

File No. 130521

Committee Item No. 5

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: 12/16/2013

Board of Supervisors Meeting

Date: _____

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Completed by: Victor Young

Date December 12, 2013

Completed by: Victor Young

Date _____

1 [Mills Act Historical Property Contract - 3769 20th Street]

2
3 **Resolution approving a Mills Act historical property contract, under Administrative**
4 **Code, Chapter 71, between Brian Jackson and Thomas Ranese, the owners of 3769**
5 **20th Street, and the City and County of San Francisco; and authorizing the Planning**
6 **Director and Assessor to execute the Mills Act historical property contract.**

7
8 WHEREAS, The California Mills Act (Government Code Section 50280 et seq.)
9 authorizes local governments to enter into a contract with the owners of a qualified historical
10 property who agree to rehabilitate, restore, preserve, and maintain the property in return for
11 property tax reductions under the California Revenue and Taxation Code; and

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

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

18 WHEREAS, 3769 20th Street is a contributor the Liberty-Hill Landmark District under
19 Article 10 of the Planning Code and thus qualifies as an historical property as defined in
20 Administrative Code Section 71.2; and

21 WHEREAS, A Mills Act application for an historical property contract has been
22 submitted by Brian Jackson and Thomas Ranese, the owners of 3769 20th Street, detailing
23 completed rehabilitation work and proposing a maintenance plan for the property; and
24
25

1 WHEREAS, As required by Administrative Code Section 71.4(a), the application for the
2 historical property contract for 3769 20th Street was reviewed by the Assessor's Office and the
3 Historic Preservation Commission; and

4 WHEREAS, The Assessor has reviewed the historical property contract and has
5 provided the Board of Supervisors with an estimate of the property tax calculations and the
6 difference in property tax assessments under the different valuation methods permitted by the
7 Mills Act in its report transmitted to the Board of Supervisors on December 10, 2013, which
8 report is on file with the Clerk of the Board of Supervisors in File No. 130521 and is hereby
9 declared to be a part of this motion as if set forth fully herein; and

10 WHEREAS, The Historic Preservation Commission recommended approval of the
11 historical property contract in its Resolution No. 716, which Resolution is on file with the Clerk
12 of the Board of Supervisors in File No. 130521 and is hereby declared to be a part of this
13 resolution as if set forth fully herein; and

14 WHEREAS, The draft historical property contract between Brian Jackson and Thomas
15 Ranese, the owners of 3769 20th Street, and the City and County of San Francisco is on file
16 with the Clerk of the Board of Supervisors in File No. 130521 and is hereby declared to be a
17 part of this resolution as if set forth fully herein; and

18 WHEREAS, The Board of Supervisors has conducted a public hearing pursuant to
19 Administrative Code Section 71.4(d) to review the Historic Preservation Commission's
20 recommendation and the information provided by the Assessor's Office in order to determine
21 whether the City should execute the historical property contract for 3769 20th Street; and

22 WHEREAS, The Board of Supervisors has balanced the benefits of the Mills Act to the
23 owner of 3769 20th Street with the cost to the City of providing the property tax reductions
24 authorized by the Mills Act, as well as the historical value of 3769 20th Street and the resultant
25 property tax reductions; now, therefore, be it

1 RESOLVED, That the Board of Supervisors hereby approves the historical property
2 contract between Brian Jackson and Thomas Ranese the owners of 3769 20th Street, and the
3 City and County of San Francisco; and, be it

4 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the Planning
5 Director and the Assessor to execute the historical property contract; and, be it

6 FURTHER RESOLVED, That within thirty (30) days of the contract being fully executed
7 by all parties, the Director of Planning shall provide the final contract to the Clerk of the Board
8 for inclusion into the official file.

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MEMORANDUM

Date: December 12, 2013
To: Victor Young, Board of Supervisors
From: Michael Jine, Assessor-Recorder
Subject: Mills Act Values

Victor:

Attached is a spreadsheet of the estimated Mills Act value and property tax savings for the following properties:

1. 1019 Market
2. 3769 20th
3. 2550 Webster
4. 1772 Vallejo
5. 50 Carmelita
6. 56 Pierce
7. 56 Potomoc
8. 64 Pierce
9. 66 Carmelita
10. 66 Potomoc
11. 70 Carmelita

Remarks:

- (a) The original values for #1 (1019 Market), #2 (3769 20th), and #4 (1772 Vallejo) have been revised due to a change in the tax rate to 1.188% from 1.1691%.
- (b) The original value for #3 (2550 Webster) has been revised due to a change in the tax rate to 1.188% from 1.1691% and a change in the use to owner occupied from non-owner occupied.

Lesser of the 3 Comparisons

Address	Property Type	Owner Occupied	Three Way Value Comparison				Taxable Mills Act Value	Reduction in Assessed Value	Percentage Reduction From FBV	2013 Property Tax Rate	Estimated Property Tax Savings
			2013 Factored Base Year Value	Restricted Value by Income	Market Value	Restricted Value by Income					
1019 Market	Office	No	\$ 17,500,000	\$ 16,540,000	\$ 25,180,000	\$ 16,540,000	\$ (960,000)	-5.49%	1.188%	(\$11,405)	
3769 20th	SFR	Yes	\$ 1,785,000	\$ 932,783	\$ 1,780,000	\$ 932,783	\$ (852,217)	-47.74%	1.188%	(\$10,124)	
2550 Webster	SFR	Yes	\$ 2,924,570	\$ 2,523,438	\$ 10,670,000	\$ 2,523,438	\$ (401,132)	-13.72%	1.188%	(\$4,765)	
1772 Vallejo	SFR	Yes	\$ 6,250,000	\$ 2,220,625	\$ 6,350,000	\$ 2,220,625	\$ (4,029,375)	-64.47%	1.188%	(\$47,869)	
50 Carmelita	SFR	Yes	\$ 2,620,582	\$ 970,000	\$ 2,600,000	\$ 970,000	\$ (1,650,582)	-62.99%	1.188%	(\$19,609)	
56 Pierce	3 units	No	\$ 1,535,568	\$ 910,000	\$ 1,490,000	\$ 910,000	\$ (625,568)	-40.74%	1.188%	(\$7,432)	
56 Potomac	SFR	Yes	\$ 1,064,403	\$ 630,000	\$ 1,700,000	\$ 630,000	\$ (434,403)	-40.81%	1.188%	(\$5,161)	
64 Pierce	SFR	Yes	\$ 2,526,192	\$ 950,000	\$ 2,500,000	\$ 950,000	\$ (1,576,192)	-62.39%	1.188%	(\$18,725)	
66 Carmelita	SFR	Yes	\$ 1,999,993	\$ 720,000	\$ 2,100,000	\$ 720,000	\$ (1,279,993)	-64.00%	1.188%	(\$15,206)	
66 Potomac	SFR	Yes	\$ 1,895,874	\$ 900,000	\$ 2,400,000	\$ 900,000	\$ (995,874)	-52.53%	1.188%	(\$11,831)	
70 Carmelita	SFR	Yes	\$ 635,263	\$ 780,000	\$ 2,200,000	\$ 635,263	\$ -	0.00%	1.188%	\$0	



SAN FRANCISCO PLANNING DEPARTMENT

Historic Preservation Commission Resolution No. 716 HEARING DATE OCTOBER 16, 2013

Hearing Date: October 16, 2013
Filing Date: May 1, 2013
Case No.: 2013.0582U
Project Address: **3769 20th Street**
Landmark District: Liberty-Hill Landmark District
Zoning: RH-2 (Residential House, Two Family)
40-X Height and Bulk District
Block/Lot: 3607/062
Applicant: Brian Jackson &
Thomas Ranese
3769 20th Street
San Francisco, CA 94110
Staff Contact Susan Parks – (415) 575-9101
susan.parks@sfgov.org
Reviewed By Tim Frye – (415) 575-6822
tim.frye@sfgov.org

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ADOPTING FINDINGS RECOMMENDING TO THE BOARD OF SUPERVISORS APPROVAL OF THE MILLS ACT HISTORICAL PROPERTY CONTRACT, REHABILITATION PROGRAM, AND MAINTENANCE PLAN FOR 1019 MARKET:

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

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

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

WHEREAS, the existing building located at 3769 20th Street and is a contributor to the Liberty-Hill Landmark District pursuant to Article 10 of San Francisco Planning Code and thus qualifies as a historic property; and

WHEREAS, the Planning Department has reviewed the Mills Act application, historical property contract, rehabilitation program, and maintenance plan for 3769 20th Street, which are located in Case Docket No. 2013.0582U. The Planning Department recommends approval of the Mills Act historical property contract, rehabilitation program, and maintenance plan; and

WHEREAS, the Historic Preservation Commission (HPC) recognizes the historic building at 1019 Market Street as an historical resource and believes the rehabilitation program and maintenance plan are appropriate for the property; and

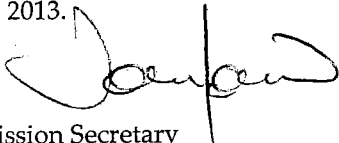
WHEREAS, at a duly noticed public hearing held on October 16, 2013, the Historic Preservation Commission reviewed documents, correspondence and heard oral testimony on the Mills Act application, historical property contract, rehabilitation program, and maintenance plan for 3769 20th Street, which are located in Case Docket No. 2013.0582U. The Historic Preservation Commission recommends approval of the Mills Act historical property contract, rehabilitation program, and maintenance plan.

THEREFORE BE IT RESOLVED that the Historic Preservation Commission hereby recommends that the Board of Supervisors approve the Mills Act historical property contract, rehabilitation program, and maintenance plan for the historic building located at 3769 20th Street.

BE IT FURTHER RESOLVED that the Historic Preservation Commission hereby directs its Commission Secretary to transmit this Resolution, the Mills Act historical property contract, rehabilitation program, and maintenance plan for 3769 20th Street, and other pertinent materials in the case file 2013.0582U to the Board of Supervisors.

I hereby certify that the foregoing Resolution was ADOPTED by the Historic Preservation Commission on October 16, 2013.

Jonas P. Ionin



Acting Commission Secretary

AYES: Hasz, Wolfram, Hyland, Johnck, Mastuda, Pearlman

NOES:

ABSENT: Johns

ADOPTED: 6-0



SAN FRANCISCO PLANNING DEPARTMENT

December 4, 2013

Ms. Angela Calvillo, Clerk
Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: **Transmittal of Planning Department Case Number 2013.0582U
Mills Act Historical Property Contract Application
3769 20th Street (Contributor to the Liberty-Hill Landmark District)**

BOS File No: _____ (pending)

Historic Preservation Commission Recommendation: Approval

Dear Ms. Calvillo,

On October 16, 2013 the San Francisco Historic Preservation Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Mills Act Historical Property Contract Application;

At the October 16, 2013 hearing, the Historic Preservation Commission voted to approve the proposed Resolution.

The Resolution recommends that the Board of Supervisors approve the Mills Act Historical Property Contract, rehabilitation program and maintenance plan for the property at 3769 20th Street, a contributor to the Liberty-Hill Landmark District.

Please note that the Project Sponsor submitted the Mills Act application on May 1, 2013. The project sponsor completed the following scopes of work under a Certificate of Appropriateness that was issued in November 2012.

