replace the exposed wooden siding on the north top floor (planned for repair as part of Phase 1) replacing the siding in kind, and repainting to ensure a watertight seal.

Any repairs or replacements will avoid altering, removing or obscuring character-defining features of the building and all materials that are used will be made in kind e.g. wood for wood. This maintenance routine will be informed by the guidance outlined in the National Park Service's Preservation Brief 47: Maintaining the Exterior of Small and Medium Size Historic Buildings.

### **Scope #4 Exterior Paint**

**Maintenance: Yes**

**Completed: No**

**Proposed: Yes**

**Contract Year Completion:** 2021-ongoing

**Total Cost:** Periodic; estimated \$30,000+ within 10 years

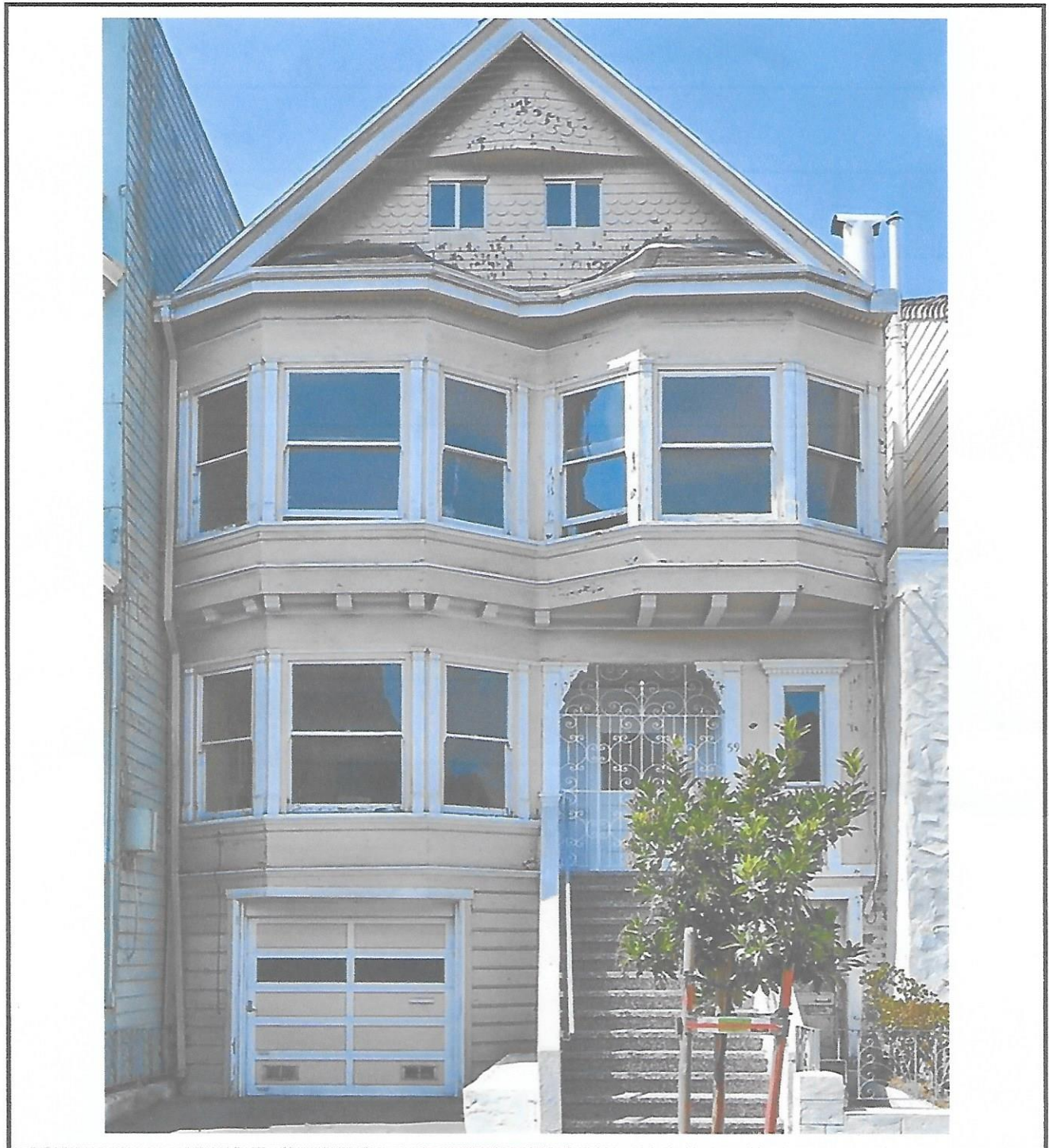
**Description of work:** We will inspect the exterior paint on all siding and trim annually. We will look for signs of water permeating, cracking or dry rot. If any repair or replacement is found necessary this will be done in line with the house historic character and any materials used will be in kind. This maintenance routine will be informed by the guidance outlined in the National Park Service's Preservation Brief 47: Maintaining the Exterior of Small and Medium Size Historic Buildings.

When required, estimated 8-10 years after original painting, the full exterior will be repainted and resealed including all siding, windows, trim and moldings.





**Office of the Assessor / Recorder - City and County of San Francisco  
Mills Act Valuation**



**59 Potomac St**



**OFFICE OF THE ASSESSOR-RECORDER - CITY & COUNTY OF SAN FRANCISCO  
MILLS ACT VALUATION**

<b>APN:</b>	0865-008	<b>Lien Date:</b>	7/1/2020
<b>Address:</b>	59 Potomac St	<b>Application Date:</b>	4/30/2020
<b>SF Landmark No.:</b>	N/A	<b>Application Term:</b>	10 Years
<b>Applicant's Name:</b>	Jonathan Robert Dascola, Kamariah Sulaiman Dascola		
<b>Agt./Tax Rep./Atty:</b>	N/A	<b>Last Sale Date:</b>	10/18/2017
<b>Fee Appraisal Provided:</b>	No	<b>Last Sale Price:</b>	\$2,350,000

FACTORED BASE YEAR (Roll) VALUE		INCOME CAPITALIZATION APPROACH		SALES COMPARISON APPROACH	
Land	\$1,711,458	Land	\$379,200	Land	\$1,590,000
Imps.	\$883,482	Imps.	\$252,800	Imps.	\$1,060,000
Personal Prop	\$0	Personal Prop	\$0	Personal Prop	\$0
<b>Total</b>	<b>\$2,594,940</b>	<b>Total</b>	<b>\$632,000</b>	<b>Total</b>	<b>\$ 2,650,000</b>

**Property Description**

<b>Property Type:</b>	Single Family	<b>Year Built:</b>	1899/In-Progress	<b>Neighborhood:</b>	Hayes Valley
<b>Type of Use:</b>	Single Family	<b>(Total) Rentable Area:</b>	1751	<b>Land Area:</b>	2,247
<b>Owner-Occupied:</b>	Yes	<b>Stories:</b>	2	<b>Zoning:</b>	RH-2
<b>Unit Types:</b>	Residential	<b>Parking Spaces:</b>	2		

**Total No. of Units: 1**

**Special Conditions (Where Applicable)**

Note, at the time of purchase, sellers noted that it needed remodel and renovation and had been owned by one family for 3 generations. The subject property currently has permit #201804196759 filed for: "3-story rear addition, includes a new family rm on 1st (ground) flr, a new kitchen on the 2nd flr, enlarged bedroom & new bath @ the 3rd flr. Also includes interior remodel of misc spaces, replacement of all (e) windows w/ in kind wood windows & repainting of (e) wood siding & trim." Work was estimated at 25% complete as of 1/1/2020.

The existing condition of the property was taken into consideration when selecting an estimated market rent, as the comparables selected all were in superior condition and marketed for immediate occupancy rather than remodeling and rehabilitation like the subject property.

The current condition of the property is also taken into consideration when selecting the REL (remaining economic life) and the land to improvements ratio. As the property is re-evaluated each year on the lien date and construction and remodeling of the property progresses to completion, the remaining economic life of the property will increase and the land to improvements ratio will also reflect this. The selected factors in this report are only for the initial year and will be re-evaluated in subsequent years.

**Conclusions and Recommendations**

	Per Unit	Per SF	Total
Factored Base Year Roll	\$2,594,940	\$1,482	\$ 2,594,940
Income Approach - Direct Capitalization	\$632,000	\$361	\$ 632,000
Sales Comparison Approach	\$2,650,000	\$1,513	\$ 2,650,000
<b>Recommended Value Estimate</b>	<b>\$ 632,000</b>	<b>\$ 361</b>	<b>\$ 632,000</b>

**Appraiser:** Irving Pham

**Principal Appraiser:** Orla Fahy

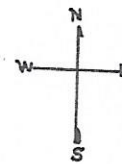
**Date of Report:** 7/1/2020



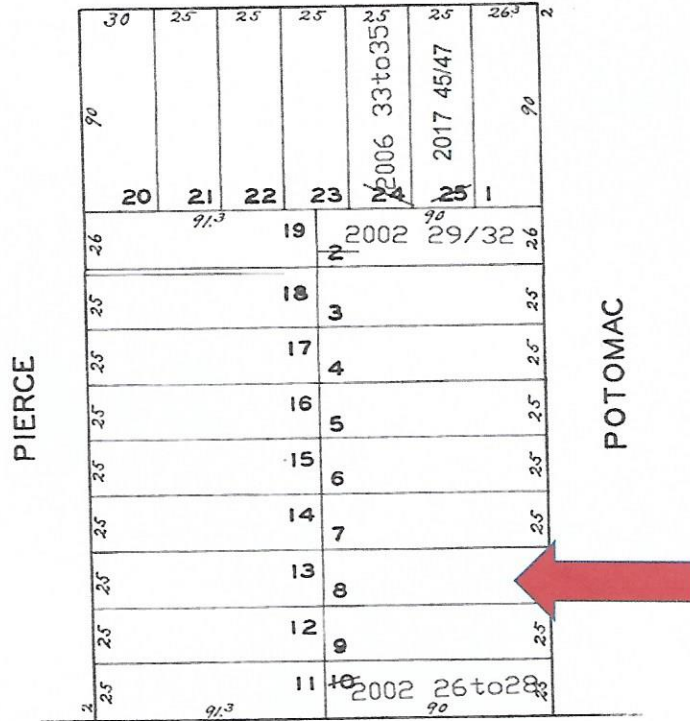
**SUBJECT PHOTOGRAPHS AND LOCATOR MAP**

Address: 59 Potomac St  
APN: 0865-008





WALLER



DUBOCE PARK



<b>INCOME APPROACH</b>
<b>Address:</b> 59 Potomac St
<b>Lien Date:</b> 7/1/2020

	<u>Monthly Rent</u>	x	<u>Annualized</u>		
Potential Gross Income	\$6,500		12		\$78,000
Less: Vacancy & Collection Loss			3%		(\$2,340)
Effective Gross Income					\$75,660
Less: Anticipated Operating Expenses (Pre-Property Tax)*			15%		(\$11,349)
<b>Net Operating Income (Pre-Property Tax)</b>					<b>\$64,311</b>

**Restricted Capitalization Rate**

2020 interest rate per State Board of Equalization					4.2500%
Risk rate (4% owner occupied / 2% all other property types)					4.0000%
2019 property tax rate **					1.1801%
Amortization rate for improvements only					
Remaining economic life (Years) ***	40	0.0250			0.7499%
Improvements constitute % of total property value	30%				<b>10.1800%</b>

<b>RESTRICTED VALUE ESTIMATE</b>	<b>\$631,739</b>
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<b>Rounded to the nearest \$10,000</b>	<b>\$632,000</b>
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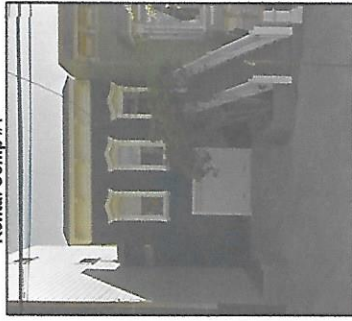
**Notes:**

- \* *Annual operating expenses include water service, refuse collection, insurance, and regular maintenance items. Assumes payment of PG&E by lessee.*
- \*\* *The 2020 property tax rate will be determined in September 2020.*
- \*\*\* *Remaining economic life reflects the condition of the property as of the date of this report and will be revisited in subsequent years as progress on the NC #201804196759 permit*

**Rent Comparables**

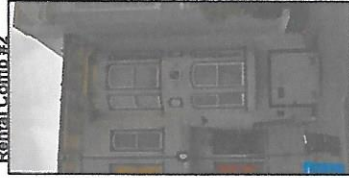
**Address:** 59 Potomac St  
**Lien Date:** 7/1/2020

**Rental Comp #1**



**Listing Agent:** Hill & Co. Real Estate  
**Address:** 261 Waller St  
**Cross Streets:** Webster St  
**SF:** 1,500  
**Layout:** Single family home; 2br/2ba, 2 parking spaces  
**Monthly Rent:** \$6,750  
**Rent/Foot/Mo:** \$4.50  
**Annual Rent/Foot:** \$54.00

**Rental Comp #2**



**Compass**  
 1865 Pine St  
 Octavia St  
 1,390  
 Single family home, 4br/2ba, 1 parking space  
**Monthly Rent:** \$5,700  
**Rent/Foot/Mo:** \$4.10  
**Annual Rent/Foot:** \$49.21

**Rental Comp #3**



**Zillow Rental Network/AMSI**  
 630 Broderick  
 Fulton St  
 1,850  
 1 unit in duplex; 4br/1.5ba, no parking  
**Monthly Rent:** \$7,000  
**Rent/Foot/Mo:** \$3.78  
**Annual Rent/Foot:** \$45.41

**Rental Comp #4**



**Hill & Co. Real Estate**  
 708 Ashbury St  
 Waller St  
 4,758  
 Single family home; 4br/2.5ba, 2 parking spaces  
**Monthly Rent:** \$8,250  
**Rent/Foot/Mo:** \$1.73  
**Annual Rent/Foot:** \$20.81

**Rental Comp #5**



**Craigslis/RentlingSF**  
 65 Stanyan St  
 Anza St  
 2,415  
 Single family home; 4br/2.5ba, 2 car tandem parking  
**Monthly Rent:** \$9,465  
**Rent/Foot/Mo:** \$3.93  
**Annual Rent/Foot:** \$47.18

**Rental Comp #6**



**Trulia/Gordon Property Management**  
 472 Diamond St  
 22nd St  
 1,538  
 Single family home, 3br/2ba, 1 parking space  
**Monthly Rent:** \$7,500  
**Rent/Foot/Mo:** \$4.88  
**Annual Rent/Foot:** \$58.52

**Note:**

Most weight is placed upon rent comparable #1 due to similarity to subject property in size and location. The existing condition of the property was taken into consideration when selecting an estimated market rent, as the comparables selected all were in superior condition and marketed for immediate occupancy rather than remodeling and rehabilitation like the subject property.