The following components of the rehabilitation program have been completed over the past year:

- Seismic improvements to historic portions of the house

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. It addresses the following components:

- wood siding,
- windows/glazing,
- roof,
- millwork and ornamentation;
- gutters, downspouts and drainage; and
- the foundation

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The attached draft historical property contract will help the Project Sponsor mitigate these expenditures and will enable the Project Sponsor to maintain the property in excellent condition in the future.

As detailed in the Mills Act application, the Project Sponsor has committed to a maintenance plan that will include both annual and cyclical inspections. Furthermore, the Planning Department will administer an inspection program to monitor the provisions of the contract. This program will involve a yearly affidavit issued by the property owner verifying compliance with the approved maintenance and rehabilitation plans as well as a cyclical 5-year site inspection.

Please find attached documents relating to the Commission's action. If you have any questions or require further information please do not hesitate to contact me.

Sincerely,



AnMarie Rodgers
Manager of Legislative Affairs

Attachments:

Historic Preservation Commission Resolution No. 0716

Mills Act Contract Case Report, dated October 16, 2013, including the following:

- Exhibit A: Mills Act Historical Property Contract
- Exhibit B: Rehabilitation & Maintenance Plan
- Exhibit C: Market Analysis and Income Approach provided by the Assessor's Office
- Exhibit D: Mills Act Application



SAN FRANCISCO PLANNING DEPARTMENT

Mills Act Contracts Case Report

Hearing Date: October 16, 2013

a. *Filing Dates:* May 1, 2013
Case No.: 2013.0576U
Project Address: 1019 Market St.
Conservation District: N/A
Article 11 Category: II (Significant)
National Register Listing: Market Street Theater and Loft District
Zoning: C-3-G (Downtown General)
120-X Height and Bulk District
Block/Lot: 3703/076

b. *Filing Date:* May 25, 2012
Case No.: 2012.0679U
Project Address: 2550 Webster St.
Historic Landmark: Landmark #38, Bourn Mansion
Zoning: RH-2 (Residential House, Two Family)
40-X Height and Bulk District
Block/Lot: 0580/013
Applicant: Gregory McCandless
Pacific Heights, LLC
PO Box 1962
Los Altos, CA 94023

c. *Filing Date:* May 1, 2013
Case No.: 2013.0582U
Filing Date: May 1, 2013
Project Address: 3769 20th Street
Landmark District: Liberty-Hill Landmark District
Zoning: RH-2 (Residential House, Two Family)
40-X Height and Bulk District
Block/Lot: 3607/062
Applicant: Brian Jackson & Thomas Ranese
3769 20th Street
San Francisco, CA 94110

Staff Contact Susan Parks – (415) 575-9101
susan.parks@sfgov.org

Reviewed By Tim Frye – (415) 575-6822
tim.frye@sfgov.org

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PROPERTY DESCRIPTION

- a. **1019 Market St.:** The subject property is located on the east side of Market Street between 6th and 7th Streets. Assessor's Block 3703, Lot 076. It is located in a C-3-G (Downtown General) Zoning District and a 120-X Height and Bulk District. The property was designated under Article 11 as Category II building. It is also listed on the National Register as a contributor to the Market Street Theater Loft District, the UMB survey, and the Planning Department 1976 Architectural Survey. The seven-story-over-basement, unreinforced masonry loft was built in 1909 by the McDonough Estate Company, and designed by architect George Applegarth, to house the Eastern Outfitting Company, which sold furniture, carpets, stoves and bedding through the 1930s. The interior and ground floor were remodeled in 1937 and the building was renovated again in 1970. The primary façade faces Market Street and is comprised of three sections: the ground floor storefront, the Chicago style bay window flanked by giant terra cotta Corinthian columns, and capped with a large decorative sheet metal cornice.
- b. **2250 Webster St.:** The subject property is located on the east side of Market Street between Broadway and Pacific Streets. Assessor's Block 0580, Lot 013. It is located in a RH-2 (Residential-House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as City Landmark #38. It is also listed in Here Today (page 24) and the Planning Department 1976 Architectural Survey. The three-story-over-basement, masonry residence was built in 1896 by William Bourne, President of the Spring Valley Water Company and designed by architect Willis Polk in the classical revival style.
- c. **3769 20th St.:** The subject property is located on the south side of 20th Street between Dolores and Guerrero Streets. Assessor's Block 3607, Lot 062. It is located in a RH-2 (Residential-House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Liberty Hill Landmark District. It is also listed in Here Today (page 299) and the Planning Department 1976 Architectural Survey. The two-story-over-basement, frame residence was built in 1871 in the Italianate style.

PROJECT DESCRIPTION

This project is a Mills Act Historical Property Contract application.

MILLS ACT REVIEW PROCESS

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

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

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

MILLS ACT REVIEW PROCEDURES

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

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

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

APPLICABLE PRESERVATION STANDARDS

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

TERM

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

ELIGIBILITY

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

- (a) Individually listed in the National Register of Historic Places;
- (b) Listed as a contributor to an historic district included on the National Register of Historic Places;

- (c) Designated as a City landmark pursuant to San Francisco Planning Code Article 10;
- (d) Designated as contributory to 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) to a conservation district designated pursuant to San Francisco Planning Code Article 11.

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

Residential Buildings

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

Commercial, Industrial or Mixed Use Buildings

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

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

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

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

PUBLIC/NEIGHBORHOOD INPUT

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

STAFF ANALYSIS

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

a. 1019 Market St: As detailed in the Mills Act application, the Project Sponsor proposes to continue rehabilitation efforts approved administratively under Minor Permit to Alter in July 2013. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as over \$5,000,000 (see attached Market Analysis and Income Approach reports). The subject property qualifies for an exemption

as it is listed on the National Register as it is designated under Article 11 as a Category II building and is a contributor to the National Register-listed Market Street Theater and Loft District. A Historic Structures Report was required in order to demonstrate that granting the exemption would assist in the preservation of a property that might otherwise be in danger of demolition or substantial alterations. (See attached, 1019 Market St., Exhibit B)

The previously approved work program involves repair of the exterior including a new ground floor storefront; repair of the upper story bays and terra cotta columns, restoring the sheet metal cornice; re-glazing all existing historic windows. No changes to the use or configuration of the building are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses care of the roof, sheet metal, terra cotta, wood window sashes, sheet metal window mullions, and the parged concrete walls. The attached draft historical property contract will help the Project Sponsor mitigate these expenditures and will allow the Project Sponsor to maintain the property in excellent condition in the future.

b. 2250 Webster St.: The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports). Therefore, the 2550 Webster Street Mills Act application does not require an exemption.

The rehabilitation program involves exterior work to the Bourn Mansion, including repairs, in-kind replacement of the historic slate roofing, structural framing and reinforcement, and repairs to historic windows; restoration of the conservatory roof and leaded glass windows. No changes to the use or configuration of the building are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses care of the roof chimneys, masonry, millwork and ornamentation; sheet metal; windows and doors. The attached draft historical property contract will help the Project Sponsor mitigate these expenditures and will induce the Project Sponsor to maintain the property in excellent condition in the future.

Staff determined that the proposed work, detailed in the attached exhibits, is consistent with Secretary of Interior's Standards for Rehabilitation and for Restoration.

c. 3769 20th St.: As detailed in the Mills Act application, the Project Sponsor proposes the rehabilitation efforts approved and completed under Certificate of Appropriateness in November 2012 (Motion No. 0177). Staff determined that the proposed work, detailed in the attached exhibits, is consistent with Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The previously approved rehabilitation program involves in-kind replacement of historic elements and seismic improvements to the historic portions of the house. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; and the foundation. The attached draft historical property contract will help the Project Sponsor mitigate these expenditures and will induce the Project Sponsor to maintain the property in excellent condition in the future.

PLANNING DEPARTMENT RECOMMENDATION

The Planning Department recommends that the Historic Preservation Commission adopt a resolution recommending approval of these Mills Act Historical Property Contracts, rehabilitation and maintenance plans to the Board of Supervisors.

ISSUES AND OTHER CONSIDERATIONS

The Assessor and Recorders Office has provided initial review. The Planning Department is continuing to working with the Assessor and Recorder's Office to finalize the final property tax valuations and savings.

HISTORIC PRESERVATION COMMISSION ACTIONS

Review and adopt a resolution for each property:

1. Recommending to the Board of Supervisors the approval of the proposed Mills Act Historical Property Contract between the property owner and the City and County of San Francisco;
2. Approving the proposed Mills Act rehabilitation and maintenance plan for each property.

Attachments:

a. 1019 Market St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Historic Structures Report

Exhibit C: Draft Rehabilitation & Maintenance Plan

Exhibit D: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit E: Mills Act Application

b. 2550 Webster St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Mill Act Applications
October 16, 2013

2013.0576U; 2012.0679U; 2013.0582U
1019 Market St.; 2550 Webster St.; 3769 20th St.

Exhibit D: Mills Act Application

c. 3769 20th St.

Draft Resolution

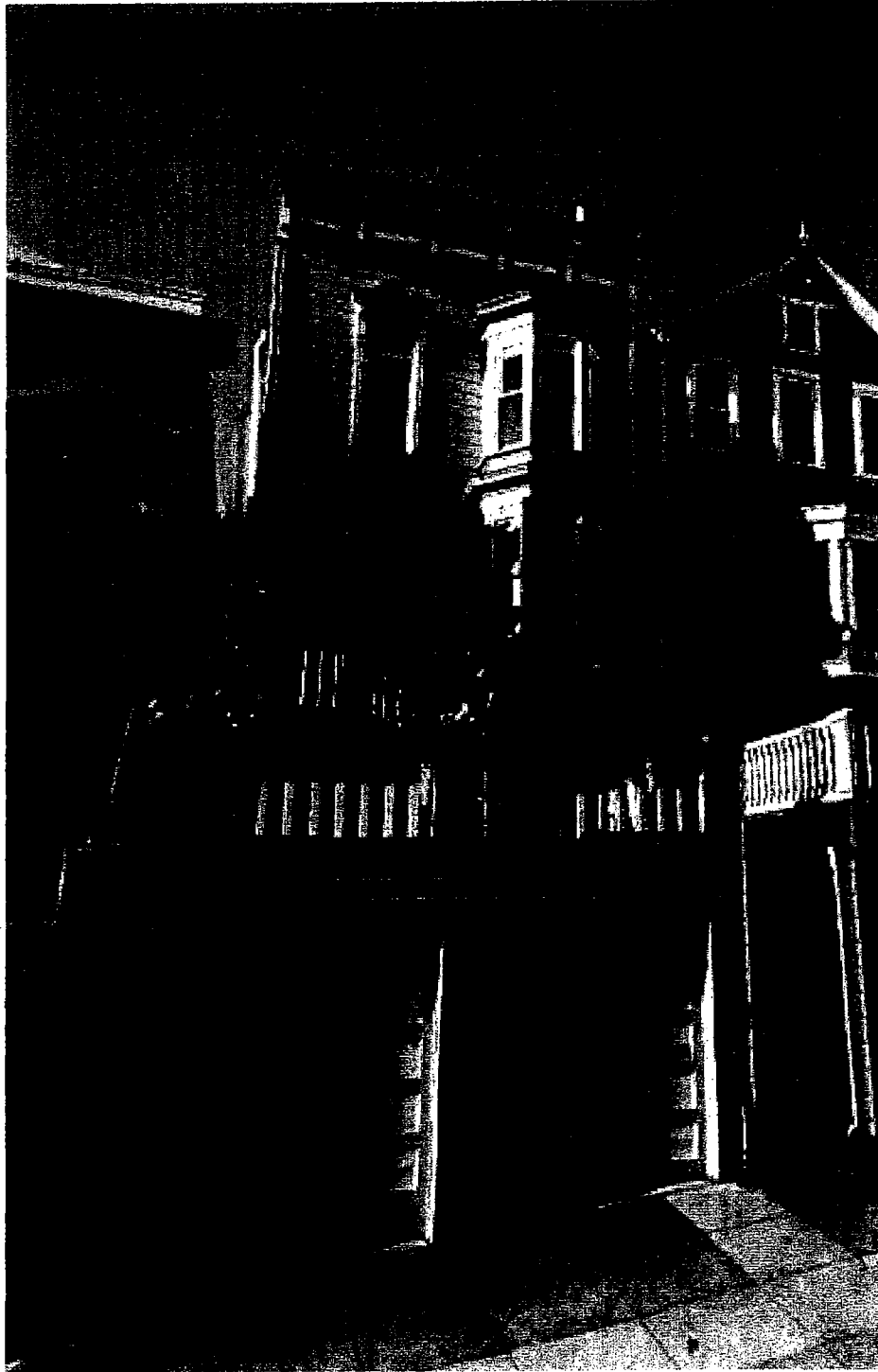
Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