The current condition of the property is also taken into consideration when selecting the REL (remaining economic life) and the land to improvements ratio. As the property is re-evaluated each year on the lien date and construction and remodeling of the property progresses to completion, the remaining economic life of the property will increase and the land to improvements ratio will also reflect this. The selected factors in this report are only for the initial year and will be re-evaluated in subsequent years.



**SALES COMPARISON APPROACH**

APN		Subject 0865-008		Sale 1 3538 065		Sale 2 0858 005		Sale 3 0869 036	
									
Address		59 Potomac St		42 Walter St		222 Waller St		231 Waller St	
		\$2,600,000		\$2,600,000		\$2,875,000		\$3,210,000	
Date of Valuation/Sale	Description	Description	Adjust.	Description	Adjust.	Description	Adjust.	Description	Adjust.
Neighborhood	07/01/20	12/03/19		08/01/19		11/08/19			
Proximity to Subject	Hayes Valley	Duboce Park		Hayes Valley		Hayes Valley		Hayes Valley	
Lot Size	2,247	0.2 mile S		0.3 mile E		0.3 mile E		0.3 mile E	
View	Neighborhood	2,495		2,295		3,297		3,297	
Year Blt/Year Renovated	1899/In-Progress	Neighborhood		Neighborhood		Neighborhood		Neighborhood	
Condition	Fixer	1900		1900/2002		2015		2015	
Construction Quality	Average	Fixer		Remodeled		Remodeled		Remodeled	
Gross Living Area	1,751	Average		Average		Average		Average	
Total Rooms	7	1,756		1,820		2,535		2,535	
Bedrooms	4	8		7					
Bathrooms	1	3		3					
Stories	2	1		2.5					
Parking	2	2		2					
		1 car		2 car		2 car		2 car	
		\$100,000		\$100,000					
Net Adjustments									
Indicated Value		\$100,000		(\$203,750)		(\$566,600)		(\$566,600)	
Adjust. \$ Per Sq. Ft.	\$0	\$2,700,000		\$2,671,250		\$2,643,400		\$2,643,400	
		\$1,538		\$1,468		\$1,043		\$1,043	

**VALUE RANGE:** \$2,643,400 to \$2,700,000      **VALUE CONCLUSION:** \$2,650,000

**REMARKS:** Used \$400 sq ft for GLA adjustments, \$40,000 for Bath, \$100,000 for Parking



# CEQA CATEGORICAL EXEMPTION DETERMINATION

## Property Information/Project Description

<b>Project Address</b>	<b>Block/Lot(s)</b>
59 Potomac Street	0865/008
<b>Case No.</b>	<b>Permit No.</b>
<b>2020-004685MLS</b>	N/A
<input checked="" type="checkbox"/> <b>Addition Alteration</b> <input type="checkbox"/> <b>Demolition</b> (requires HRE for Category B Building) <input type="checkbox"/> <b>New Construction</b>	
<b>Project Description</b>	
Mills Act Historical Property Contract	

## STEP 1: Exemption Class

<input checked="" type="checkbox"/> <b>Class 1 - Existing Facilities.</b> Interior and exterior alterations; additions under 10,000 sq. ft.
<input type="checkbox"/> <b>Class 3 - New Construction.</b> Up to three new single-family residences or six dwelling units in one building; commercial/office structures; utility extensions; change of use under 10,000 sq. ft. if principally permitted or with a CU.
<input type="checkbox"/> <b>Class 32 - In-Fill Development.</b> New Construction of seven or more units or additions greater than 10,000 sq. ft. and meets the conditions described below: <ol style="list-style-type: none"> <li>The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.</li> <li>The proposed development occurs within city limits on a project site of no more than 5 acres substantially surrounded by urban uses.</li> <li>The project site has no value as habitat for endangered rare or threatened species.</li> <li>Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.</li> <li>The site can be adequately served by all required utilities and public services.</li> </ol> <p>FOR ENVIRONMENTAL PLANNING USE ONLY</p>
<input type="checkbox"/> <b>Class _____</b>



**STEP 2: CEQA Impacts**

To Be Completed By Project Planner

If any box is checked below, an <i>Environmental Evaluation Application</i> is required.	
<input type="checkbox"/>	<p><b>Air Quality:</b> Would the project add new sensitive receptors (specifically, schools, day care facilities, hospitals, residential dwellings, and senior-care facilities within an Air Pollution Exposure Zone? Does the project have the potential to emit substantial pollutant concentrations (e.g., backup diesel generators, heavy industry, diesel trucks, etc.)? <i>(refer to EP_ArcMap &gt; CEQA Catex Determination Layers &gt; Air Pollution Exposure Zone)</i></p>
<input type="checkbox"/>	<p><b>Hazardous Materials:</b> If the project site is located on the Maher map or is suspected of containing hazardous materials (based on a previous use such as gas station, auto repair, dry cleaners, or heavy manufacturing, or a site with underground storage tanks): Would the project involve 50 cubic yards or more of soil disturbance – or a change of use from industrial to residential? If yes, this box must be checked and the project applicant must . <i>Exceptions: do not check box if the applicant presents documentation of enrollment in the San Francisco Department of Public Health (DPH) Maher program, a DPH waiver from the Maher program, or other documentation from Environmental Planning staff that hazardous material effects would be less than significant (refer to EP_ArcMap &gt; Maher layer).</i></p>
<input type="checkbox"/>	<p><b>Transportation:</b> Does the project involve a child care facility or school with 30 or more students, or a location 1,500 square feet or greater? Does the project have the potential to adversely affect transit, pedestrian and/or bicycle safety (hazards) or the adequacy of nearby transit, pedestrian and/or bicycle facilities?</p>
<input type="checkbox"/>	<p><b>Archeological Resources:</b> Would the project result in soil disturbance/modification greater than two (2) feet below grade in an archeological sensitive area or eight (8) feet in a non-archeological sensitive area? <i>(refer to EP_ArcMap &gt; CEQA Catex Determination Layers &gt; Archeological Sensitive Area)</i></p>
<input type="checkbox"/>	<p><b>Subdivision/Lot Line Adjustment:</b> Does the project site involve a subdivision or lot line adjustment on a lot with a slope average of 20% or more? <i>(refer to EP_ArcMap &gt; CEQA Catex Determination Layers &gt; Topography)</i></p>
<input type="checkbox"/>	<p><b>Slope = or &gt; 25%:</b> Does the project involve any of the following: (1) square footage expansion greater than 500 sq. ft. outside of the existing building footprint, (2) excavation of 5,000 cubic yards or more of soil, (3) new construction? <i>(refer to EP_ArcMap &gt; CEQA Catex Determination Layers &gt; Topography)</i> <b>If box is checked, a geotechnical report is required and Environmental Planning must issue the exemption.</b></p>
<input type="checkbox"/>	<p><b>Seismic: Landslide Zone:</b> Does the project involve any of the following: (1) square footage expansion greater than 500 sq. ft. outside of the existing building footprint, (2) excavation of 5,000 cubic yards or more of soil, (3) new construction? <i>(refer to EP_ArcMap &gt; CEQA Catex Determination Layers &gt; Seismic Hazard Zones)</i> <b>If box is checked, a geotechnical report is required.</b></p>
<input type="checkbox"/>	<p><b>Seismic: Liquefaction Zone:</b> Does the project involve any of the following: (1) square footage expansion greater than 500 sq. ft. outside of the existing building footprint, (2) excavation of 5,000 cubic yards or more of soil, (3) new construction? <i>(refer to EP_ArcMap &gt; CEQA Catex Determination Layers &gt; Seismic Hazard Zones)</i> <b>If box is checked, a geotechnical report will likely be required.</b></p>
<p><b>Comments and Planner Signature (optional):</b></p>   	

**STEP 3: Property Status - Historic Resource**

To Be Completed By Project Planner

PROPERTY IS ONE OF THE FOLLOWING: ( refer to Parcel Information Map )	
<input checked="" type="checkbox"/>	<b>Category A:</b> Known Historical Resource. <b>GO TO STEP 5.</b>
<input type="checkbox"/>	<b>Category B:</b> Potential Historical Resource (over 45 years of age). <b>GO TO STEP 4.</b>
<input type="checkbox"/>	<b>Category C:</b> Not a Historical Resource or Not Age Eligible (under 45 years of age). <b>GO TO STEP 6.</b>

**STEP 4: Proposed Work Checklist**

To Be Completed By Project Planner

Check all that apply to the project.	
<input type="checkbox"/>	<b>1. Change of use and new construction.</b> Tenant improvements not included.
<input checked="" type="checkbox"/>	<b>2. Regular maintenance or repair</b> to correct or repair deterioration, decay, or damage to building.
<input checked="" type="checkbox"/>	<b>3. Window replacement</b> that meets the Department’s <i>Window Replacement Standards</i> . Does not include storefront window alterations.
<input type="checkbox"/>	<b>4. Garage work.</b> A new opening that meets the <i>Guidelines for Adding Garages and Curb Cuts</i> , and/or replacement of a garage door in an existing opening that meets the Residential Design Guidelines.
<input type="checkbox"/>	<b>5. Deck, terrace construction, or fences</b> not visible from any immediately adjacent public right-of-way.
<input type="checkbox"/>	<b>6. Mechanical equipment installation</b> that is not visible from any immediately adjacent public right-of-way.
<input type="checkbox"/>	<b>7. Dormer installation</b> that meets the requirements for exemption from public notification under <i>Zoning Administrator Bulletin No. 3: Dormer Windows</i> .
<input type="checkbox"/>	<b>8. Addition(s)</b> that are not visible from any immediately adjacent public right-of-way for 150 feet in each direction; does not extend vertically beyond the floor level of the top story of the structure or is only a single story in height; does not have a footprint that is more than 50% larger than that of the original building; and does not cause the removal of architectural significant roofing features.
Note: Project Planner must check box below before proceeding.	
<input type="checkbox"/>	Project is not listed. <b>GO TO STEP 5.</b>
<input type="checkbox"/>	Project does not conform to the scopes of work. <b>GO TO STEP 5.</b>
<input type="checkbox"/>	Project involves four or more work descriptions. <b>GO TO STEP 5.</b>
<input type="checkbox"/>	Project involves less than four work descriptions. <b>GO TO STEP 6.</b>

**STEP 5: CEQA Impacts - Advanced Historical Review**

To Be Completed By Project Planner

Check all that apply to the project.			
<input type="checkbox"/>	<b>1. Project involves a known historical resource (CEQA Category A)</b> as determined by Step 3 and conforms entirely to proposed work checklist in Step 4.		
<input type="checkbox"/>	<b>2. Interior alterations to publicly accessible spaces.</b>		
<input type="checkbox"/>	<b>3. Window replacement</b> of original/historic windows that are not “in-kind” but are consistent with existing historic character.		
<input type="checkbox"/>	<b>4. Façade/storefront alterations</b> that do not remove, alter, or obscure character-defining features.		
<input type="checkbox"/>	<b>5. Raising the building</b> in a manner that does not remove, alter, or obscure character-defining features.		
<input checked="" type="checkbox"/>	<b>6. Restoration</b> based upon documented evidence of a building’s historic condition, such as historic photographs, plans, physical evidence, or similar buildings.		
<input type="checkbox"/>	<b>7. Addition(s)</b> , including mechanical equipment that are minimally visible from a public right-of-way and meet the <i>Secretary of the Interior’s Standards for Rehabilitation</i> .		
<input checked="" type="checkbox"/>	<b>8. Other work consistent</b> with the Secretary of the Interior Standards for the Treatment of Historic Properties (specify or add comments):		
<input type="checkbox"/>	<b>9. Other work</b> that would not materially impair a historic district (specify or add comments):		
(Requires approval by Senior Preservation Planner/Preservation Coordinator)			
<input type="checkbox"/>	<b>10. Reclassification of property status.</b> (Requires approval by Senior Preservation Planner/Preservation		
<input type="checkbox"/>	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; padding-right: 20px;">                     Reclassify to Category A                      a. Per HRER dated                      b. Other (specify):                 </td> <td style="width: 50%;">                     Reclassify to Category C                      (attach HRER)                 </td> </tr> </table>	Reclassify to Category A a. Per HRER dated b. Other (specify):	Reclassify to Category C (attach HRER)
Reclassify to Category A a. Per HRER dated b. Other (specify):	Reclassify to Category C (attach HRER)		
Note: If ANY box in STEP 5 above is checked, a Preservation Planner MUST check one box below.			
<input checked="" type="checkbox"/>	<b>Project can proceed with categorical exemption review.</b> The project has been reviewed by the Preservation Planner and can proceed with categorical exemption review. <b>GO TO STEP 6.</b>		
<b>Comments (optional):</b>			
<b>Preservation Planner Signature:</b>			

**STEP 6: Categorical Exemption Determination**

To Be Completed By Project Planner

<input checked="" type="checkbox"/> <b>No further environmental review is required. The project is categorically exempt under CEQA. There are no unusual circumstances that would result in a reasonable possibility of a significant effect.</b>	
<b>Project Approval Action:</b> Board of Supervisors Approval	
If Discretionary Review before the Planning Commission is requested, the Discretionary Review hearing is the Approval Action for the project.	<b>Signature:</b>
Once signed or stamped and dated, this document constitutes a categorical exemption pursuant to CEQA Guidelines and Chapter 31 of the Administrative Code.	
In accordance with Chapter 31 of the San Francisco Administrative Code, an appeal of an exemption determination can only be filed within 30 days of the project receiving the first approval action. Please note that other approval actions may be required for the project. Please contact the assigned planner for these approvals.	







# SAN FRANCISCO PLANNING DEPARTMENT

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## PRE-APPROVAL INSPECTION REPORT

*Report Date:* May 26, 2020  
*Inspection Date:* May 26, 2020; 11:30am  
*Filing Date:* May 1, 2018  
*Case No.:* 2020-004685MLS  
*Project Address:* 59 Potomac Street  
*Block/Lot:* 0865/008  
*Eligibility:* Contributor to Duboce Park Historic District  
*Zoning:* RH-2 – Residential-House, Two-Family  
*Height & Bulk:* 40-X  
*Supervisor District:* District 8 (Rafael Mandelman)  
*Project Sponsor:* Jonathan Dascola & Kamariah Sulaiman Dascola  
*Address:* 59 Potomac Street  
San Francisco, CA 94117  
412-758-6044  
dascola@mac.com  
*Staff Contact:* Shannon Ferguson – (415) 575-9074  
shannon.ferguson@sfgov.org  
*Reviewed By:* Elizabeth Gordon-Jonckheer – (415) 575-8728  
[elizabeth.gordon-jonckheer@sfgov.org](mailto:elizabeth.gordon-jonckheer@sfgov.org)

### PRE-INSPECTION

- Application fee paid
- Record of calls or e-mails to applicant

3/31/20: Project review meeting with applicants. Email summary of meeting to applicants.

4/27/20: Review and comment on draft maintenance plan.

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

Reception:  
**415.558.6378**

Fax:  
**415.558.6409**

Planning  
Information:  
**415.558.6377**

## INSPECTION OVERVIEW

Date and time of inspection: Tuesday, May 26, 2020; 11:30am

Parties present: Shannon Ferguson

- Provide applicant with business cards
- Inform applicant of contract cancellation policy
- Inform applicant of monitoring process

Inspect property. If multi-family or commercial building, inspection included a:

- Thorough sample of units/spaces
  - Representative
  - Limited
- Review any recently completed and in progress work to confirm compliance with Contract.
- Review areas of proposed work to ensure compliance with Contract.
- Review proposed maintenance work to ensure compliance with Contract.
- Identify and photograph any existing, non-compliant features to be returned to original condition during contract period. **n/a**

- Yes**       **No**      Does the application and documentation accurately reflect the property's existing condition? If no, items/issues noted:
- Yes**       **No**      Does the proposed scope of work appear to meet the Secretary of the Interior's Standards? If no, items/issues noted: See below
- Yes**       **No**      Does the property meet the exemption criteria, including architectural style, work of a master architect, important persons or danger of deterioration or demolition without rehabilitation? If no, items/issues noted: **n/a**
- Yes**       **No**      Conditions for approval? If yes, see below.

## **NOTES**

59 Potomac Street is located on the east side of Potomac Street between Waller Street and Duboce Avenue, Assessor's Block 0866 Lot 014. The subject property is located within a RH-2 (Residential-House, Two-Family District) zoning district and a 40-X Height and Bulk district. The subject property is a contributing building to the Article 10 Duboce Park Historic District. It is a two story over garage, wood-frame, single-family dwelling built in 1899 and features a gable roof and bay window.

The subject property is currently valued by the Assessor's Office at under \$3,000,000. Therefore, an exemption from the tax assessment value is not required.

Due to the stay at home order, staff conducted a solo site visit from the public right-of-way. The subject property is currently under construction.

The rehabilitation plan proposes to seismic work, replace the roof, repair and paint the siding, replace windows and doors, replace steps, replace driveway with permeable paving and install new planters. The estimated cost of the proposed rehabilitation work is \$290,500.

The maintenance plan proposes to inspect and make any necessary repairs to the foundation, roof, siding, windows and doors, stairs, and permeable paving on an annual basis. The estimated cost of maintenance work is \$3,500 annually.



PHOTOGRAPHS















# MILLS ACT HISTORICAL PROPERTY CONTRACT

## SUPPLEMENTAL APPLICATION

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

### Property Information

Project Address: 59 Potomac Street

Block/Lot(s): 0865/008

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). Attach a separate sheet of paper if necessary.

n/a

### Rental Income Information

Include information regarding any rental income on the property, including anticipated annual expenses, such as utilities, garage, insurance, building maintenance, etc.? Attach a separate sheet of paper if necessary.

n/a

### Property Owner's Information

(If more than three owners attach additional sheets as necessary. Property owner names must be listed exactly as listed on the deed)

Name (Owner 1): Jonathan Robert Dascola

Company/Organization:

Address: 59 Potomac St

Email Address: dascola@mac.com

Telephone: 412-758-6044

Name (Owner 2): Kamariah Sulaiman Dascola

Company/Organization:

Address: 59 Potomac St

Email Address: kammiesulaiman@gmail.com

Telephone: 415-297-1124

Name (Owner 3): N/A

Company/Organization:

Address:

Email Address:

Telephone:

Do you own other property in the City and County of San Francisco?

Yes  No

If **YES**, please list the addresses and Block/Lot(s) for all other property owned within the City of San Francisco.

**Applicant Information**  Same as above

Name:

Company/Organization:

Address:

Email Address:

Telephone:

**Please Select Billing Contact**  Owner  Applicant

Name: Jonathan Dascola

Email Address: dascola@mac.com

Telephone: 412-758-6044

Please Select Primary Project Contact:  Owner  Applicant

**Qualified Historic Property**

- Individually Designated Pursuant to Article 10 of the Planning Code.  
Landmark No.: \_\_\_\_\_ Landmark Name: \_\_\_\_\_
- Contributing Building in a Landmark District Designated Pursuant to Article 10 of the Planning Code.  
Landmark District Name: Duboce Landmark District
- Significant (Category I or II) Pursuant to Article 11 of the Planning Code.
- Contributory (Category III) Pursuant to Article 11 of the Planning Code
- Contributory (Category IV) to a Conservation District Pursuant to Article 11 of the Planning Code.
- Individual Landmark under the California Register of Historical Resources
- Contributory Building in California Register of Historical Resources Historic Districts.
- Individual Landmark listed in the National Register of Historic Places.
- Contributory Building listed in the National Register of Historic Places as a Historic District.
- Submitted a complete application for listing or designation on or before December 31 of the year before the application is made.

Are there any outstanding violations on the property from the San Francisco Planning Department or the Department of Building Inspection? If **YES**, all outstanding violations must be abated and closed for eligibility for the Mills Act.

Yes  No

Are taxes on all property owned within the City and County of San Francisco paid to date? If **NO**, all property taxes must be paid for eligibility for the Mills Act.

Yes  No

**NOTE:** All property owners are required to include a copy of their most recent property tax bill.

## Tax Assessment Value

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Most Recent Assessed Value: \$ 2,397,000

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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

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## Exemption from Tax Assessment Value

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If the property value exceeds the Tax Assessment Value, please explain below how the property meets the following two criteria and why it should be exempt from the Tax Assessment Value.

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;

n/a

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.

n/a

**NOTE:** A Historic Structures Report, completed by a qualified historic preservation consultant, must be submitted in order to apply for an exemption from the tax assessment value.

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  No

## Priority Consideration Criteria

---

Please check the appropriate criteria as they apply to your property and explain on a separate piece of paper how the property meets the stated Priority Consideration Criteria. Only properties qualifying in three of the five categories are given priority consideration.

- Necessity:** The project will require a financial incentive to help ensure the preservation of the property. This criterion will establish that the property is in danger of deterioration and in need of substantial rehabilitation and restoration that has significant associated costs. Properties with open complaints, enforcement cases or violations will not meet this criterion.

See attached document "Priority Consideration Criteria"

- Investment:** The project will result in additional private investment in the property other than for routine maintenance. This may include seismic retrofitting and substantial rehabilitation and restoration work. This criterion will establish that the owner is committed to investing in the restoration, rehabilitation and maintenance the property.

See attached document "Priority Consideration Criteria"

- Distinctiveness:** The project preserves a distinctive example of a property that is especially deserving of a contract due to its exceptional nature.

See attached document "Priority Consideration Criteria"

- Recently Designated City Landmarks:** properties that have been recently designated landmarks will be given priority consideration.

See attached document "Priority Consideration Criteria"

- Legacy Business:** The project will preserve a property at which a business included in the Legacy Business Registry is located. This criterion will establish that the owner is committed to preserving the property, including physical features that define the existing Legacy Business.

n/a



## Photographic Documentation

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Provide both interior and exterior images (either on separate sheets of paper or digitally) and label the images properly.

## Site Plan

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On a separate sheet of paper, show all buildings on the property including lot boundary lines, street name(s), north arrow and dimensions on a site plan.

## Rehabilitation/Restoration & Maintenance Plans

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A 10 Year Rehabilitation/Restoration Plan, including estimates prepared by qualified contractors, has been submitted detailing work to be performed on the subject property

Yes  No

A 10 Year Maintenance Plan has been submitted detailing work to be performed on the subject property

Yes  No

Proposed work will meet the *Secretary of the Interior's Standards for the Treatment of Historic Properties*, the California Historic Building Code and all applicable Codes and Guidelines, including the Planning Code and Building Code.

Yes  No

## Rehabilitation/Restoration Plan (Exhibit A)

---

Use this form to outline your Rehabilitation/Restoration Plan. Copy this page as necessary to include all rehabilitation and restoration scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b>	<b>Building Feature:</b>
<input type="checkbox"/> Maintenance	<input type="checkbox"/> Rehab/Restoration
<input type="checkbox"/> Completed	<input type="checkbox"/> Proposed
Contract year work completion:	
Total Cost: \$	
Description of work:  See attached document "Rehabilitation & Restoration Plan"	

## Maintenance Plan (Exhibit B)

---

Use this form to outline your Maintenance Plan. Copy this page as necessary to include all maintenance scopes of work that you propose to complete within the next ten years. Arrange all scopes of work in order of priority.

<b>Scope: #</b>	<b>Building Feature:</b>		
<input type="checkbox"/> Maintenance	<input type="checkbox"/> Rehab/Restoration	<input type="checkbox"/> Completed	<input type="checkbox"/> Proposed
Contract year work completion: Annually			
Total Cost: \$			
Description of work:  See attached document "Rehabilitation & Restoration Plan"			

### Signature and Notary Acknowledgement Form

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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. Attach notary acknowledgement.

Jonathan Dascola

Name (Print)

4-30-2020

Date

DocuSigned by:  
Jonathan Dascola  
697E8800357D4F8

*Jonathan Dascola*

Signature

Kamariah Sulaiman Dascola

Name (Print)

4-30-2020

Date

DocuSigned by:  
Kamariah Sulaiman Dascola  
D686731B871B4B4

Signature

Name (Print)

Date

Signature

### Public Information Release

---

Please read the following statements and check each to indicate that you agree with the statement. Then sign below in the space provided.

I understand that submitted documents will become public records under the California Public Records Act, and that these documents will be made available upon request to members of the public for inspection and copying.

I acknowledge that all photographs and images submitted as part of the application may be used by the City without compensation.

Jonathan Dascola

Name (Print)

4-30-2020

Date

DocuSigned by:  
Jonathan Dascola  
697E8800357D4F8

*Jonathan Dascola*

Signature



## Public Information Release

---

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- I acknowledge that all photographs and images submitted as part of the application may be used by the City without compensation.

Jonathan Dascola

---

Name (Print)

4-30-2020

---

Date

DocuSigned by:  
Jonathan Dascola  
697E6800357D4FB...

*Jonathan Dascola*

---

Signature

Recording Requested by, and  
when recorded, send notice to:  
City and County of San Francisco  
Planning Department  
Attn: [Planner Name]  
1650 Mission Street, Suite 400  
San Francisco, CA 94103-2414

## CALIFORNIA MILLS ACT HISTORIC PROPERTY AGREEMENT

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

### RECITALS

Owner is the owner of the property located at [address], in San Francisco, California (Block 000, Lot 000). The building located at [address] is designated as a [list designation type here Historic District pursuant to Article 10 of the Planning Code, and is also known as the “Historic Property”. The Historic Property is a Qualified Historic Property, as defined under California Government Code Section 50280.1.

Owner desires to execute a rehabilitation and ongoing maintenance project for the Historic Property. Owner’s application calls for the rehabilitation and restoration of the Historic Property according to established preservation standards, which it estimates will cost [x] dollars (\$000.00). (See Rehabilitation Plan, Exhibit A.) Owner’s application calls for the maintenance of the Historic Property according to established preservation standards, which is estimated will cost approximately [x] dollars (\$000.00) 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.