Site Photo



Historic Preservation Commission
2013.0582U
Mills Act Application
3769 20th Street

Aerial Photo



**Exhibit A: Draft Mills Act Historical Property
Contract**

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

CALIFORNIA MILLS ACT
HISTORIC PROPERTY AGREEMENT
[3769 20th Street]
("[N/A]")
SAN FRANCISCO, CALIFORNIA

THIS AGREEMENT is entered into by and between the City and County of San Francisco, a California municipal corporation ("City") and Thomas Ranese and Brian Jackson ("Owner(s)").

RECITALS

Owners are the owners of the property located at ^{3769 20th Street} in San Francisco, California (Block 3607, Lot 062). The building located at ^[3769 20th Street] is designated as STATE ELIGIBILITY, E.G. "a City Landmark pursuant to Article 10 of the Planning Code" and is also known as the "N/A" ("Historic Property").

Owners desire to execute a rehabilitation and ongoing maintenance project for the Historic Property. Owners' application calls for the rehabilitation and restoration of the Historic Property according to established preservation standards, which it estimates will cost approximately One Hundred One Thousand Dollars (\$101,000). (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 Five Thousand Dollar (\$ 5000 s) annually (See Maintenance Plan, Exhibit B).

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

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

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

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

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

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

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

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

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

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

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

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

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

16. Indemnification. The Owners shall indemnify, defend, and hold harmless the City and all of its boards, commissions, departments, agencies, agents and employees (individually and collectively, the "City") from and against any and all liabilities, losses, costs, claims, judgments, settlements, damages, liens, fines, penalties and expenses incurred in connection with or arising in whole or in part from: (a) any accident, injury to or death of a person, loss of or damage to property occurring in or about the Historic Property; (b) the use or occupancy of the Historic Property by the Owners, their Agents or Invitees; (c) the condition of the Historic Property; (d) any construction or other work undertaken by Owners on the Historic Property; or (e) any claims by unit or interval Owners for property tax reductions in excess those provided for under this Agreement. This indemnification shall include, without limitation, reasonable fees for attorneys, consultants, and experts and related costs that may be incurred by the City and all indemnified parties specified in this Paragraph and the City's cost of investigating any claim. In addition to Owners' obligation to indemnify City, Owners specifically acknowledge and agree that they have an immediate and independent obligation to defend City from any claim that actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false, or fraudulent, which obligation arises at the time such claim is tendered to Owners by City, and continues at all times thereafter. The Owners' obligations under this Paragraph shall survive termination of this Agreement.
17. Eminent Domain. In the event that a public agency acquires the Historic Property in whole or part by eminent domain or other similar action, this Agreement shall be cancelled and no cancellation fee imposed as provided by Government Code Section 50288.
18. Binding on Successors and Assigns. The covenants, benefits, restrictions, and obligations contained in this Agreement shall be deemed to run with the land and shall be binding upon and inure to the benefit of all successors and assigns in interest of the Owners.
19. Legal Fees. In the event that either the City or the Owners fail to perform any of their obligations under this Agreement or in the event a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the prevailing party may recover all costs and expenses incurred in enforcing or establishing its rights hereunder, including reasonable attorneys' fees, in addition to court costs and any other relief ordered by a court of competent jurisdiction. Reasonable attorneys fees of the City's Office of the City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney.
20. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California.
21. Recordation. Within 20 days from the date of execution of this Agreement, the City shall cause this Agreement to be recorded with the Office of the Recorder of the City and County of San Francisco.
22. Amendments. This Agreement may be amended in whole or in part only by a written recorded instrument executed by the parties hereto in the same manner as this Agreement.
23. No Implied Waiver. No failure by the City to insist on the strict performance of any obligation of the Owners under this Agreement or to exercise any right, power, or remedy arising out of a breach hereof shall constitute a waiver of such breach or of the City's right to demand strict compliance with any terms of this Agreement.
24. Authority. If the Owners sign as a corporation or a partnership, each of the persons executing this Agreement on behalf of the Owners does hereby covenant and warrant that such

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

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

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

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

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

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

CITY AND COUNTY OF SAN FRANCISCO:

By: _____
Phil Ting
Assessor-Recorder

DATE: _____

By: _____
John Rahaim
Director of Planning


DATE: _____

APPROVED AS TO FORM:
DENNIS J. HERRERA
CITY ATTORNEY

By: _____
[NAME]
Deputy City Attorney

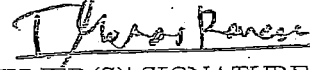
DATE: _____

OWNERS

By:  _____
[NAME], Owner Brian Jackson

DATE: 6/1/13

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

 Thomas Rance Date - June 1, 2013

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

Exhibit B: Draft Rehabilitation and Maintenance Plans

Exhibit B: Draft Rehabilitation and Maintenance Plans

**Mills Act Application – Rehabilitation and Maintenance Plans
3269 20th Street – Jackson/Ranese Residence**

Rehabilitation Plan

Recently Completed Projects (2012-2013)

Description: Rehabilitation, restoration, and new rear deck addition to historic (1890s) single-family home with previously existing (roughly 1980s) addition.

- **Scope:** Structural Engineering Consultant

Due to a number of structural issues with the house, a Structural engineer was obtained to verify and review all proposed structural rehabilitation and seismic improvements.

Estimated Cost: \$10,000

- **Scope:** Seismic Upgrades – Shear Walls (Completed)

Shear walls and hold-downs were added to the east and west elevations at the first and second floors of the house for increased seismic reinforcement.

Estimated Cost: \$5,000

- **Scope:** Seismic Upgrades – Concrete Foundation (Completed)

Increased seismic measures at foundation. Removed non-historic concrete foundation and remaining patch of historic, deteriorated brick foundation and replaced with new cripple walls and poured new concrete foundation. New is same height (18") as previous foundation and did not raise or alter house.

Estimated Cost: (\$30,000)

- **Scope:** Structural Improvements to Roof – Collar Ties (Completed)

Prevented the roof from continuing spreading outward. Increased the stability and integrity of historic roof by adding collar ties to all roof trusses to prevent roof from continuing to spread outward.

Estimated Cost: \$3,500

- **Scope:** Structural Improvements to Roof – Beam (Completed)

Historic roof and roof at existing addition were sagging. A structural beam was inserted laterally (where the historic house meets the existing addition) spanning the kitchen, and reinforcing the structure along the southern portion of the house.

Estimated Cost: \$3,500

- **Scope:** Remediate Water Damage at Rear Yard (Completed)

Eliminate water shed toward rear foundation of house by re-grading area, and creating a new 5'0" high retaining wall at the back of lot. Replaced heavily deteriorated brick retaining walls at existing rear addition with new, reinforced concrete retaining walls.

Estimated Cost: \$7,000

- **Scope:** Wood Siding Repairs (Completed)

Repaired and replaced historic siding on east side of the house. Historic 4" wood siding was repaired when possible and replaced in-kind as necessary to match existing historic siding.

Estimated Cost: \$5,000

- **Scope:** Window Replacement (Completed)

Replaced non-historic (1980s alterations) one glass block window on East elevation of the historic portion of the house with one traditional double-hung, wood window to match existing historic windows.

Estimated cost: \$5,000

Short-Term Projects (2014-2016)

- **Scope:** Restore Front Façade - Conduit (Proposed)

Remove non-functional, non-historic electrical conduits on front façade

Estimated cost: \$2,000

- **Scope:** Restore Front Façade – Wood Siding and Trim (Proposed)

Inspect existing wood siding on front façade for water damage and dry rot. Retain original siding wherever possible. If siding must be replaced, it will be replaced in-kind with wood siding to match existing.

Inspect existing trim and millwork on front façade for water damage and dry rot. Retain original millwork wherever possible. If millwork must be replaced, it will be replaced in-kind with wooden millwork to match existing.

Repaint entire exterior of house.

Estimated Cost: \$30,000

- **Scope:** Replace Front Stairs (Proposed)

Inspect front stairs and repair if needed. If stairs are replaced, they will be configured and constructed to match those found in known historic photos of the property.

- Fix gap between house and neighbors' front steps at East side of the front entry
- **Scope:** Repair Roof Deck (Proposed)

Repair and waterproof front deck above snout garage. Eliminate water drainage/pooling issues before damage occurs to front façade. Inspect non-historic deck and repair or replace decking as necessary. If roof deck requires replacement, we will consider eliminating and replacing the non-historic garage parapet/deck railing with a more appropriate railing and landscaping.