Owner desires to enter into a Mills Act Agreement (also referred to as a "Historic Property Agreement") with the City to help mitigate 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 Owner 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. Owner 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 Owner shall proceed diligently in applying for any necessary permits for the work and shall apply for such permits within no more 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 Owner, the Zoning Administrator, at his or her discretion, may grant an extension of the time periods set forth in this paragraph. Owner 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 12 and 13 herein.

3. Maintenance. Owner 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, Owner shall replace and repair the damaged area(s) of the Historic Property. For repairs that do not require a permit, Owner 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), Owner shall proceed diligently in applying for any necessary permits for the work and shall apply for such permits within no more 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 Owner, the Zoning Administrator, at his or her discretion, may grant an extension of the time periods set forth in this paragraph. Owner 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 Owner may mutually agree to terminate this Agreement. Upon such termination, Owner shall not be obligated to pay the cancellation fee set forth in Paragraph 13 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 Owner shall pay property taxes to the City based upon the valuation of the Historic Property as of the date of termination.

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

6. Inspections and Compliance Monitoring. Prior to entering into this Agreement and every five years thereafter, and upon seventy-two (72) hours advance notice, Owner shall permit any representative of the City, the Office of Historic Preservation of the California Department of Parks and Recreation, or the State Board of Equalization, to inspect of the interior and exterior of the Historic Property, to determine Owner's compliance with this Agreement. Throughout the duration of this Agreement, Owner 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 ("Term"). As provided in Government Code section 50282, one year shall be added automatically to the Term, on each anniversary date of this Agreement, unless notice of nonrenewal is given as set forth in Paragraph 9 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. Notice of Nonrenewal. If in any year of this Agreement either the Owner or the City desire not to renew this Agreement, that party shall serve written notice on the other party in advance of the annual renewal date. Unless the Owner 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 Owner 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 Owner. Upon receipt by the Owner of a notice of nonrenewal from the City, Owner may make a written protest. At any time prior to the renewal date, City may withdraw its notice of nonrenewal. If either party serves notice of nonrenewal of this Agreement, this Agreement shall remain in effect for the balance of the period remaining since the original execution or the last renewal of the Agreement, as the case may be. Thereafter, the Owner 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 expiration of this Agreement.

10. Payment of Fees. As provided for in Government Code Section 50281.1 and San Francisco Administrative Code Section 71.6, upon filing an application to enter into a Mills Act Agreement with the City, Owner shall pay the City the reasonable costs related to the preparation and approval of the Agreement. In addition, Owner shall pay the City for the actual costs of inspecting the Historic Property, as set forth in Paragraph 6 herein.

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

- (a) Owner's failure to timely complete the rehabilitation work set forth in Exhibit A, in accordance with the standards set forth in Paragraph 2 herein;
- (b) Owner's failure to maintain the Historic Property as set forth in Exhibit B, in accordance with the requirements of Paragraph 3 herein;
- (c) Owner's failure to repair any damage to the Historic Property in a timely manner, as provided in Paragraph 4 herein;



(d) Owner's failure to allow any inspections or requests for information, as provided in Paragraph 6 herein;

(e) Owner's failure to pay any fees requested by the City as provided in Paragraph 10 herein;

(f) Owner's failure to maintain adequate insurance for the replacement cost of the Historic Property, as required by Paragraph 5 herein; or

(g) Owner's 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 12 and 13 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 13 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 12 herein prior to cancellation of this Agreement.

12. Cancellation. As provided for in Government Code Section 50284, City may initiate proceedings to cancel this Agreement if it makes a reasonable determination that Owner has breached any condition or covenant contained in this Agreement, has defaulted as provided in Paragraph 11 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 Owner 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.

13. Cancellation Fee. If the City cancels this Agreement as set forth in Paragraph 12 above, and as required by Government Code Section 50286, Owner 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 Owner 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.

14. 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 Owner has breached this Agreement, the City shall give the Owner written notice by registered or certified mail setting forth the grounds for the breach. If the Owner does not correct the breach, or do 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 12 and bring any action necessary to enforce the obligations of the Owner set forth in this Agreement. The City does not waive any claim of default by the Owner if it does not enforce or cancel this Agreement.

15. Indemnification. The Owner 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 Owner, their Agents or Invitees; (c) the condition of the Historic Property; (d)

any construction or other work undertaken by Owner on the Historic Property; or (e) any claims by unit or interval Owner 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 Owner's obligation to indemnify City, Owner specifically acknowledges and agrees 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 Owner by City, and continues at all times thereafter. The Owner's obligations under this Paragraph shall survive termination of this Agreement.

16. 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.

17. Binding on Successors and Assigns. The covenants, benefits, restrictions, and obligations contained in this Agreement shall run with the land and shall be binding upon and inure to the benefit of all successors in interest and assigns of the Owner. Successors in interest and assigns shall have the same rights and obligations under this Agreement as the original Owner who entered into the Agreement.

18. Legal Fees. In the event that either the City or the Owner fails 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.

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

20. Recordation. Within 20 days from the date of execution of this Agreement, the parties shall cause this Agreement to be recorded with the Office of the Recorder of the City and County of San Francisco. From and after the time of the recordation, this recorded Agreement shall impart notice to all persons of the parties' rights and obligations under the Agreement, as is afforded by the recording laws of this state.

21. 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.

22. No Implied Waiver. No failure by the City to insist on the strict performance of any obligation of the Owner 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.

23. Authority. If the Owner signs as a corporation or a partnership, each of the persons executing this Agreement on behalf of the Owner 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 Owner is authorized to do so.

24. 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.

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

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

27. 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: \_\_\_\_\_ DATE: \_\_\_\_\_  
\_\_\_\_\_, Assessor-Recorder

By: \_\_\_\_\_ DATE: \_\_\_\_\_  
\_\_\_\_\_, Director of Planning

APPROVED AS TO FORM:  
DENNIS J. HERRERA  
CITY ATTORNEY

By: \_\_\_\_\_ DATE: \_\_\_\_\_  
\_\_\_\_\_, City Attorney

OWNERS

By: \_\_\_\_\_ DATE: \_\_\_\_\_  
\_\_\_\_\_, Owner

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

**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

<p>┌</p> <p style="margin-top: 100px;">└</p>	<p>┐ ASSESSOR'S PARCEL NUMBER _____</p> <p>SELLER/TRANSFEROR _____</p> <p>BUYER'S DAYTIME TELEPHONE NUMBER                  (    ) _____</p> <p>└ BUYER'S EMAIL ADDRESS _____</p>
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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
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**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.



# HOW ARE MY PROPERTY TAX SAVINGS CALCULATED?

To calculate your property tax savings, the Assessor-Recorder will perform a three-way value comparison test. The lowest of these three values will determine your taxable value for the year.

1. Restricted income approach (income capitalization method) per the Mills Act as prescribed by the California State Board of Equalization
2. Market value based upon comparable sales
3. Factored base year value of your property and use

The following example shows how the Assessor-Recorder will calculate your property tax savings. Some components of the formula will vary each year (i.e. property tax rates and interest rates).

## Step 1: Restricted Income Approach (per the Mills Act) is calculated.

<b>Current Market Rent</b> (annual)	<b>\$ 72,000</b>
Vacancy & Collection Loss of 2%	\$ 1,440
Effective Annual Income	\$ 70,560
Less Anticipated Operating Expenses of 15% <i>(i.e. – utilities, water, garbage, insurance, maintenance, management fee)</i>	\$ 10,584
<b>Net Income</b>	<b>\$ 59,976</b>
<b>Capitalization Rate Components:</b>	
Interest rate <i>(Interest rate is determined annually by the State Board of Equalization – 4%)</i>	.04000
Risk rate <i>(4% for owner occupied or 2% for all other property types)</i>	.04000
Property tax rate of 1.188% <i>(2013 Tax Rate)</i>	.01188
Amortization rate <i>(60 year remaining life; improvements constitute 40% of total property value - .0167 x .40)</i>	.00667
Restricted Capitalization Rate	.09855

## Step 2: Three-Way Value Comparison is performed.

<b>Restricted Income Approach (per the Mills Act)</b>	<b>\$ 610,000</b>
Market Value Using Comparable Sales	\$ 1,500,000
Factored Base Year Value	\$ 1,064,403

## Step 3: Estimated property tax savings are calculated.

<b>Restricted Income Approach (per the Mills Act)</b>	<b>\$ 610,000</b>
(or the lowest of the three values)	
x Property tax rate of 1.188%	.01188
= Estimated property taxes under a Mills Act contract	\$ 7,247
- Current property taxes (\$1,064,403 x .01188)	\$ 12,645
<b>Estimated annual property tax savings</b>	<b>\$ 5,398</b>



# FREQUENTLY ASKED QUESTIONS

## **If I own an historic property am I obligated to participate in the program?**

No. Participation is voluntary. The contracts are intended for property owners who have a strong commitment to historic preservation and to assist property owners who plan to rehabilitate their property.

## **What is the term of a Mills Act Historical Property Contract?**

The contract is written for an initial term of 10 years. However, the contract automatically renews each year on its anniversary date. The contract, in effect, runs in perpetuity with the land. The initial 10-year term is the period of time in which major rehabilitation projects should be substantially completed. If an owner desires to be released from the contract, a letter of non-renewal is submitted to the City within 60 days of the contract renewal date. The owner is released from the contract ten years after the notice of non-renewal is submitted.

## **Are certain properties more likely to benefit from the Mills Act?**

- Properties purchased within the last ten years are most likely to receive the highest reduction.
- Properties purchased more than ten years ago will likely receive a minimal reduction.
- Properties purchased prior to 1978 (Proposition 13) are unlikely to receive a tax reduction.

## **How are my property taxes reduced?**

Please refer to the example calculation on page 29 of the Application Guide.

## **How much of a reduction will I receive?**

The Mills Act Historical Property Contract Program does not guarantee a reduction amount for any property. Properties that have more recently been purchased are likely to see greater tax reductions. Projects to date have identified property tax reductions ranging from 5% to 64%.

## **What happens if I want to sell my property after I have a Mills Act Contract?**

The contract will always remain with the property, and the new owner is obligated to meet the contract requirements. This can enhance the marketability of the property because it is not

reassessed at its new market value when it changes hands. The new owners will likely pay property taxes based on the existing or proximate Mills Act Valuation notice.

## **Are there potential penalties for property owners with a Mills Act Contract?**

Yes. If a property is not maintained under the terms of the contract, is improperly altered, or if rehabilitation work is not performed, the owner could be found in breach of contract. If the breach of contract cannot be resolved to satisfy the contract, the Contract is cancelled and the owner is assessed a 12.5 percent penalty based on the current fair-market value of the property.

## **How long does it take to process a Mills Act Application?**

Please refer the process flowchart in the Application Guide.

## **If I apply for a Mills Act Historic Property Contract, is the City obligated to enter into the contract?**

No. The City will evaluate each individual contract application alongside a set of priority criteria and determine which applications are most likely to yield the greatest public benefit.

## **Am I required to open my property to the public?**

No. The Mills Act Historic Property Program does not require the property owner to grant public access to the property. The contract does specify that with an appointment, period inspections will be made by City officials to determine compliance with the terms and provisions of the contract.

## **Where can I learn more about the Mills Act?**

The California State Office of Historic Preservation (OHP) is responsible for the administration of Federally and State mandated historic preservation programs in California. The OHP website offers information on a wide range of historic preservation topics including the Mills Act. The link to the OHP website is: <http://www.ohp.parks.ca.gov>. The direct link to the Mills Act program is: [http://ohp.parks.ca.gov/?page\\_id=21412](http://ohp.parks.ca.gov/?page_id=21412).

## **How often will a property with a Mills Act Contract be assessed?**

The Office of the Assessor-Recorder reassesses properties with a Mills Act Contract annually on the lien date, January 1st.

**Can I expect the same amount of property tax savings every year?**

No. The Office of the Assessor-Recorder, as mandated by state law, reappraises all properties annually. Interest rates, market rates (the fair market rent your property can generate as of January 1st of each year) and the property tax rate change annually, which impacts the taxable value of the property.

**Is my contract final once it is approved by the San Francisco Board of Supervisors?**

No. The Board of Supervisors is the final hearing body in the approvals process. However, your contract is not finalized until it has been recorded with the Office of the Assessor-Recorder. The absolute deadline to have your property contract recorded is December 31st by 4pm. If the contract is not recorded by this date, the property cannot be reassessed on January 1st under the Mills Act valuation and the property owner will not receive a tax savings until the following tax year.

Contracts must be recorded in-person by the property owner at:

Office of the Assessor-Recorder  
City Hall, Room 190  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102  
Website: [www.sfassessor.org](http://www.sfassessor.org)  
Recording Hours of Operation: Mon-Fri (8-4pm)

**Is there a fee to have my Mills Act Contract recorded?**

Yes. The Office of the Assessor-Recorder requires \$15 for the first page and \$3 for each additional page that is recorded.

**If I disagree with the Mills-Act assessed value of my property, can I appeal the taxable value?**

Yes. If a property owner disagrees with the assessed value or the results of the Mills Act Assessment, they may file a formal “Application for Changed Assessment” with the Assessment Appeals Board, an independently appointed review board. The application may be obtained in person, downloaded from the website, or requested in writing from:

Clerk of the Assessment Appeals Board  
City Hall, Room 405  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102  
Website: [www.sfgov.org/aab](http://www.sfgov.org/aab)

**What is the deadline for filing an “Application for Changed Assessment” with the Assessment Appeals Board?**

Assessment appeals applications may be filed between July 2nd and September 15th of the current year. Applications must be filed in on time to be considered. There are no exceptions to these dates.

**I received a “Notification of Assessed Value” letter for the current tax year. What is this letter and do I need to take any action?**

This is an informational letter used to notify property owners of their assessed property value for the current tax year. The assessed value minus exemptions is the basis for your property tax bill. The tax bill covers the fiscal year starting July 1st and ending June 30th.

You do not need to take any action unless you believe the market value of your property as of January 1st was less than the assessed value. If this is the case, a timely assessment appeal application must be filed.

**The “Notification of Assessed Value” letter states, “The assessed value shown may reflect an assessment that is not up to date”. How will I know if my assessment is up to date?**

If the Mills Act contract was recorded on time (on December 31st or before), the assessed value indicated in this letter is up to date – unless the property was recently purchased and ownership changes or if any new construction occurred on your property.

**I received a “Notification of Assessed Value” letter, but I have recently sold that property. Do I need to take any action?**

If you are no longer the current owner of the property, you may disregard this letter. The Office of the Assessor-Recorder will update the change in ownership accordingly.

**When will I receive my property tax bill?**

The fiscal year annual secured property tax bill is mailed in October of each year. Property owners will receive their property tax bills each year by November 1st. Please contact the Tax Collector’s Office if you do not receive your tax bill.

# GOVERNMENT CODES

## APPENDIX A: CALIFORNIA GOVERNMENT CODE SECTIONS 50280-50290

50280. Upon the application of an owner or the agent of an owner of any qualified historical property, as defined in Section 50280.1, the legislative body of a city, county, or city and county may contract with the owner or agent to restrict the use of the property in a manner which the legislative body deems reasonable to carry out the purposes of this article and of Article 1.9 (commencing with Section 439) of Chapter 3 of Part 2 of Division 1 of the Revenue and Taxation Code. The contract shall meet the requirements of Sections 50281 and 50282.

50280.1. “Qualified historical property” for purposes of this article, means privately owned property which is not exempt from property taxation and which meets either of the following:

- (a) Listed in the National Register of Historic Places or located in a registered historic district, as defined in Section 1.191-2(b) of Title 26 of the Code of Federal Regulations.
- (b) Listed in any state, city, county, or city and county official register of historical or architecturally significant sites, places, or landmarks.

50281. Any contract entered into under this article shall contain the following provisions:

- (a) The term of the contract shall be for a minimum period of 10 years.
- (b) Where applicable, the contract shall provide the following:
  - (1) For the preservation of the qualified historical property and, when necessary, to restore and rehabilitate the property to conform to the rules and regulations of the Office of Historic Preservation of the Department of Parks and Recreation, the United States Secretary of the Interior’s Standards for Rehabilitation, and the State Historical Building Code.
  - (2) For the periodic examinations of the interior and exterior of the premises by the assessor, the Department of Parks and Recreation, and the State Board of Equalization as may be necessary to determine the owner’s compliance with the contract.
  - (3) For it to be binding upon, and inure to the benefit of, all successors in interest of the owner. A successor in interest shall have the same rights and obligations under the contract as the original owner who entered into the contract.
- (c) The owner or agent of an owner shall provide written notice of the contract to the Office of Historic Preservation within six months of entering into the contract.

50281.1. The legislative body entering into a contract described in this article may require that the property owner, as a condition to entering into the contract, pay a fee not to exceed the reasonable cost of administering this program.

50282. (a) Each contract shall provide that on the anniversary date of the contract or such other annual date as is specified in the contract, a year shall be added automatically to the initial term of the contract unless notice of nonrenewal is given as provided in this section. If the property owner or the legislative body desires in any year not to renew the contract, that party shall serve written notice of nonrenewal of the contract on the other party in advance of the annual renewal date of the contract. Unless the notice is served by the owner at least 90 days prior to the renewal date or by the legislative body at least 60 days prior to the renewal date, one year shall automatically be added to the term of the contract.

(b) Upon receipt by the owner of a notice from the legislative body of nonrenewal, the owner may make a written protest of the notice of nonrenewal. The legislative body may, at any time prior to the renewal date, withdraw the notice of nonrenewal.

(c) If the legislative body or the owner serves notice of intent in any year not to renew the contract, the existing contract shall remain in effect for the balance of the period remaining since the original execution or the last renewal of the contract, as the case may be.

(d) The owner shall furnish the legislative body with any information the legislative body shall require in order to enable it to determine the eligibility of the property involved.

(e) No later than 20 days after a city or county enters into a contract with an owner pursuant to this article, the clerk of the legislative body shall record with the county recorder a copy of the contract, which shall describe the property subject thereto. From and after the time of the recordation, this contract shall impart a notice thereof to all persons as is afforded by the recording laws of this state.

50284. The legislative body may cancel a contract if it determines that the owner has breached any of the conditions of the contract

provided for in this article or has allowed the property to deteriorate to the point that it no longer meets the standards for a qualified historical property. The legislative body may also cancel a contract if it determines that the owner has failed to restore or rehabilitate the property in the manner specified in the contract.

50285. No contract shall be canceled under Section 50284 until after the legislative body has given notice of, and has held, a public hearing on the matter. Notice of the hearing shall be mailed to the last known address of each owner of property within the historic zone and shall be published pursuant to Section 6061.

50286. (a) If a contract is canceled under Section 50284, the owner shall pay a cancellation fee equal to 12 ½ percent of the current fair market value of the property, as determined by the county assessor as though the property were free of the contractual restriction.

(b) The cancellation fee shall be paid to the county auditor, at the time and in the manner that the county auditor shall prescribe, and shall be allocated by the county auditor to each jurisdiction in the tax rate area in which the property is located in the same manner as the auditor allocates the annual tax increment in that tax rate area in that fiscal year.

(c) Notwithstanding any other provision of law, revenue received by a school district pursuant to this section shall be considered property tax revenue for the purposes of Section 42238 of the Education Code, and revenue received by a county superintendent of schools pursuant to this section shall be considered property tax revenue for the purposes of Article 3 (commencing with Section 2550) of Chapter 12 of Part 2 of Division 1 of Title 1 of the Education Code.

50287. As an alternative to cancellation of the contract for breach of any condition, the county, city, or any landowner may bring any action in court necessary to enforce a contract including, but not limited to, an action to enforce the contract by specific performance or injunction.

50288. In the event that property subject to contract under this article is acquired in whole or in part by eminent domain or other acquisition by any entity authorized to exercise the power of eminent domain, and the acquisition is determined by the legislative body to frustrate the purpose of the contract, such contract shall be canceled and no fee shall be imposed under Section 50286. Such contract shall be deemed null and void for all purposes of determining the value of the property so acquired.

50289. In the event that property restricted by a contract with a county under this article is annexed to a city, the city shall succeed to all rights, duties, and powers of the county under such contract.

50290. Local agencies and owners of qualified historical properties may consult with the State Historical Resources Commission for its advice and counsel on matters relevant to historical property contracts.



# GOVERNMENT CODES

## APPENDIX B: CALIFORNIA REVENUE AND TAXATION CODE, ARTICLE 1.9, SECTIONS 439-439.4

### 439. HISTORICAL PROPERTY RESTRICTIONS; ENFORCIBLY RESTRICTED PROPERTY.

For the purposes of this article and within the meaning of Section 8 of Article XIII of the Constitution, property is “enforceably restricted” if it is subject to an historical property contract executed pursuant to Article 12 (commencing with Section 50280) of Chapter 1 of Part 1 of Division 1 of Title 5 of the Government Code.

#### 439.1. HISTORICAL PROPERTY; DEFINITIONS.

For purposes of this article “restricted historical property” means qualified historical property, as defined in Section 50280.1 of the Government Code, that is subject to a historical property contract executed pursuant to Article 12 (commencing with Section 50280) of Chapter 1 of Part 1 of Division 1 of Title 5 of the Government Code. For purposes of this section, “qualified historical property” includes qualified historical improvements and any land on which the qualified historical improvements are situated, as specified in the historical property contract. If the historical property contract does not specify the land that is to be included, “qualified historical property” includes only that area of reasonable size that is used as a site for the historical improvements.

#### 439.2. HISTORICAL PROPERTY; VALUATION.

When valuing enforceably restricted historical property, the county assessor shall not consider sales data on similar property, whether or not enforceably restricted, and shall value that restricted historical property by the capitalization of income method in the following manner:

- (a) The annual income to be capitalized shall be determined as follows:
  - (1) Where sufficient rental information is available, the income shall be the fair rent that can be imputed to the restricted historical property being valued based upon rent actually received for the property by the owner and upon typical rentals received in the area for similar property in similar use where the owner pays the property tax. When the restricted historical property being valued is actually encumbered by a lease, any cash rent or its equivalent considered in determining the fair rent of the property shall be the amount for which the property would be expected to rent were the rental payment to be renegotiated in the light of current conditions, including applicable provisions under which the property is enforceably restricted.
  - (2) Where sufficient rental information is not available, the income shall be that which the restricted historical property being valued reasonably can be expected to yield under prudent management and subject to applicable provisions under which the property is enforceably restricted.
  - (3) If the parties to an instrument that enforceably restricts the property stipulate therein an amount that constitutes the minimum annual income to be capitalized, then the income to be capitalized shall not be less than the amount so stipulated. For purposes of this section, income shall be determined in accordance with rules and regulations issued by the board and with this section and shall be the difference between revenue and expenditures. Revenue shall be the amount of money or money’s worth, including any cash rent or its equivalent, that the property can be expected to yield to an owner-operator annually on the average from any use of the property permitted under the terms by which the property is enforceably restricted. Expenditures shall be any outlay or average annual allocation of money or money’s worth that can be fairly charged against the revenue expected to be received during the period used in computing the revenue. Those expenditures to be charged against revenue shall be only those which are ordinary and necessary in the production and maintenance of the revenue for that period. Expenditures shall not include depletion charges, debt retirement, interest on funds invested in the property, property taxes, corporation income taxes, or corporation franchise taxes based on income.
- (b) The capitalization rate to be used in valuing owner-occupied single family dwellings pursuant to this article shall not be derived from sales data and shall be the sum of the following components:
  - (1) An interest component to be determined by the board and announced no later than September 1 of the year preceding the assessment year and that was the yield rate equal to the effective rate on conventional mortgages as determined by the Federal Housing Finance Board, rounded to the nearest 1/4 percent.
  - (2) A historical property risk component of 4 percent.
  - (3) A component for property taxes that shall be a percentage equal to the estimated total tax rate applicable to the property for the assessment year times the assessment ratio.
  - (4) A component for amortization of the improvements that shall be a percentage equivalent to the reciprocal of the remaining life.

(c) The capitalization rate to be used in valuing all other restricted historical property pursuant to this article shall not be derived from sales data and shall be the sum of the following components:

(1) An interest component to be determined by the board and announced no later than September 1 of the year preceding the assessment year and that was the yield rate equal to the effective rate on conventional mortgages as determined by the Federal Housing Finance Board, rounded to the nearest 1/4 percent.

(2) A historical property risk component of 2 percent.

(3) A component for property taxes that shall be a percentage equal to the estimated total tax rate applicable to the property for the assessment year times the assessment ratio.

(4) A component for amortization of the improvements that shall be a percentage equivalent to the reciprocal of the remaining life.

(d) Unless a party to an instrument that creates an enforceable restriction expressly prohibits the valuation, the valuation resulting from the capitalization of income method described in this section shall not exceed the lesser of either the valuation that would have resulted by calculation under Section 110, or the valuation that would have resulted by calculation under Section 110.1, as though the property was not subject to an enforceable restriction in the base year.

(e) The value of the restricted historical property shall be the quotient of the income determined as provided in subdivision (a) divided by the capitalization rate determined as provided in subdivision (b) or (c).

(f) The ratio prescribed in Section 401 shall be applied to the value of the property determined in subdivision (d) to obtain its assessed value.

#### 439.3. HISTORICAL PROPERTY; NOTICE OF NON-RENEWAL.

Notwithstanding any provision of Section 439.2 to the contrary, if either the county or city or the owner of restricted historical property subject to contract has served notice of nonrenewal as provided in Section 50282 of the Government Code, the county assessor shall value that restricted historical property as provided in this section.

(a) Following the hearing conducted pursuant to Section 50285 of the Government Code, subdivision (b) shall apply until the termination of the period for which the restricted historical property is enforceably restricted.

(b) The board or assessor in each year until the termination of the period for which the property is enforceably restricted shall do all of the following:

(1) Determine the full cash value of the property pursuant to Section 110.1. If the property is not subject to Section 110.1 when the restriction expires, the value shall be determined pursuant to Section 110 as if the property were free of contractual restriction. If the property will be subject to a use for which this chapter provides a special restricted assessment, the value of the property shall be determined as if it were subject to the new restriction.

(2) Determine the value of the property by the capitalization of income method as provided in Section 439.2 and without regard to the fact that a notice of nonrenewal or cancellation has occurred.

(3) Subtract the value determined in paragraph (2) of this subdivision by capitalization of income from the full cash value determined in paragraph (1).

(4) Using the rate announced by the board pursuant to paragraph (1) of subdivision (b) of Section 439.2, discount the amount obtained in paragraph (3) for the number of years remaining until the termination of the period for which the property is enforceably restricted.

(5) Determine the value of the property by adding the value determined by the capitalization of income method as provided in paragraph (2) and the value obtained in paragraph (4).

(6) Apply the ratios prescribed in Section 401 to the value of the property determined in paragraph (5) to obtain its assessed value.