**Mills Act Application – Rehabilitation and Maintenance Plans
3269 20th Street – Jackson/Ranese Residence**

Maintenance Plan

On-going Maintenance (to be completed annually)

- Inspect roof for deterioration or water damage; including shingles, flashing, eaves, and cornice. Repair damage as discovered. (Proposed)
- Inspect masonry chimney; repair and replace brick work as necessary. New brick will be salvaged to match historic. Inspect mortar and repoint as necessary. (Proposed)
- Inspect all exterior doors for proper seal and function. Replace and adjust hardware as necessary. (Proposed)
- Inspect glazing annually, checking for signs of moisture infiltration. Moisture damage to windows will be repaired using best practices guidelines. (Proposed)

On-going Maintenance (to be completed every 10 years)

- Inspect and repair wood siding, replace and repair as necessary. Wood siding will be repaired using best practices guidelines. (Proposed)
- Repaint house as necessary. (Proposed)
- Replace asphalt roof in-kind when necessary. (Proposed)

7. Notary Acknowledgment Form

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

State of California

County of: SAN FRANCISCO

On: JUNE 1, 2013 before me, W. TURNEY / NOTARY PUBLIC
DATE INSERT NAME OF THE OFFICER

NOTARY PUBLIC personally appeared: Brian Jackson and Thomas Parise
NAME(S) OF SIGNER(S)

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

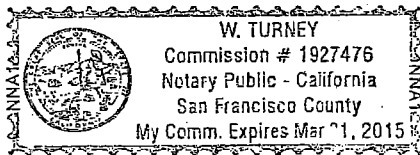
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Signature] Thomas Parise
SIGNATURE

[Signature] NOTARY PUBLIC

(PLACE NOTARY SEAL ABOVE)



**Exhibit C: Draft Market Analysis and Income
Approach provided by the Assessor's Office**

OFFICE OF THE ASSESSOR / RECORDER - CITY & COUNTY OF SAN FRANCISCO
 "MILLS ACT" PROPERTY VALUATION

APN: 3607-062 SF Landmark# NA
 Type of Property Single Family Residential Year: 2013 Date Filed: 6/1/2013
 Property Location: 3769 20th Street Date of Sale: 2/10/2012
 Applicant's Name: Brian Jackson Sale Price: \$1,750,000
 Agt./Tax Rep./Atty: none

Applicant supplied appraisal? No

For New Value, Event Date: 1/1/2013

RESTRICTED VALUE		FACTORED BASE YEAR VALUE		MARKET VALUE	
Land	\$560,742	Land	\$1,249,500	Land	\$1,068,000
Imps.	\$373,828	Imps.	\$535,500	Imps.	\$712,000
Total	\$934,570	Total	\$1,785,000	Total	\$1,780,000

I. Property Description

Land Area: 2848 sq. ft. Present Use: Owner Occupied Zoning: RH-2
 Year Built: unk Imp. Area (NRA) 2,350 Stories/Units: 3
 Neighborhood: Eureka Valley Class Code: D

II. Issue(s): Historical Property - "Mills Act" valuation as of lien date 01/01/2013

III. Contents of Attached Valuation:

Cover Sheet p. 1
 Income Valuation p. 2
 Rental Information p. 3
 Market Valuation p. 4

IV. Conclusions and Recommendations:

Based on the three-way comparison, the lowest of the three values is the restricted value. Therefore, a reduction to the restricted value is recommended.

Catherine Saul
Appraiser

08/22/13
Date

Kim Kitano
Principal Appraiser

Income Approach

APN 3607-062
3769 20th Street
Mills Act
Lien Date 01/01/13

Potential Gross Income				
Rental Income	2350 sq. ft.	@	\$48.51	\$114,000
Less Vacancy & Collection Loss		@	5%	<u>-\$5,700</u>
Effective Gross Income				\$108,300
Less Operating Expenses				<u>-\$15,600</u>
Net Operating Income				\$92,700

Restricted Capitalization Rate

Rate Components:				
Interest Rate per SBE		@	3.750%	
Risk		@	4.000%	
Property Tax Rate		@	1.169%	
Amortization (40-year		@	<u>2.500%</u>	
Remaining economic			11.419%	
Life; improvements)				

Capitalization Rate Summation

Land:	3.750%		Imps:	3.750%
	4.000%			4.000%
	<u>1.169%</u>			1.169%
	8.919%			<u>2.500%</u>
				11.419%

Weighted Capitalization Rate:

Land:	8.919%	x	0.6	=	5.3514%
Imps:	11.419%	x	0.4	=	<u>4.5676%</u>
					9.919%

Restricted Value @ \$92,700 / 9.919% = \$934,570

Taxable Value – Three-Way Comparison

1 Restricted Value	\$934,570
2 Factored Base Year Value	\$1,785,000
3 Market Value	\$1,780,000

Residential Rents

ADDRESS	NET RENTABLE (SQ. FT.)	ASKING RENT	LOCATION	PARKING	BEDROOMS	BATH	PROPERTY DESC.	SOURCE
Noe @ Hill St.	2,300	\$9,000.00	Noe Valley	2 CAR	4	2.00	Remodeled Victorian	Craigslist
Sanchez @ 26th St.	unk	\$9,800.00	Noe Valley	2 CAR	4	3.50	Victorian	Craigslist
Frederick @ Shrader	3,000	\$9,995.00	Ashbury Hts	1 CAR	4	3.00	Remodeled Victorian	Craigslist
760 Dolores	4,406	\$9,975.00	Dolores Hts	2 CAR	3	3.00	Remodeled Victorian	Craigslist

MARKET ANALYSIS

Subject		Sale 1		Sale 2		Sale 3	
APN	3607-062	3607-070A	3585-068	937 Nde			
Address	3759 20th Street	3731 20th Street	3687 18th Street				
Indicated Value	\$1,780,000	\$1,715,000	\$1,600,000	\$1,530,000			
Adjust. \$ Per Sq. Ft.	\$757	\$802	\$798	\$757			
VALUE RANGE:	\$1,612,500-1,786,000						\$1,780,000
Date of Valuation/Sale	01/01/13	07/13/12	4/20/2012	11/30/12			
Location	Eureka Valley	Eureka Valley	Eureka Valley	Eureka Valley			
Proximity to Subject		< 1mi.	< 1mi.	< 1mi.			
Lot Size	2,848	2,850	2,485	2,988			
Year	City	City	City	City			
Year Built/Year Renovated	1900	1900	1900	1912			
Construction Quality	Good/Remodeled	Good	Good/Remodeled	Good/Remodeled			
Condition	Good	Good	Good	Good			
Living Area	2,350	2,226	2,020	2,160			
Total Rooms	10	6	8	6			
Bathrooms	3	2	3	2			\$25,000
Kitchens	2.5	2	1.5	1.5			\$30,000
Staircases	3	2	3	3			
Garage	2 car	2 car	2 car	1 car			\$50,000
Net Adjustments		\$71,000					\$105,000
Indicated Value	\$1,780,000	\$1,786,000	\$1,612,500	\$1,635,000			
Adjust. \$ Per Sq. Ft.	\$757	\$802	\$798	\$757			

REMARKS:

Subject prior sales history: 7/21/2000-\$1,000,000, 11/3/2006-\$1,595,000, 8/1/2008-\$1,695,000, 2/10/2012-\$1,750,000
 Actual age of subject and comparables #1 and #2 cannot be verified with city records.
 The subject and comparable properties have all undergone recent upgrades and remodeling to better accommodate modern tastes. Few original details remain outside of crown mouldings, floors and façade.

MARKET VALUE	
LAND	\$1,066,000
IMPROVEMENTS	\$712,000
TOTAL	\$1,780,000

ASSESSED VALUE	
LAND	\$1,249,500
IMPROVEMENTS	\$635,500
TOTAL	\$1,785,000

Exhibit D: Mills Act Application

APPLICATION FOR Mills Act Historical Property Contract

1. Owner/Applicant Information

PROPERTY OWNER 1 NAME: <i>Brian Jackson</i>	TELEPHONE: <i>(917) 494 3865</i>
PROPERTY OWNER 1 ADDRESS: <i>3769 20th Street, San Francisco, CA 94110</i>	EMAIL: <i>brianthomasjackson@gmail.com</i>
PROPERTY OWNER 2 NAME: <i>Thomas Panese</i>	TELEPHONE: <i>(917) 816 5444</i>
PROPERTY OWNER 2 ADDRESS: <i>3769 20th Street, San Francisco, CA 94110</i>	EMAIL: <i>thomas.panese@gmail.com</i>
PROPERTY OWNER 3 NAME:	TELEPHONE: ()
PROPERTY OWNER 3 ADDRESS:	EMAIL:

2. Subject Property Information

PROPERTY ADDRESS: <i>3769 20th Street, San Francisco, CA</i>	ZIP CODE: <i>94110</i>
PROPERTY PURCHASE DATE: <i>February 10, 2012</i>	ASSESSOR BLOCK/LOT(S): <i>3607 / 062</i>
MOST RECENT ASSESSED VALUE: <i>\$1,437,787 ; Taxes (2012) ⁴20,593</i>	ZONING DISTRICT: <i>RH-2</i>

Are taxes on all property owned within the City and County of San Francisco paid to date?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Do you own other property in the City and County of San Francisco? <i>If Yes, please list the addresses for all other property owned within the City of San Francisco on a separate sheet.</i>	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
Property is designated as a City Landmark under Article 10 of the Planning Code	YES <input type="checkbox"/> NO <input type="checkbox"/>
Are there any outstanding enforcement cases on the property from the San Francisco Planning Department or the Department of Building Inspection?	YES <input type="checkbox"/> NO <input type="checkbox"/>

I/we am/are the present owner(s) of the property described above and hereby apply for an historical property contract.

Owner Signature: *Brian Jackson*

Date: *4/26/2013*

Owner Signature: *Thomas Panese*

Date: *4/26/2013*

Owner Signature: _____

Date: _____

3. Program Priority Criteria

The following criteria are used to rank applications. Please check the appropriate categories as they apply to your building. Use a separate sheet to explain why your building should be considered a priority when awarding a Mills Act Historical Property Contract. Buildings that qualify in three of the five categories are given priority consideration.

1. Property meets one of the six criteria for a qualified historic property:

Property is individually listed in the National Register of Historic Places	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
Property is listed as a contributor to an historic district included on the National Register of Historic Places	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Property is designated as a City Landmark under Article 10 of the Planning Code	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
Property is designated as a contributory building to an historic district designated under Article 10 of the Planning Code	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Property is designated as a Category I or II (significant) to a conservation district under Article 11 of the Planning Code	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
Property is designated as a Category III or IV (contributory) to a conservation district under Article 11 of the Planning Code	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>

2. Property falls under the following Property Tax Value Assessments:

Residential Buildings: \$3,000,000	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Commercial, Industrial or Mixed Use Buildings: \$5,000,000	YES <input type="checkbox"/>	NO <input type="checkbox"/>

N/A

**If property value exceeds these values please complete Part 4: Application of Exemption*

3. Rehabilitation/Restoration/Maintenance Plan:

A 10 Year Rehabilitation/Restoration/Maintenance Plan will be submitted detailing work to be performed on the subject property	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
--	---	-----------------------------

4. Required Standards:

Proposed work will meet the <i>Secretary of the Interior's Standards for the Treatment of Historic Properties</i> and/or the California Historic Building Code.	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
---	---	-----------------------------

**Detail how the proposed work meets the Secretary of Interior Standards on a separate sheet or include as part of Rehabilitation/Restoration/Maintenance Plan.*

5. Mills Act Tax Savings:

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

4. Application for Exemption from Property Tax Valuation

If answered "no" to either question under No. 2 "Property fall under the following Property Tax Value Assessments" in the Program Priority Criteria Checklist, on a separate sheet of paper, explain how the property meets the following criteria and should be exempt from the property tax valuations. Also attach a copy of the most recent property tax bill.

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

2. Granting the exemption will assist in the preservation of a site, building, or object, or structure that would otherwise be in danger of demolition, substantial alteration, or disrepair. (A historic structures report by a qualified consultant must be submitted to demonstrate meeting this requirement).

NAMES:
TAX ASSESSED VALUE:
PROPERTY ADDRESS:

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

Owner Signature: Thomas Danese Date: 1 June 2013
 Owner Signature: [Signature] Date: 6/1/13
 Owner Signature: _____ Date: _____

Planning Department Staff Evaluation

THIS SECTION TO BE COMPLETED EXCLUSIVELY BY PLANNING DEPARTMENT STAFF

Exceptional Structure? YES NO
 Specific threat to resource? YES NO
 Complete HSR submitted? YES NO

Percent above value limit: _____
 No. of criteria satisfied: _____
 Planner's Initial: _____

5. Draft Mills Act Historical Agreement

Please use the Planning Department's standard form "Historical Property Contract" located on the Planning Department's Forms page at www.sfplanning.org. Any modifications to the City's standard form contract made by the applicant or the submittal of an independently prepared contract shall be subject to approval by the City Attorney prior to consideration by the Historic Preservation Commission and the Board of Supervisors and may result in additional processing time.