#### 439.4. HISTORICAL PROPERTY; RECORDATION.

No property shall be valued pursuant to this article unless an enforceable restriction meeting the requirements of Section 439 is signed, accepted and recorded on or before the lien date for the fiscal year in which the valuation would apply.

# GOVERNMENT CODES

## APPENDIX C: SAN FRANCISCO ADMINISTRATIVE CODE, CH. 71: MILLS ACT CONTRACT PROCEDURES

### SEC. 71.1. PURPOSE.

(a) This Chapter 71 implements the Mills Act, California Government Code Sections 50280 et seq. The Mills Act authorizes local governments to enter into contracts with owners of private historical property who will rehabilitate, restore, preserve, and maintain qualified historical property. As consideration for the rehabilitation, restoration, preservation and maintenance of the qualified historical property, the City and County of San Francisco may provide certain property tax reductions 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.

(b) San Francisco contains many historic buildings which add to its character and international reputation. Many of these buildings have not been adequately maintained, may be structurally deficient, or may need rehabilitation. The costs of properly rehabilitating, restoring and preserving historic buildings may be prohibitive for property owners. Implementation of the Mills Act in San Francisco will make the benefits of the Mills Act available to many property owners.

(c) The benefits of the Mills Act to the individual property owners must be balanced with the cost to the City and County of San Francisco of providing the property tax reductions set forth in the Mills Act as well as the historical value of individual buildings proposed for historical property contracts, and the resultant property tax reductions, under the Mills Act.

### SEC. 71.2. ELIGIBILITY.

Qualified Historical Property. An owner, or an authorized agent of the owner, of a qualified historical property may apply for a historical property contract. For purposes of this Chapter 71, “qualified historical property” shall mean privately owned property that is not exempt from property taxation and that either has submitted a complete application for listing or designation, or has been listed or designated in one of the following ways on or before December 31 of the year before the application is made:

(a) Individually listed in the National Register of Historic Places or the California Register of Historical Resources;

(b) Listed as a contributor to an historic district included on the National Register of Historic Places or the California Register of Historical Resources;

(c) Designated as a City landmark pursuant to San Francisco Planning Code Article 10;

(d) Designated as contributory to an historic 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) pursuant to San Francisco Planning Code Article 11.

### SEC. 71.3. APPLICATION FOR HISTORICAL PROPERTY CONTRACT.

An owner, or an authorized agent of an owner, of a qualified historical property may submit an application for a historical property contract to the Planning Department on forms provided by the Planning Department. The property owner shall provide, at a minimum, the address and location of the qualified historical property, evidence that the property is a qualified historical property, the nature and cost of the rehabilitation, restoration or preservation work to be conducted on the property, financial information necessary for the Assessor-Recorder to conduct the valuation assessment under the Mills Act, including any information regarding income generated by the qualified historical property, and a plan for continued maintenance of the property. The Planning Department, the Historic Preservation Commission, or the Assessor-Recorder may require any further information it determines necessary to make a recommendation on or conduct the valuation of the historical property contract.

### SEC. 71.4. APPROVAL PROCESS.

(a) Assessor-Recorder Review. The Planning Department shall refer the application for historical property contract to the Assessor-Recorder for his or her review and recommendation. Within 60 days of the receipt of a complete application, the Assessor-Recorder shall provide to the Board of Supervisors and the Historic Preservation Commission a report estimating the yearly property tax revenue to the City under the proposed Mills Act contract valuation method and under the standard method without the Mills Act contract and showing the difference in property tax assessments under the two valuation methods. If the Assessor-Recorder determines that the proposed rehabilitation includes substantial new construction or a change of use, or the valuation is otherwise complex, he or she may extend this period for up to an additional 60 days by providing written notice of the extension to the applicant. Such notice shall state the basis for the extension.

(b) Historic Preservation Commission Review. The Historic Preservation Commission shall have the authority to recommend approval, disapproval, or modification of historical property contracts to the Board of Supervisors. For this purpose,

the Historic Preservation Commission shall hold a public hearing to review the application for the historical property contract and make a recommendation regarding whether the Board of Supervisors should approve, disapprove, or modify the historical property contract within 90 days of receipt of the Assessor-Recorder's report. The recommendation of the Historic Preservation Commission may include recommendations regarding the proposed rehabilitation, restoration, and preservation work, the historical value of the qualified historical property, and any proposed preservation restrictions or maintenance requirements to be included in the historical property contract. The Planning Department shall forward the recommendation of the Historic Preservation Commission to approve or modify an historical property contract, with its application, to the Board of Supervisors. If the Historic Preservation Commission recommends disapproval of the historical property contract, such decision shall be final unless the property owner files an appeal with the Clerk of the Board of Supervisors within 10 days of the final action of the Historic Preservation Commission. Failure of the Historic Preservation Commission to act within the 90-day time limit shall constitute a recommendation of approval disapproval for the purposes of this subsection, and the Planning Department shall notify the property owner in writing of the Historic Preservation Commission's failure to act; provided, however, that the Board of Supervisors by resolution may grant an extension of time to the Historic Preservation Commission for its review.

(c) Budget Analyst Review. Upon receipt of the recommendation of the Historic Preservation Commission or upon receipt of a timely appeal, the Clerk of the Board of Supervisors shall forward the application and the Assessor-Recorder's report to the Budget Analyst, who, notwithstanding any other provision of this Code, shall prepare a report to the Board of Supervisors on the fiscal impact of the proposed historical property contract.

(d) Board of Supervisors Decision. The Board of Supervisors shall conduct a public hearing to review the Historic Preservation Commission's recommendation, the Assessor-Recorder's report, the Budget Analyst's report, and any other information the Board requires in order to determine whether the City should execute a historical property contract for a particular property. The Board of Supervisors shall have full discretion to determine whether it is in the public interest to enter a Mills Act historical property contract regarding a particular qualified historical property. The Board of Supervisors may approve, disapprove, or modify and approve the terms of the historical property contract. Upon approval, the Board of Supervisors shall authorize the Director of Planning and the Assessor-Recorder to execute the historical property contract.

#### SEC. 71.5. TERMS OF THE HISTORICAL PROPERTY CONTRACT.

(a) The historical property contract shall set forth the agreement between the City and the property owner that as long as the property owner properly rehabilitates, restores, preserves and maintains the qualified historical property as set forth in the contract, the City shall comply with California Revenue and Taxation Code Article 1.9 (commencing with Section 439) of Chapter 3 of Part 2 of Division 1, provided that the Assessor determines that the specific provisions of the Revenue and Taxation Code are applicable to the property in question. A historical property contract shall contain, at a minimum, the following provisions:

- (1) The initial term of the contract, which shall be for a minimum period of 10 years;
- (2) The owner's commitment and obligation to preserve, rehabilitate, restore and maintain the property in accordance with the rules and regulations of the Office of Historic Preservation of the California Department of Parks and Recreation and the United States Secretary of the Interior's standards for the Treatment of Historic Properties;
- (3) Permission to conduct periodic examinations of the interior and exterior of the qualified historical property by the Assessor-Recorder, 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 as may be necessary to determine the owner's compliance with the historical property contract;
- (4) That the historical property contract is binding upon, and shall inure to the benefit of, all successors in interest of the owner;
- (5) An extension to the term of the contract so that one year is added automatically to the initial term of the contract on the anniversary date of the contract or such other annual date as specified in the contract unless notice of nonrenewal is given as provided in the Mills Act and in the historical property contract;
- (6) Agreement that the Board of Supervisors may cancel the contract, or seek enforcement of the contract, when the Board determines, based upon the recommendation of any one of the entities listed in Subsection (3) above, that the owner has breached the terms of the contract. The City shall comply with the requirements of the Mills Act for enforcement or cancellation of the historical property contract. Upon cancellation of the contract, the property owner shall pay a cancellation fee of 12.5 percent of the full value of the property at the time of cancellation (or such other amount authorized by the Mills Act), as determined by the Assessor-Recorder without regard to any restriction on such property imposed by the historical property contract; and
- (7) The property owner's indemnification of the City for, and agreement to hold the City harmless from, any claims arising from any use of the property.

(b) The City and the qualified historical property owner shall comply with all provisions of the Mills Act, including amendments thereto. The Mills Act, as amended from time to time, shall apply to the historical property contract process and shall



be deemed incorporated into each historical property contract entered into by the City.

SEC. 71.6. FEES.

The Planning Department shall determine the amount of a fee necessary to compensate the City for processing and administering an application for a historical property contract. The fee shall pay for the time and materials required to process the application, based upon the estimated actual costs to perform the work, including the costs of the Planning Department, the City Attorney, and the Assessor-Recorder. The City may also impose a separate fee, following approval of the historical property contract, to pay for the actual costs of inspecting the qualified historical property and enforcing the historical property contract. Such estimates shall be provided to the applicant, who shall pay the fee when submitting the application. In the event that the costs of processing the application are lower than the estimates, such differences shall be refunded to the applicant. In the event the costs exceed the estimate, the Planning Department shall provide the applicant with a written analysis of the additional fee necessary to complete the review of the application, and applicant shall pay the additional amount prior to execution of the historical property contract. Failure to pay any fees shall be grounds for cancelling the historical property contract.

SEC. 71.7. DEPARTMENTAL MONITORING REPORT.

On March 31, 2013 and every three years thereafter, the Assessor-Recorder and the Planning Department shall submit a joint report to the Board of Supervisors and the Historic Preservation Commission providing the Departments' analysis of the historical property contract (Mills Act) program. The report shall be calendared for hearing before the Board of Supervisors and the Historic Preservation Commission.



**San Francisco**  
**Planning**

FOR MORE INFORMATION:  
Call or visit the San Francisco Planning Department

**Central Reception**  
1650 Mission Street, Suite 400  
San Francisco CA 94103-2479

TEL: 415.558.6378  
FAX: 415.558.6409  
WEB: <http://www.sfplanning.org>

**Planning Information Center (PIC)**  
1660 Mission Street  
San Francisco CA 94103-2479

TEL: 415.558.6377  
*Planning staff are available by phone and at the PIC counter.  
No appointment is necessary.*

**ALL-PURPOSE ACKNOWLEDGMENT**

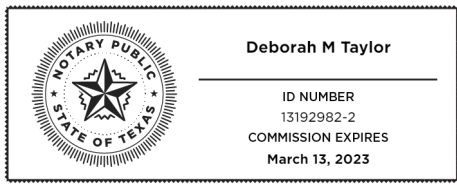
State/Commonwealth of TEXAS )  
 )  
 City  County of Dallas )

On 05/28/2020 before me, Deborah M Taylor,  
*Date* *Notary Name*

personally appeared Jonathan Dascola  
*Name(s) of Signer(s)*

- personally known to me -- **OR** --
- proved to me on the basis of the oath of \_\_\_\_\_ -- **OR** --  
*Name of Credible Witness*
- proved to me on the basis of satisfactory evidence: driver license  
*Type of ID Presented*

to be the individual(s) whose 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 by proper authority, and that by his/her/their signature(s) on the instrument, the individual(s), or the person(s) or entity upon behalf of which the individual(s) acted, executed the instrument for the purposes and consideration therein stated.



WITNESS my hand and official seal.

Notary Public Signature: Deborah M. Taylor

Notary Name: Deborah M Taylor

Notary Commission Number: 13192982-2

Notary Commission Expires: 03/13/2023

*Notarized online using audio-video communication*

**DESCRIPTION OF ATTACHED DOCUMENT**

Title or Type of Document: Planning Application (Mills Act)

Document Date: No Date Number of Pages (w/ certificate): 31

Signer(s) Other Than Named Above: N/A

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: Jonathan Dascola

- Corporate Officer Title: \_\_\_\_\_
- Partner –  Limited  General
- Individual  Attorney in Fact
- Trustee  Guardian of Conservator
- Other: \_\_\_\_\_

Signer Is Representing: Self

## Priority Consideration Criteria

**Necessity:** The property at 59 Potomac is in quite a dire situation, and frankly, is inhabitable. Duboce Park, and the dead end streets that adjoin it - Carmelita, Pierce and Potomac - are some of the most beautiful and historic in the city. Many homes are well cared for, while others have fallen into neglect. 59 Potomac was no doubt loved by its old owners, whose family still owns 61 Potomac, but they were not in a financial position to maintain the interior or exterior of the house.

When we purchased 59 Potomac in 2017, our intent was to restore as much of the house as possible, while investing in its future. As we learned more about the structural and interior issues, our scope and cost has grown. The Mills Act would be hugely helpful in offsetting a small portion of the investment required to make 59 Potomac a vibrant and beautiful part of the neighborhood, befitting its age and proximity to Duboce Park.

**Investment:** Our investment in the property will impact it in all ways, and from all angles - from reinforcing the foundation, as well as its contribution to the neighboring properties - to replacing and waterproofing the roof, and again ensuring an upgrade in draining and protection to both 57 and 61 Potomac. We estimate spending \$376,500+ on restoring the exterior and upgrading the structure system of our home.

Historically and visually, 59 Potomac will be improved by exterior upgrades that address the full facade:

- New roof and shingles, visible on the front of the property, as well as from the approach on the street
- New drainage on roof to prevent damage visible from both front and back of property
- New wooden windows on full front of house that match historic requirements
- Repair of existing exterior trim and siding where needed
- Waterproofing and painting of full exterior siding
- Demolition of dirty, cracked and worn terrazzo stairs, and plaster side walls to be replaced with historically accurate wooden stairs
- Demolition and removal of plaster planters on left and right side of house, to be replaced with historically accurate planters
- New permeable paving in new driveway, new concrete sidewalk and new permeable entryway on ground floor

**Distinctiveness:** The significance of the Duboce Triangle Historic District is directly related to its high concentration of significant and intact architecture. Specifically, the District represents a noteworthy grouping of turn-of-the-century buildings exhibiting late-Victorian and Edwardian era to the Edwardian/Classical Revival fashion, including Arts and Crafts, Beaux-Arts, Neo-Georgian, and



some Revival styles. 59 Potomac was built in 1903 in the Edwardian style. The Edwardian period in San Francisco is generally accepted as spanning from 1901 to around 1910, directly succeeding the Victorian era.