CALIFORNIA JURAT WITH AFFIANT STATEMENT

GOVERNMENT CODE § 8202

- See Attached Document (Notary to cross out lines 1-6 below)
- See Statement Below (Lines 1-6 to be completed only by document signer[s], *not* Notary)

1 _____
 2 _____
 3 _____
 4 _____
 5 _____
 6 _____

Signature of Document Signer No. 1 _____ Signature of Document Signer No. 2 (if any) _____

State of California
 County of SAN FRANCISCO

Subscribed and sworn to (or affirmed) before me
 on this 1ST day of JUNE, 2013
Date Month Year

by BRIAN JACKSON
 (1) _____
Name of Signer

proved to me on the basis of satisfactory evidence
 to be the person who appeared before me (.) (.)

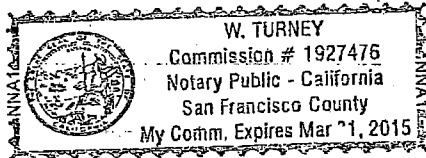
(2) THOMAS RAMESE (and

Name of Signer

proved to me on the basis of satisfactory evidence
 to be the person who appeared before me.)

Signature W. Turney

Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Further Description of Any Attached Document

Title or Type of Document: CALIFORNIA MILLS ACT - HISTORIC PROPERTY MAINT

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

RIGHT THUMBPRINT OF SIGNER #1	RIGHT THUMBPRINT OF SIGNER #2
Top of thumb here	Top of thumb here

6. Rehabilitation/Restoration/Maintenance Plan

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

Please note that *all applicable Codes and Guidelines apply to all work*, including the Planning Code and Building Code. If components of the proposed Plan requires approvals by the Historic Preservation Commission, Planning Commission, Zoning Administrator, or any other government body, these *approvals must be secured prior to applying for a Mills Act Historical Property Contract*.

This plan will be included along with any other supporting documents as part of the Mills Act historical Property contract.

Draft Rehabilitation/Restoration/Maintenance Scope

BUILDING FEATURE:			
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input checked="" type="checkbox"/>	Proposed <input type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: 2012-2013			
TOTAL COST (rounded to nearest dollar): \$69K			
DESCRIPTION OF WORK: Please refer to attached rehabilitation and maintenance plans for detailed scopes of work.			

BUILDING FEATURE:			
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: 2015			
TOTAL COST (rounded to nearest dollar): \$32K			
DESCRIPTION OF WORK: Please refer to attached rehabilitation and maintenance plans for detailed scopes of work.			

THIS SECTION TO BE COMPLETED EXCLUSIVELY BY PLANNING DEPARTMENT STAFF

Property Address:	
Block / Lot:	
Board of Supervisors Ordinance Number:	

Draft Rehabilitation/Restoration/Maintenance Scope Continued

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

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

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

8. Historical Property Tax Adjustment Worksheet Calculation

The following is an example showing the possible tax benefits to the historical property owner of an owner-occupied single-family dwelling. This form is a guideline only. Your reduced property tax under a Mills Act contract is not guaranteed to match this calculation.

Determine Annual Income and Annual Operating Expenses

An \$120,000 potential gross income less a vacancy and collection loss of \$2,400 and less \$17,640 annual expenses for maintenance, repairs, insurance, and utilities yields a net annual income of \$99,960. (Mortgage payments and property taxes are not considered expenses). Estimated vacancy and collection loss is based upon what is typically happening in the marketplace. It can be different for different properties (i.e. - residential properties generally have a lower vacancy and collection loss than commercial properties). The theory is that when estimating a property's value using the income approach (the approach required for Mills Act valuations) it is reasonable to assume some rent loss due to vacancy and inability to collect rents.

Determine Capitalization Rate

Add the following together to determine the Capitalization Rate:

- The Interest Component is determined by the Federal Housing Finance Board and is based on conventional mortgages. While this component will vary from year to year, the State Board of Equalization has set this at 4.75% for 2012.
- The Historical Property Risk Component of 4% (as prescribed in Sec. 439.2 of the State Revenue and Tax Code) applies to owner-occupied single-family dwellings. A 2% risk component applies to all other Properties.
- The Property Tax Component (Post-Prop. 13) of .01 times the assessment ratio of 100% (1%).
- The Amortization Component is a percentage equal to the reciprocal of the remaining life of the structure and is set at the discretion of the County Assessor for each individual property. In this example the remaining life of the building is 60 years and the improvements represent 45% of the total property value. The amortization component is calculated thus: $1/60 = .0167 \times .45 = .0075$.

Calculate New Assessed Value and Estimated Tax Reduction

The new assessed value is determined by dividing the annual net income (\$99,960) by the capitalization rate .1067 (10.67%) to arrive at the new assessed value of \$936,832.

Lastly, determine the amount of taxes to be paid by taking the current tax rate of 1.167 (1%) of the assessed value \$26,652. Compare this with the current property tax rate for land and improvements only (be sure not to include voter indebtedness, direct assessments, tax rate areas and special districts items on your tax bill).

In this example, the annual property taxes have been reduced by \$15,719 (\$26,652 - \$10,933), an approximately 40% property tax reduction.

EXAMPLE:

Simple Property Tax Calculation
 Current Assessed Value = \$2,283,810
 Current Tax Rate = X 1.167%
 Current Property Taxes = @26,652

Assessment Using Mills Act Valuation Methodology

Potential Annual Gross Income Using Market Rent (\$10,000 per month X 12 months)	\$120,000
Estimated Vacancy and Collection Loss of 2%	(\$2,400)
Effective Gross Income	\$117,600
Less Operating Expenses (i.e. utilities, insurance, maintenance, management)	(\$17,640)
Net Income	\$99,960
Restricted Capitalization Rate	10.67%
Historical Property Value	\$936,832
Current Tax Rate	X 1.167%
New Tax Calculation	\$10,933
Property Tax Savings	\$15,719

9. Historical Property Tax Adjustment Worksheet Guide

PROPERTY ADDRESS: 3769 20th Street, San Francisco, CA 94110

PROPERTY DESCRIPTION: Single Family Home

OWNER OCCUPIED: YES NO

STEP 1: Determine Annual Income of Property

ANNUAL PROPERTY INCOME	CURRENT	EXPLANATION
1. Monthly Rental Income	\$ 9,500	For owner-occupied properties estimate a monthly rental income. Include all potential sources of income (filming, advertising, photo shoots, billboard rentals, etc.)
2. Annual Rental Income	\$ 114,000	Multiply Line 1 by 12
3. Deduction for Vacancy	\$ 108,300	5% (subtract %5 from line 2)

STEP 2: Calculate Annual Operating Expenses

ANNUAL OPERATING EXPENSES	CURRENT	EXPLANATION
4. Insurance	\$ 2,000	Fire, Liability, etc.
5. Utilities	\$ 3,600	Water, Gas, Electric, etc
6. Maintenance*	\$ 5,000	Maintenance includes: Painting, plumbing, electrical, gardening, cleaning, mechanical, heating repairs, structural repairs, security, and property management.
7. Management*	\$ 5,000 ^{BS}	
8. Other Operating Expenses	\$ 5,000	Security, services, etc. Provide breakdown on separate sheet.
9. Total Expenses†	\$ 15,600.	Add Lines 4 through 8

* If calculating for commercial property, provide the following back-up documentation where applicable:

- Rent Roll (include rent for on-site manager's unit as income if applicable)
- Maintenance Records (provide detailed break-down; all costs should be recurring annually)
- Management Expenses (include expense of on-site manager's unit and 5% off-site management fee; and describe other management costs. Provide breakdown on separate sheet)

† Annual operating expenses do not include mortgage payments, property taxes, depletion charges, corporate income taxes or interest on funds invested in the property.

STEP 3: Determine Annual Net Income

NET OPERATING INCOME	CURRENT	EXPLANATION
9. Net Operating Income	\$ 92,700	Line 3 minus Line 9

STEP 4: Determine Capitalization Rate

CAPITALIZATION RATE	CURRENT	EXPLANATION
10. Interest Component	6.50% <i>3.75%</i>	As determined by the State Board of Equalization for 2009/2010
11. Historic Property Risk Component	<i>4.00%</i>	Single-family home = 4% All other property = 2%
12. Property Tax Component	1%	.01 times the assessment ratio of 100%
13. Amortization Component (Reciprocal of life of property)	<i>5.00%</i>	If the life of the improvements is 20 years Use $100\% \times 1/20 = 5\%$
14. Capitalization Rate	<i>16.5%</i>	Add Lines 10 through 13

STEP 5: Calculate New Assessed Value

NEW ASSESSED VALUE	CURRENT	EXPLANATION
15. Mills Act Assessed Value	\$ <i>561,818.18</i>	Line 9 divided by Line 14

STEP 6: Determine Estimated Tax Reduction

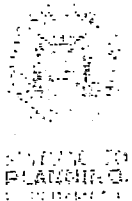
NEW TAX ASSESSMENT	CURRENT	EXPLANATION
16. Current Tax (Exclude voter indebtedness, direct assessments, tax rate areas and special districts)	\$ <i>20,593</i>	General tax levy only – do not include voted indebtedness or other direct assessments
17. Tax under Mills Act	\$ <i>5,618</i>	Line 15 x .01
18. Estimated Tax Reduction	\$ <i>14,974.82</i>	Line 16 minus Line 17

The Assessor Recorder's Office may request additional information. A timely response is required to maintain hearing and review schedules.

Application Checklist to be Submitted with all Materials

Utilize this list to ensure a complete application package is submitted.