59 Potomac has many traits characterized as significant in Edwardian architecture from this period including three front-facing bay windows with original window detail that will be replaced in kind, ornamental shingles and scalloped wooden detail on the attic level, original redwood siding, and trim and cornice detail that date back to original construction. By removing later additions such as the terrazzo stairs and plaster side walls, planters etc, and replacing them with wooden stairs, wooden banisters and historically accurate planters/greenspace, we will elevate 59 Potomac's contribution to the distinctiveness of the Duboce Landmark District.

Situated three houses from the park, the full front exterior of 59 Potomac is visible from Duboce Park. The investments above will restore its beauty, historical significance, and contribute to the overall aesthetic integrity of the Duboce Landmark District.

**Link to Duboce Park Historic Designation:**

[https://archives.sfplanning.org/documents/3890-DPR%20523D\\_Duboce%20Park%20NR.pdf](https://archives.sfplanning.org/documents/3890-DPR%20523D_Duboce%20Park%20NR.pdf)

# *Elisha Mayost*

*Estimate*

Lic # 881789

530 Belle Ave  
San Rafael  
CA 94902

PH: (415) 722 0103  
mayost@comcast.net

Date  
April 1, 2019

Estimate #  
169

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**Kamariah and Jonathan Dascola**  
**59 Potomac St**  
**San Francisco, CA 94102**

**Scope of estimate:**

This estimate refers to final drawings created by Mike Baushke from Apparatus Architecture dated 2/18/2019 Revise 4 plan check set 59 Potomac, San Francisco David Strandberg Engineering Project #1802 Plan check set dated 2/18/2019. 15% profit and overhead included in Construction Subtotal.

**Total scope of work includes the following:**

- Removal of lath and plaster from interior walls and ceiling. Removal of debris.  
New foundation including footing and slab in existing area.
- Complete plumbing rough and finish as per approved drawing 2/18/2019
- Complete electrical rough and finish as per approved drawing 2/18/2019
- New drywall in walls and ceiling. Level 5 finish on walls and ceiling
- New insulation in all exterior walls and exterior ceiling
- Waterproofing of exterior walls
  
- New windows and exterior doors in rear of house
- Replace existing sashes with new double pane glass in front of house
- New wide plank, pre-finished engineered hardwood floor
- New radiant heat in floor joists
- Installation of finish cabinetry and counter tops
- Interior and exterior paint
- New molding, picture rail, base board and crown molding
- New French drain in backyard
- New Ice deck
- New stairs from deck to back yard
- Patio in back yard
- New slab in driveway
- Replace existing shingles with new
- Removal of old front stairs
- Rebuild of new stairs and walls to match existing house + approved drawings

**Finish Allowance:** Cabinets, vanities, windows, doors, plumbing fixtures, tile and stone

**Note:** Appliances not included. Electrical surface mounted fixtures are not included.

*We hereby propose to furnish the materials and perform the labor necessary for the completion of the above work. All material is guaranteed to be as specified, and the above work to be performed and completed in a substantial workmanlike manner. Please Note: City fees, permit fees, inspection fees, special inspection fees and drawings are not included in this estimate.*

# Elisha Mayost

*Estimate*

Lic # 881789

530 Belle Ave  
San Rafael  
CA 94902

PH: (415) 722 0103  
mayost@comcast.net

Date  
April 1, 2019

Estimate #  
169

## Payment schedule:

Detail below outlining payment stages for construction of 59 Potomac St based on approved plans 2/18/2019. 15% profit and overhead included in each line item below and reflected in Construction Subtotal.

Description	Total
Demo (1)	\$25,500
Demo (2)	\$25,500
Concrete (1)	\$49,300
Concrete (2)	\$25,500
Plumbing (1)	\$34,000
Radiant Heat (1)	\$34,000
Framing 1 (start)	\$29,750
Order Windows (1)	\$25,500
Framing 2 (Half)	\$25,500
Electrical Start (1)	\$34,000
Framing 3 (Complete)	\$21,250
Windows Install (2)	\$21,250
Concrete (3)Â	\$17,000
Rough Plumbing (2)	\$25,500
Rough Electrical (2)	\$25,500
Order Doors (1)	\$17,000
Drywall Start (1)	\$34,000
Rough Radiant Heat (2)	\$25,500
Drywall Finish (2)	\$21,250
Unit Install Radiant (3)	\$17,000
Doors Install (2)	\$12,750

# Elisha Mayost

Estimate

Lic # 881789

530 Belle Ave  
San Rafael  
CA 94902

PH: (415) 722 0103  
mayost@comcast.net

Date  
April 1, 2019

Estimate #  
169

Description	Total
Engineered Floor	\$20,400
Tile Start (1)	\$21,250
Cabinet Install	\$17,000
Tile Finish (2)	\$17,000
Trim Start (1)	\$25,500
Trim Half (2)	\$21,250
Trim Finish (3)	\$12,750
Painting start (1)	\$34,000
Painting Finish (2)	\$25,500
Back deck + stairs	\$21,250
Front stairs removal & build new	\$21,250
Driveway slab + front walk	\$12,750
<b>Construction Subtotal</b>	<b>\$796,450.00</b>
<b>Profit &amp; Overhead</b>	<b>\$140,550.00</b>
Allowance includes Cabinets + Vanities \$65,000, Windows \$28,000, Plumbing Fixtures \$12,000 and Tile + Stone \$25,000	\$130,000
Appliances (Purchased by homeowners)	\$27,500
Electrical surface mounted fixtures (Purchased by homeowners)	\$5,000
<b>Total Project Cost Managed by Elisha Mayost</b>	<b>\$1,067,000</b>

**Terms:**

Two stage payments and balance due on day of completion. Any alteration or deviation from above specifications involving extra costs will be executed only upon written order, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, or delays beyond our control.

**Contractor Acceptance of Proposal:**

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to work as specified. Payments will be made as outlined above. Note: This proposal may be withdrawn by us if not accepted within 30 days.

Client



Contractor



Date

6.28.19



# Elisha Mayost Lic # 881789

530 Belle Ave  
San Rafael  
CA 94902  
PH: (415) 722 0103  
mayost@comcast.net

# Estimate

Date	Estimate #
1/29/2020	192

Kammie & Jonathan Dascola 59 Potomac San Francisco, CA
--

Description	Cost:	Total
Replace of roof:  1. Remove of exiting shingles from the old roof (roof is around 1,500 sq ft). Haul the debris to the dump.  2. Repair as needed to the exiting framing / plywood.  3. New tar paper.  4. New 40 years shingles to cover the old roof.  5. New gutter to run into a catch basin.  5. New catch basin with down pipes that run into a sand box located at the light well.  NOTE: Not included. Exiting condition of the buildings next door is a problem and gutter need to be seal from the buildings next door to the gutter to stop rain from going between the building. This condition need to be address with the two building next door.	32,000.00	32,000.00

*We hereby propose to furnish the materials and perform the labor necessary for the completion of the above work. All material is guaranteed to be as specified, and the above work to be performed and completed in a substantial workmanlike manner.  
Please Note: City fees, permit fees, inspection fees, special inspection fees and drawings are not included in this estimate.*

<b>Total</b>	\$32,000.00
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**Terms:**  
 30% Down to begin work. Two stage payments and balance due on day of completion.  
 Any alteration or deviation from above specifications involving extra costs will be executed only upon written order, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, or delays beyond our control.

**ACCEPTANCE OF PROPOSAL:**  
 The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to work as specified.  
 Payments will be made as outlined above.  
 Note: This proposal may be withdrawn by us if not accepted within 30 days.

Signature (Owner): \_\_\_\_\_ Signature (Contractor): \_\_\_\_\_ Date: \_\_\_\_\_



The Window And Door Shop, Inc.

San Francisco, CA 94124

# Estimate

DATE	ESTIMATE NO.
10/28/2019	232745RL

Bill To:
Mayost, Elisha 43 18th Ave S.F. CA 94121

TERMS	DUE DATE	REP	PROJECT
50% down	10/28/2019	RL	59 Potomac

ITEM	DESCRIPTION	QTY	COST	TOTAL
Marvin Item	Marvin Ultimate windows and doors per estimate JH4UVDJ	1	38,979.15	38,979.15T
Tilt Pak	Window I - 34" x 68" Double hung tilt pack.	1	1,291.00	1,291.00T
Tilt Pak	Window J - 48" x 68" Double hung tilt pack.	1	1,571.00	1,571.00T
Tilt Pak	Window K - 34" x 68" Double hung tilt pack.	1	1,291.00	1,291.00T
Casement Sash	Window L - 18" x 48" Casement sash. Tempered low-e insulated glass.	1	667.00	667.00T
Tilt Pak	Window R - 34" x 68" Double hung tilt pack.	1	1,291.00	1,291.00T
Tilt Pak	Window S - 48" x 68" Double hung tilt pack.	1	1,571.00	1,571.00T
Tilt Pak	Window T - 34" x 68" Double hung tilt pack.	1	1,291.00	1,291.00T
Tilt Pak	Window U - 34" x 68" Double hung tilt pack.	1	1,291.00	1,291.00T
Tilt Pak	Window V - 48" x 68" Double hung tilt pack.	1	1,571.00	1,571.00T
Tilt Pak	Window W - 34" x 68" Double hung tilt pack.	1	1,291.00	1,291.00T
Awning Sash	Window X - 21" x 21" Awning sash.	1	408.00	408.00T
Awning Sash	Window Y - 21" x 21" Awning sash.	1	408.00	408.00T
Pre-hung	Door #2 - 3/0 x 7/0 x 1 3/4 Solid core flush primed 20 minute fire rated door. Prehung 6 3/4" primed jamb with weatherstrip, aluminum sill, shoe, self closing hinges and lock prep.	1	575.00	575.00T
	Sales Tax		8.50%	4,547.17

**TOTAL** \$58,043.32

Phone #	Fax #	E-mail	Web Site
415-282-6192	415-282-6193	Daniela@wdssf.com	windowanddoorshop.com

SIGNATURE \_\_\_\_\_

# Elisha Mayost Lic # 881789

530 Belle Ave  
 San Rafael  
 CA 94902  
 PH: (415) 722 0103  
 mayost@comcast.net

# Estimate

Date	Estimate #
10/6/2019	188

Kammie Sulaiman  
 59 Potomac  
 San Francisco, CA

Description	Cost:	Total
Scope of estimate:		
1. Run new water supply from the street to the house due to exiting galvanize pipe condition.	7,600.00	7,600.00
2. Open sidewalk dig a channel for new 1" copper water supply.		
3. Pulling plumbing and DPW permit and permit fees.		
4. Close sidewalk.		
1. Underpinning of exiting footing for houses at south and north as per engineer request and drawing.	8,000.00	8,000.00
2. Underpinning will be done in 3 section A,B,and C.		
1. Install 4 new beams as per new drawing.	24,000.00	24,000.00
2. New grade beam at the area where the steel beam goes. Grade beam as per new drawing.	8,500.00	8,500.00
Specialties	0.00	0.00

<b>Total</b>	\$48,100.00
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*We hereby propose to furnish the materials and perform the labor necessary for the completion of the above work. All material is guaranteed to be as specified, and the above work to be performed and completed in a substantial workmanlike manner.  
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**Terms:**  
 30% Down to begin work. Two stage payments and balance due on day of completion.  
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**ACCEPTANCE OF PROPOSAL:**  
 The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to work as specified.  
 Payments will be made as outlined above.  
 Note: This proposal may be withdrawn by us if not accepted within 30 days.

Signature (Owner): \_\_\_\_\_ Signature (Contractor): \_\_\_\_\_ Date: \_\_\_\_\_

# Elisha Mayost Lic # 881789

530 Belle Ave  
 San Rafael  
 CA 94902  
 PH: (415) 722 0103  
 mayost@comcast.net

## Estimate

Date	Estimate #
1/29/2020	192

Kammie & Jonathan Dascola  
 59 Potomac  
 San Francisco, CA

Description	Cost:	Total
Replace of roof:  1. Remove of exiting shingles from the old roof (roof is around 1,500 sq ft). Haul the debris to the dump.  2. Repair as needed to the exiting framing / plywood.  3. New tar paper.  4. New 40 years shingles to cover the old roof.  5. New gutter to run into a catch basin.  5. New catch basin with down pipes that run into a sand box located at the light well.  NOTE: Not included. Exiting condition of the buildings next door is a problem and gutter need to be seal from the buildings next door to the gutter to stop rain from going between the building. This condition need to be address with the two building next door.	32,000.00	32,000.00

<b>Total</b>	\$32,000.00
--------------	-------------

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 The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to work as specified. Payments will be made as outlined above.  
 Note: This proposal may be withdrawn by us if not accepted within 30 days.

Signature (Owner): *K S Dascola* Signature (Contractor): *Elisha Mayost* Date: *2/6/20*  
*Jonathan Dascola*



59 Potomac - Before Photos







**COLDWELL BANKER**  
RESIDENTIAL BROKERAGE  
415.682.6666  
CaliforniaMovers.com  
**STEPHANIE REEVES**  
932-2851  
SHOWN ONLY BY  
APPOINTMENT  
Do Not Disturb  
OCCUPANTS  
**FOR SALE**

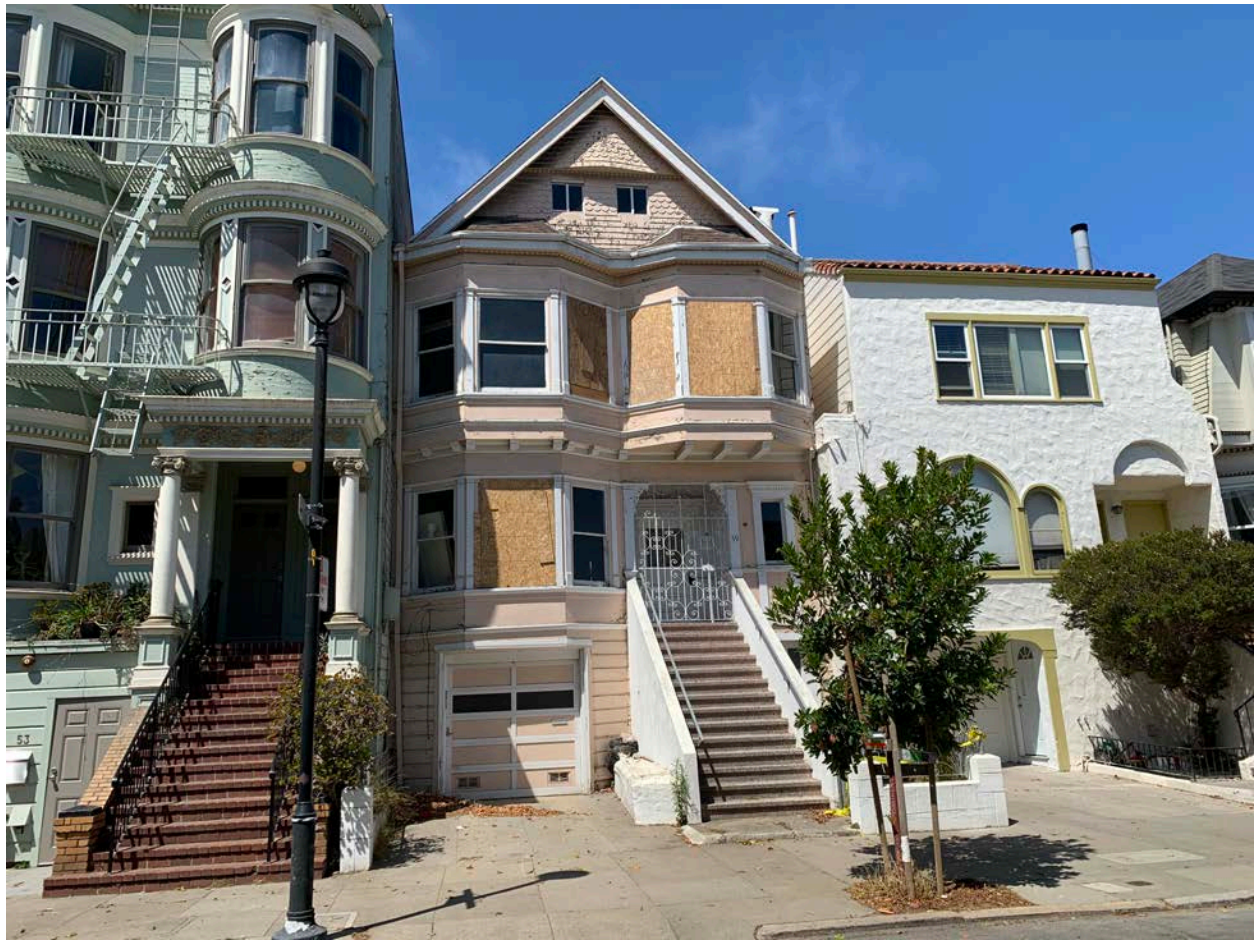
59











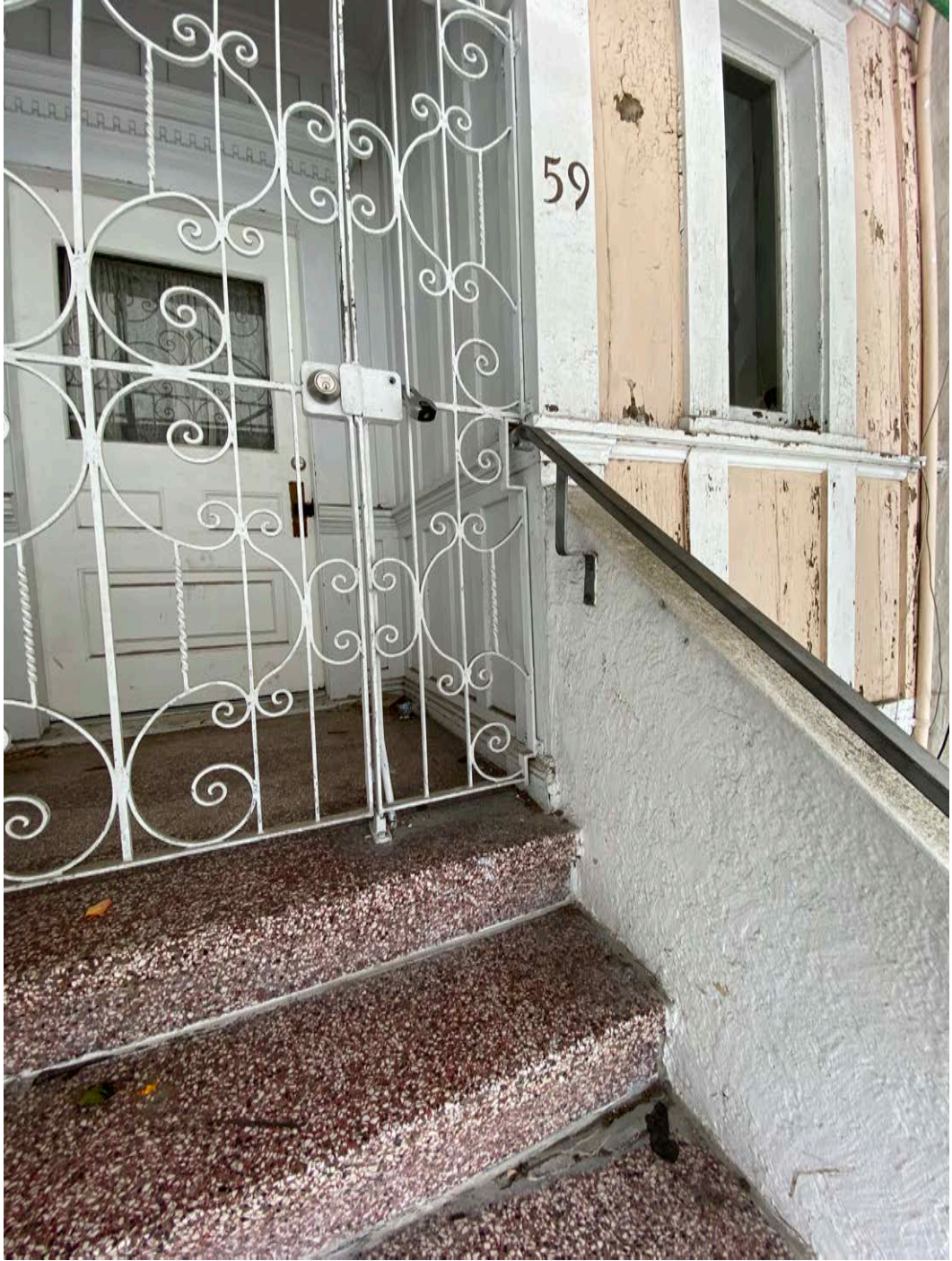




















**Attachment D**  
**Mills Act**  
**Monitoring**  
**Affidavit Report**  
**for 2019**

Contract #	Mills Act Property Address	Record No.	2019 work scheduled?	Status	Notes
1	460 Bush Street	2002.0092U	Regular annual inspection and maintenace	Waiting for additional information regarding maintenance program	Email sent 6/25/2020 requesting additional information
2	1080 Haight Street	2005.0690U	Regular annual inspection and maintenace	Closed	
3	1735 Franklin Street	2005.0302U	No work schedule, but repair work completed without a permit. OTC permit for this legalization is on hold until OTC permit / appointments are available.	Waiting on legalization (OTC) permit for repair work at rear of building that was completed in 2019 affidavit without benefit of permit. OTC permit on hold, due to PIC appointment backlog.	
4	690 Market Street	2008.0014U	General annual inspection, application of anti-graffiti coating and graffiti cleaning	Closed	
5	1818 California Street	2008.1327U	Regular annual inspection and maintenace	Closed	
6	201 Buchanan Street	2011.0310U	Regular annual inspection and maintenace	Closed	
7	2550 Webster Street	2013.0584U	Regular annual inspection and maintenace	Closed	
8	3769 20th Street	2013.0582U	Regular annual inspection and maintenace	Closed	
9	1019 Market Street	2013.0576U	No rehab work scheduled, but work scheduled for 2018 was not completed (will be moved to 2021)	Closed	Owner requested moving 2018 scope of work (repointing east and west brick elevations) to be completed in 2021 instead. After reviewing photos of current state of property, an email was sent to property owner on 8/28/20 confirming that they are in compliance and that the requested scopes can be rescheduled.



10	1772 Vallejo Street	2013.0575U	Reschedule painting and seismic for 2021	Closed	
11	50 Carmelita Street	2013.1261U	Regular annual inspection and maintenace	Closed	
12	66 Carmelita Street	2013.1230U	Repaint exterior, regular annual maintenance	Closed	
13	56 Pierce Street	2013.1258U	Regular annual inspection and maintenace	Closed	
14	64 Pierce Street	2013.1254U	Regular annual inspection and maintenace	Closed	
15	56 Potomac Street	2017-005884MLS	Façade restoration COA approved	Closed	
16	66 Potomac Street	2013.1257U	Regular annual inspection and maintenace	Closed	
17	68 Pierce Street	2014.0719U	Rehab: replace 6 non-historic front facing windows and 3 rear facing windows; earthquake retrofit; re-roofing	Closed	
18	563-567 Waller Street	2014.0720U	Regular annual inspection and maintenace	Waiting for additional information about completed maintenance work.	

19	621 Waller Street	2014.0746U	All work performed since 2016 was done without permits. Working with property owner to legalize all past work and schedule future work. Owner has withdrawn all previous permits and submitted new COA and BPA (7/9/20)	Working with property owner to address all outstanding issues.	
20	722 Steiner	2015-006442MLS	Regular annual inspection and maintenance	Closed	
21	807 Montgomery	2015-006450MLS	Regular annual inspection and maintenance	Closed	2015 Rehabilitation work requires completion with DBI
22	761 Post	2015-006448MLS	Regular annual inspection and maintenance	Closed	
23	1036 Vallejo Street	2016-006181MLS	Landscaping in yard	Closed	
24	101-105 Steiner Street	2016-006192MLS	No	Closed	South property line foundation work is REQUIRED to be completed in 2020, per Contract.
25	361 Oak Street	2016-006185MLS	Yes, but scheduled work scopes are being moved to 2021	Closed	Owner requested moving 2019 scopes of work (engineer consultation & lower window replacement) to be completed in 2021 instead. After reviewing photos of current state of property, an email was sent to property owner on 8/6/20 confirming that they are in compliance and that the requested scopes can be rescheduled.
26	215 and 229 Haight Street / 55 Lagun	2017-005434MLS	Regular annual inspection and maintenance	Closed	Janitorial and groundskeeper receipts uploaded to M-Files record number for 2019 Maintenance Work.
27	101 Vallejo Street	2017-005396MLS	No rehab work scheduled, but maintenance scopes and a delayed SOW from 2018 were completed (skylight installation)	Closed	

28	627 Waller Street	2017-005880MLS	Yes and General Maintenance - Repaired dry rot, performed general maintenance, and replaced leaking skylight	Closed	
29	940 Grove Street	2017-005887MLS	Regular annual inspection and maintenance	Closed	
30	973 Market Street	2017-005419MLS	Regular annual inspection and maintenance	Closed	
31	60-62 Carmelita Street	2017-004959MLS	Regular annual inspection and maintenance	Closed	
32	2253 Webster Street	2018-006629MLS	Yes - Rehab	Closed	Stair repair/replacement requested to be deferred until 2021
33	353 Kearny Street	2018-006717MLS	Roof maintenance, rehab elevator penthouse, repoint brick at floors 4 and 5, repair windows, replace missing historic windows, repoint brick	Closed	Skylight repair at elevator penthouse delayed until 2020. Otherwise work scheduled per contract in 2019 was completed
34	465-467 Oak Street	2018-006796MLS	Regular annual inspection and maintenance	Closed - Notarized affidavit not scanned but likely at Planning Department offices. Otherwise 2019 affidavit complete.	No restoration work scheduled for 2019 in maintenance plan, but owners conducted scheduled annual maintenance on building, including siding repair/painting, window and façade cleaning, and inspection of roof and gutters; roofing replacement/repair swapped with seismic retrofit, due to condition of roof. Email sent to property owner on 6/19/20 confirming that they are in compliance
35	587 Waller Street	2018-006690MLS	Yes and maintenance	Closed	Property owner performed maintenance and completed full foundation work, roof replacement. Property owner has rescheduled façade restoration for 2021 and window replacement for 2020.

36	354-356 San Carlos Street	2018-006794MLS	Regular annual inspection and maintenace	Closed	
37	811 Treat Avenue	2018-007338MLS	Garage door replacement and decorative glass restoration (both complete in 2018 within a year of contract start)	Closed	