1	Historical Property Contract Application Have all owners signed and dated the application?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
2	Priority Consideration Criteria Worksheet Have three priorities been checked and adequately justified?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
3	Exemption Form & Historic Structure Report Required for Residential properties with an assessed value over \$3,000,000 and Commercial/Industrial properties with an assessed value over \$5,000,000 Have you included a copy of the Historic Structures Report completed by a qualified consultant?	YES <input type="checkbox"/> NO <input type="checkbox"/> N/A
4	Draft Mills Act Historical Property Agreement Are you using the Planning Department's standard form "Historical Property Contract?" Have all owners signed and dated the contract? Have all signatures been notarized?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
5	Notary Acknowledgement Form Is the Acknowledgement Form complete? Do the signatures match the names and capacities of signers?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
6	Draft Rehabilitation/Restoration/Maintenance Plan Have you identified and completed the Rehabilitation, Restoration, and Maintenance Plan organized by contract year and including all supporting documentation related to the scopes of work?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
7	Historical Property Tax Adjustment Worksheet Did you provide back-up documentation (for commercial property only)?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
8	Photographic Documentation Have you provided both interior and exterior images? Are the images properly labeled?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
9	Site Plan Does your site plan show all buildings on the property including lot boundary lines, street name(s), north arrow and dimensions?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
10	Tax Bill Did you include a copy of your most recent tax bill?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
11	Payment Did you include a check payable to the San Francisco Planning Department?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>



**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, First Floor
San Francisco CA 94103-2479

TEL: 415.558.6377
*Planning staff are available by phone and at the PIC counter.
No appointment is necessary.*

Dear Historical Preservation Commission of the Planning Department for the City of San Francisco:

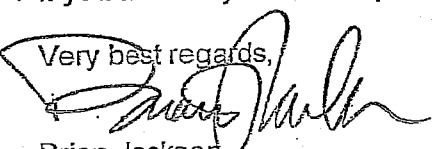
We are pleased to offer our application for Mills Act Historical Property status for our home at 3769 20th Street in the Liberty Hill Historic of San Francisco. We believe our home qualifies for the Mills Act for the following reasons:

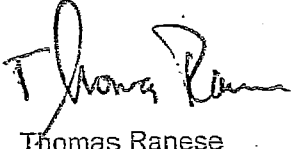
1. **Built in 1870 for John L. Boone** (descendent of Daniel Boone) – Our home was built in 1870 for John L. Boone (descendent of Daniel Boone) as a two-family home that we believe he inhabited for a time. The home was constructed in a flat-front Italianate architectural style and is a significant contributor to the historic vernacular of the neighborhood. In fact, our particular block of 20th Street just barely survived the fires of 1906 that destroyed so many of the surrounding homes, and is one of only a select few from that period remaining on the street.
2. **Liberty Hill Historic District** – Our home is within San Francisco's Liberty Hill Historic District, which is closely protected by the City's Historic Preservation Commission. In fact, our home has been selected as a "contributing property" to the Liberty Hill District, in recognition of the age, character, and location of the home. We have taken great care to have all of our construction plans reviewed by the HPC (see attached) for all exterior restoration plan, and have received the requisite Certificate of Appropriateness from the HPC to complete our work.
3. **Interior and Exterior Restoration Plans** – After purchasing the home in February 2012, we have worked closely with our architect, Malcolm Davis Architecture, to prepare a plan that is both respectful of the historic nature of the property, as well as update and modernize the home for contemporary living. Our plans include the restoration of both the interior and exterior of the home, though we have been very careful to make no changes to the street-facing façade of the home to preserve its historical character. We have only made changes to the rear exterior that restore the home's historic nature and rectify non-historic alterations that were made during previous remodels (before we owned the home). For your reference, we have been working with Tara Levy and Tim Frye on the Certificate of Appropriateness application and other planning department approvals.

Please note that our restoration project is underway, and we expect to be finished by July 1st. We are excited to be rehabilitating this beautiful piece of San Francisco history. Thank you for your consideration throughout this process.

If you have any additional questions, please feel free to contact us directly.

Very best regards,


Brian Jackson
3769 20th Street
San Francisco, CA
917-494-3865
brianthomasjackson@gmail.com

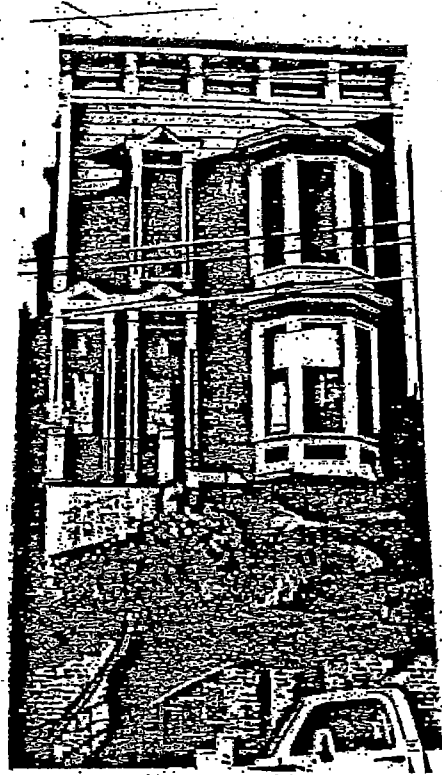

Thomas Ranese
3769 20th Street
San Francisco, CA
917-816-5444
thomas.ranese@gmail.com

LIBERTY-HILL HISTORIC DISTRICT

ADDRESS 3769-71 - 20th Street
BLOCK/LOT NUMBER 3607A/062
NUMBER OF STORIES 2
CONSTRUCTION TYPE Frame
EXTERIOR MATERIALS Rustic Cove Siding

STYLE

Italianate



DATE OF CONSTRUCTION 1870 DATE OF WATER CONNECTION July 13, 1871
ARCHITECT --- BUILDER ---
ORIGINAL OWNER John L. Boone OCCUPATION Mining Express
ORIGINAL USE 2 Family Residence PRESENT USE Flats
PRESENT OWNER Roy W. Heidtman
SIGNIFICANCE TO DISTRICT Contributes
INAPPROPRIATE FEATURES/ALTERATIONS
Windows changed to single pane
RATINGS: DEPARTMENT OF CITY PLANNING 1 HERE TODAY p. 299
OTHER INFORMATION

Slideshow 1 of 29

Start Slideshow ▶

Close



Slideshow 26 of 29

Start Slideshow ▶

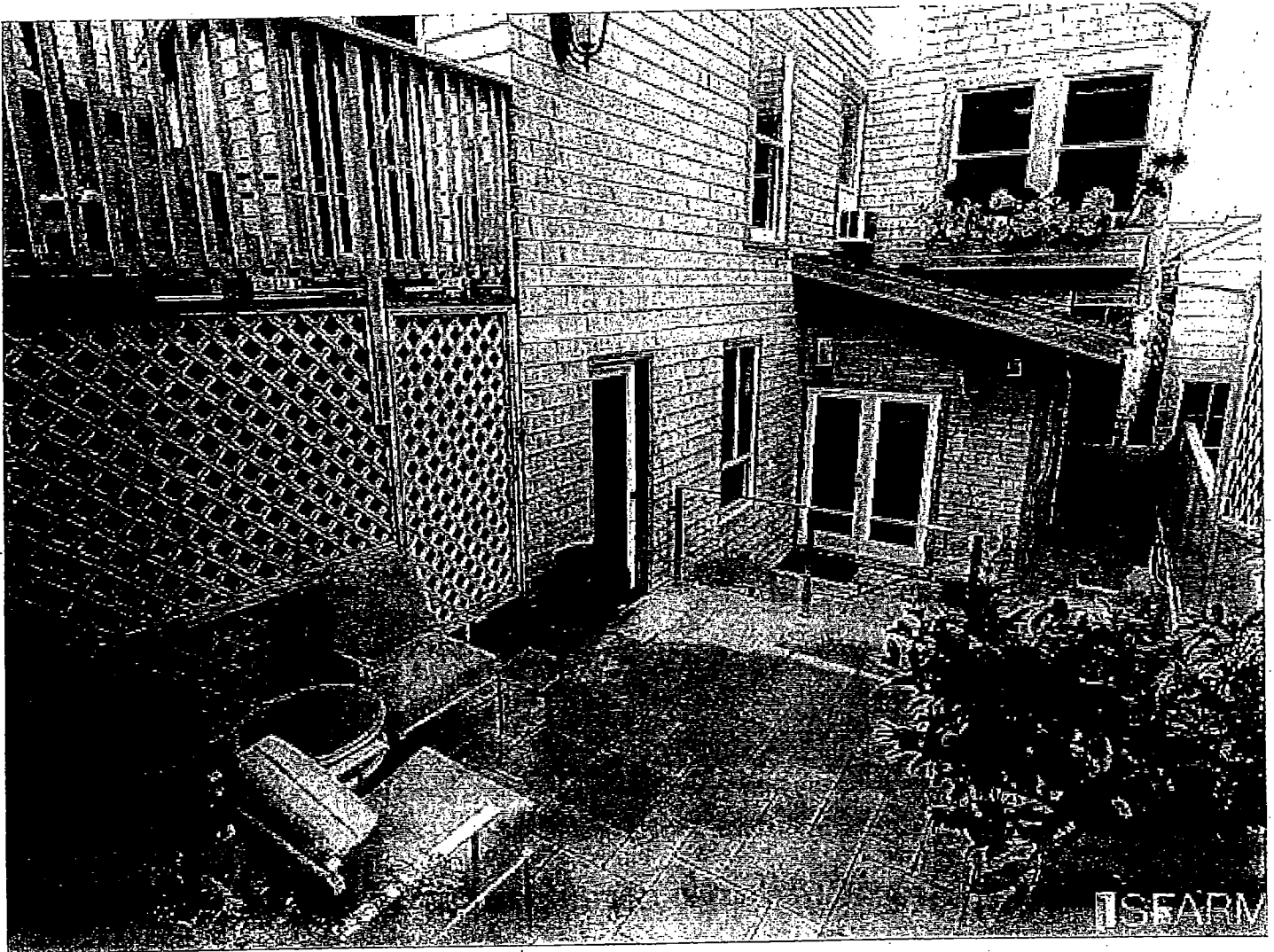
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Slideshow 24 of 29

Start Slideshow ▶

Close



Description of actions to abide by the Standards for Preservation and Rehabilitation

State of California Secretary of the Interior's Standards for Rehabilitation:

1. A property will be used as it was historically or be given a new use that requires minimal change to its distinctive materials, features, spaces, and spatial relationships.

ACTION: Our home will be used as a residence, just as it was historically.

2. The historic character of a property will be retained and preserved. The removal of distinctive materials or alteration of features, spaces, and spatial relationships that characterize a property will be avoided.

ACTION: Our architectural plans are designed to retain the historic nature of the property. We are making absolutely no changes to the front/street-facing façade of the house. And we are only making minimal changes to the rear, in close cooperation with the Historic Preservation Committee.

3. Each property will be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or elements from other historic properties, will not be undertaken.

ACTION: We will make no changes to the home that will create a false sense of historical development.

4. Changes to a property that have acquired historic significance in their own right will be retained and preserved.

ACTION: No changes to the property have acquired historic significant in their own right, to our knowledge. Should these elements come to our attention, we will do our best to retain and preserve them.

5. Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a property will be preserved.

ACTION: All distinctive materials, features, finished and construction techniques and examples of craftsmanship will be preserved.

6. Deteriorated historic features will be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature will match the old in design, color, texture, and, where possible, materials. Replacement of missing features will be substantiated by documentary and physical evidence.

ACTION: We will make repairs to the historic features of the house wherever possible.

7. Chemical or physical treatments, if appropriate, will be undertaken using the gentlest means possible. Treatments that cause damage to historic materials will not be used.

ACTION: We have taken care to be as environmentally sensitive as possible in our rehabilitation and renovation of the property.

8. Archeological resources will be protected and preserved in place. If such resources must be disturbed, mitigation measures will be undertaken.

ACTION: We will take care to protect any archaeological resources we discover.

9. New additions, exterior alterations, or related new construction will not destroy historic materials, features, and spatial relationships that characterize the property. The new work will be differentiated from the old and will be compatible with the historic materials, features, size, scale and proportion, and massing to protect the integrity of the property and its environment.

ACTION: We have no plans to make any additions to the home. And we have made sure that the limited exterior alterations will not destroy historic materials, features or special relationships. All changes have been approved by the Historic Preservation Commission and have earned their "Certificate of Appropriateness."

10. New additions and adjacent or related new construction will be undertaken in such a manner that, if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

ACTION: We have no plans to build new additions or any further new construction. But if we should consider those projects in the future, we will undertake them in a manner to protect the integrity of the historic property and its environment.

SHEET NOTES

1. REMOVE ALL EXISTING PARTS OF THE APPLICABLE CODES AND REGULATIONS.
2. EXISTING WALLS TO REMAIN SHALL BE SHOWN WITH DASHED LINES.
3. EXISTING WALLS TO BE DEMOLISHED SHALL BE SHOWN WITH DOTTED LINES.
4. EXISTING WALLS TO BE DEMOLISHED SHALL BE SHOWN WITH DOTTED LINES.
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10. EXISTING WALLS TO BE DEMOLISHED SHALL BE SHOWN WITH DOTTED LINES.

JACKSON-RANESE RESIDENCE
 3782 20TH STREET
 SAN FRANCISCO, CA 94110
 BLOCK LOT# 250702

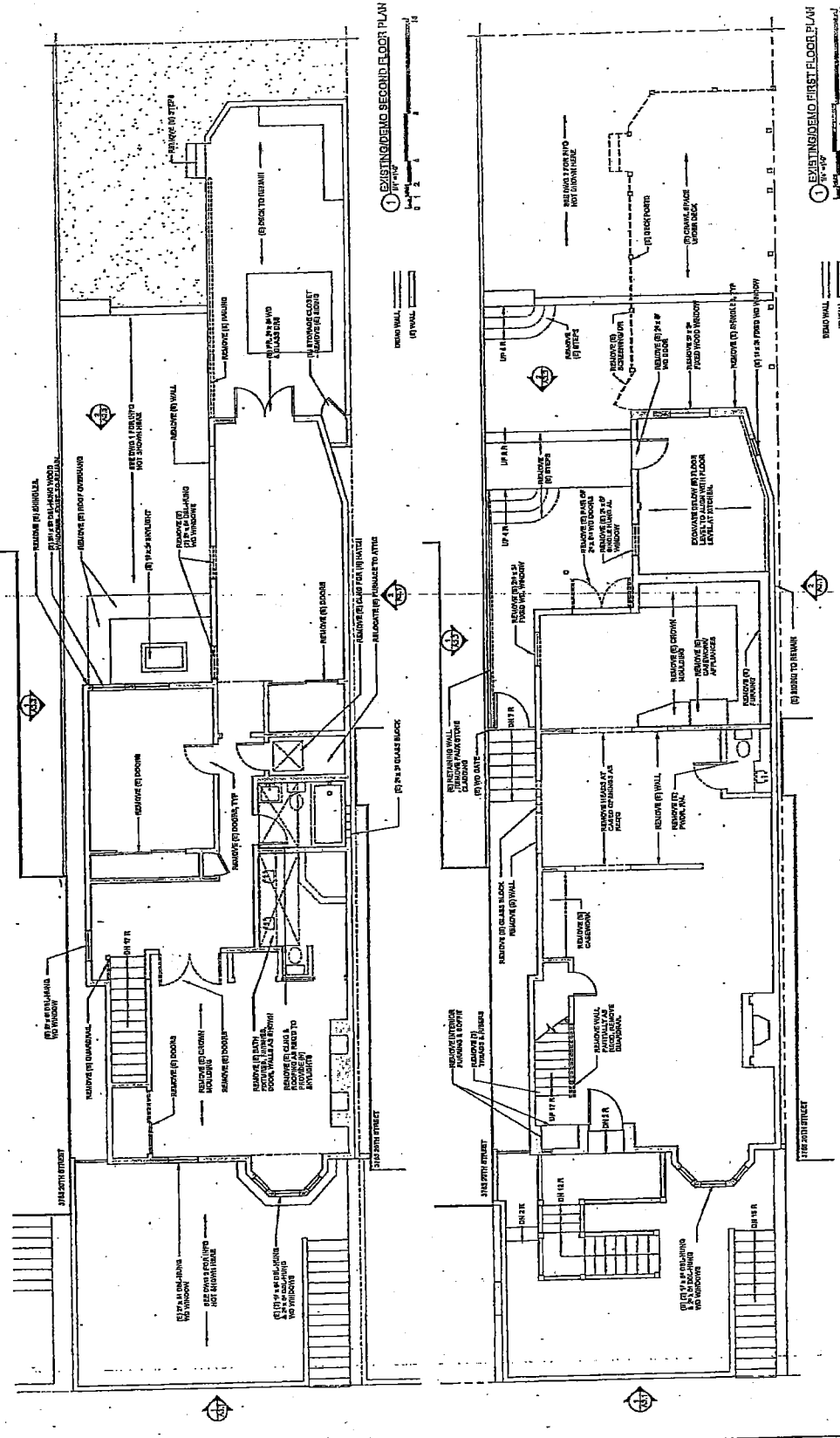
MDA HALCALK DAVIS ARCHITECTURE
 2330 FOLSOM STREET
 SAN FRANCISCO, CA 94110
 P: 415.352.1110
 W: MDAONLINE.NET

PERMIT
 12-4-12

EXISTING / DEMO PLANS

DATE	12-4-12
BY	MDA
PROJECT	JACKSON-RANESE RESIDENCE

A1.1



EXISTING/DEMO SECOND FLOOR PLAN

EXISTING/DEMO FIRST FLOOR PLAN

14.5.2013 PROJECT SET
14.5.2013 ARCHITECTURAL SET

JACKSON-RANESE RESIDENCE

3769 20TH STREET
SAN FRANCISCO, CA 94110
BLOCK/LOTS 3607/052

MDA FACILITY DESIGN
2400 GOLDEN GATE AVENUE
SAN FRANCISCO, CA 94110
T 415.862.1615
F 415.862.1616
WWW.MDADSGROUP.COM

PERMIT
12-4-12

FLOOR PLANS

NO. 001	DATE	BY	REVISION
001	12-4-12	MDA	ISSUE FOR PERMIT

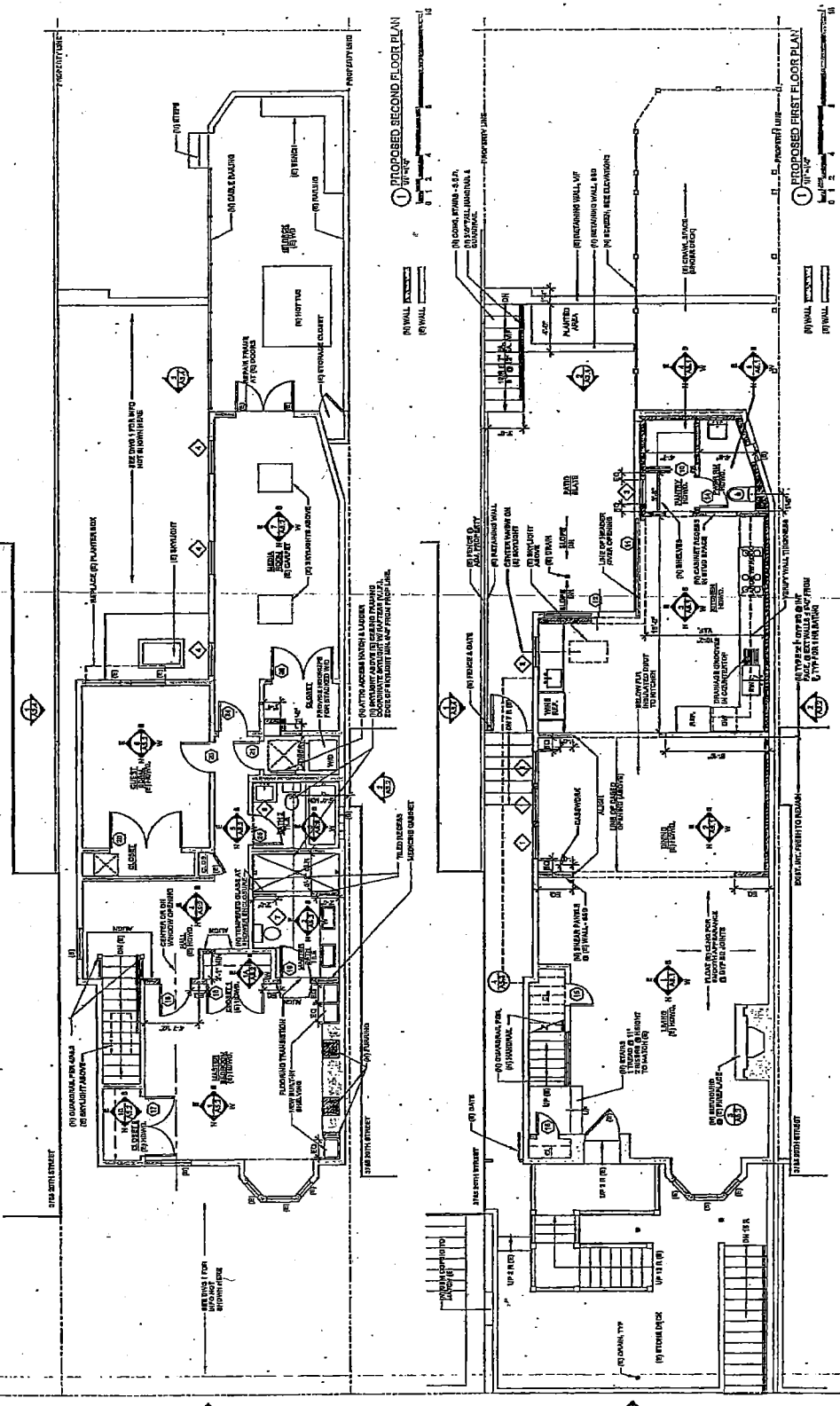
A2.1

SHEET NOTES

1. REFER TO SHEETS A2.001 THROUGH A2.005 FOR GENERAL NOTES.
2. REFER TO SHEETS A2.006 THROUGH A2.010 FOR FINISH SCHEDULES.
3. REFER TO SHEETS A2.011 THROUGH A2.015 FOR WINDOW AND DOOR SCHEDULES.
4. REFER TO SHEETS A2.016 THROUGH A2.020 FOR ELECTRICAL AND MECHANICAL SCHEDULES.

WINDOW & DOOR SCHEDULE

NO.	TYPE	FINISH	GLASS TYPE	NOTES
1	WOOD	PAINT	CLARIFIED	SEE A2.011
2	WOOD	PAINT	CLARIFIED	SEE A2.011
3	WOOD	PAINT	CLARIFIED	SEE A2.011
4	WOOD	PAINT	CLARIFIED	SEE A2.011
5	WOOD	PAINT	CLARIFIED	SEE A2.011
6	WOOD	PAINT	CLARIFIED	SEE A2.011
7	WOOD	PAINT	CLARIFIED	SEE A2.011
8	WOOD	PAINT	CLARIFIED	SEE A2.011
9	WOOD	PAINT	CLARIFIED	SEE A2.011
10	WOOD	PAINT	CLARIFIED	SEE A2.011
11	WOOD	PAINT	CLARIFIED	SEE A2.011
12	WOOD	PAINT	CLARIFIED	SEE A2.011
13	WOOD	PAINT	CLARIFIED	SEE A2.011
14	WOOD	PAINT	CLARIFIED	SEE A2.011
15	WOOD	PAINT	CLARIFIED	SEE A2.011
16	WOOD	PAINT	CLARIFIED	SEE A2.011
17	WOOD	PAINT	CLARIFIED	SEE A2.011
18	WOOD	PAINT	CLARIFIED	SEE A2.011
19	WOOD	PAINT	CLARIFIED	SEE A2.011
20	WOOD	PAINT	CLARIFIED	SEE A2.011
21	WOOD	PAINT	CLARIFIED	SEE A2.011
22	WOOD	PAINT	CLARIFIED	SEE A2.011
23	WOOD	PAINT	CLARIFIED	SEE A2.011
24	WOOD	PAINT	CLARIFIED	SEE A2.011
25	WOOD	PAINT	CLARIFIED	SEE A2.011
26	WOOD	PAINT	CLARIFIED	SEE A2.011
27	WOOD	PAINT	CLARIFIED	SEE A2.011
28	WOOD	PAINT	CLARIFIED	SEE A2.011
29	WOOD	PAINT	CLARIFIED	SEE A2.011
30	WOOD	PAINT	CLARIFIED	SEE A2.011



PROPOSED SECOND FLOOR PLAN

PROPOSED FIRST FLOOR PLAN

PROJECT: 15' EXISTING PORCH DECK
 15' EXISTING PORCH DECK
 15' EXISTING PORCH DECK

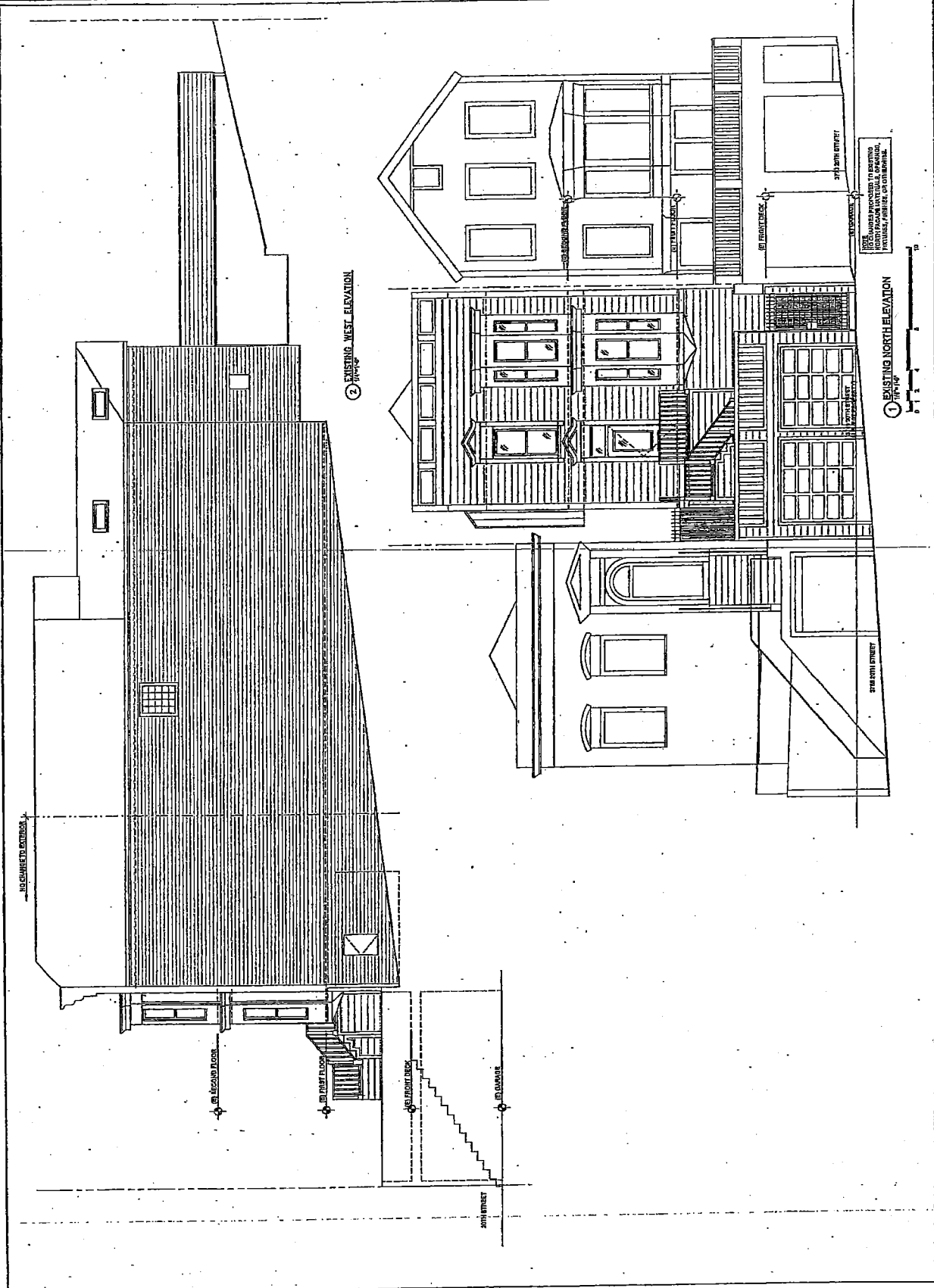
JACKSON-RANESE RESIDENCE
 3769 20TH STREET
 SAN FRANCISCO, CA 94110
 BLOCK LOT # 3507/052

MDA MALCOLM DAVIS ARCHITECTURE
 2338 POLSON STREET
 SAN FRANCISCO, CA 94110
 T. 415.435.1815
 F. 415.435.1818
 W. MDARCHITECT

PERMIT
 12-4-12

DATE: 12-4-12
 SHEET: JACKSON-RANESE
 SCALE: 1/4" = 1'-0"

A3.1



15' EXISTING PORCH DECK
 15' EXISTING PORCH DECK
 15' EXISTING PORCH DECK

EXISTING NORTH ELEVATION
 1/4" = 1'-0"

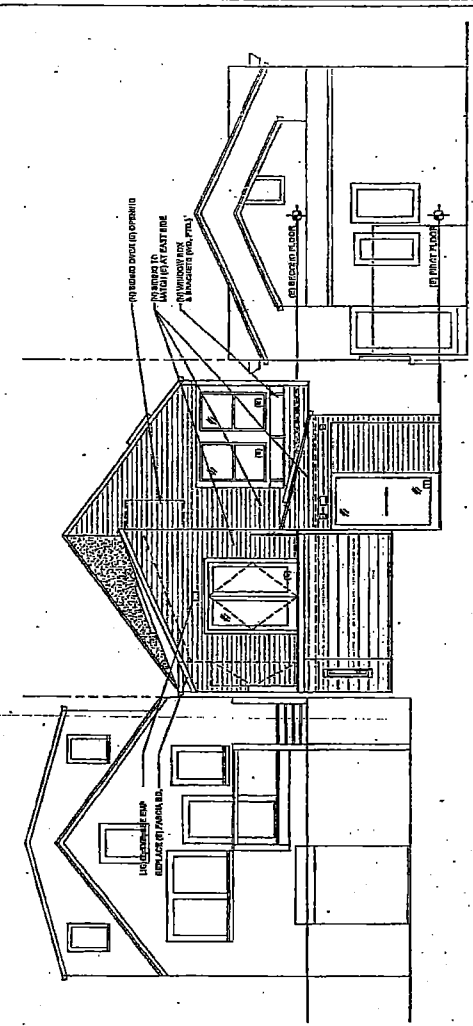
15' EXISTING PORCH DECK
 15' EXISTING PORCH DECK
 15' EXISTING PORCH DECK

DATE: 12/15/11
 PROJECT: JACSON-RANSE RESIDENCE
 ARCHITECT: MDA ARCHITECTURE

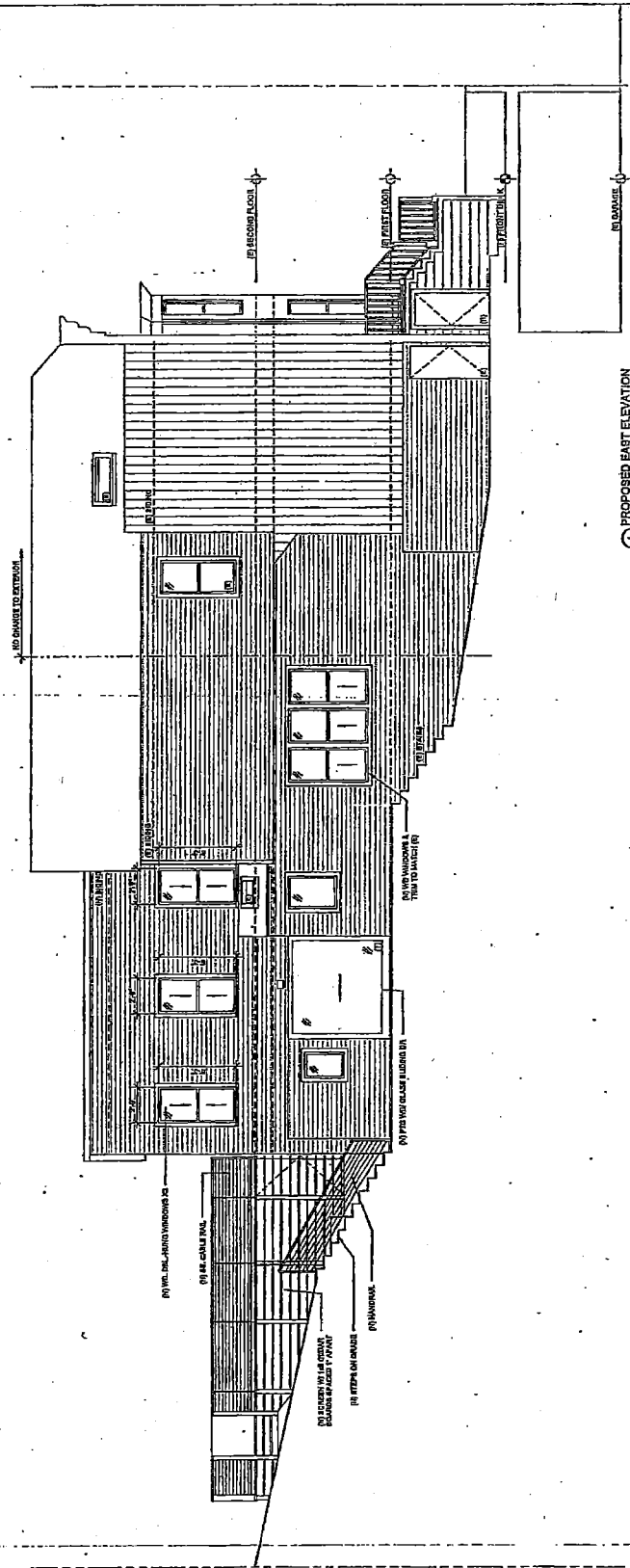
3769 20TH STREET
 SAN FRANCISCO, CA 94110
 BLOCK/DTE: 3607/052

MDA ARCHITECTURE
 2308 FOLEY STREET
 SAN FRANCISCO, CA 94110
 T: 415.837.1810
 F: 415.837.1810
 WWW.MDAARCHITECT.COM

PROJECT: JACSON-RANSE RESIDENCE
 SHEET: A3.4
 DATE: 12-14-12



2 PROPOSED SOUTH ELEVATION



1 PROPOSED EAST ELEVATION



City and County of San Francisco
DEPARTMENT OF BUILDING INSPECTION

JOB CARD



OFFICE HOURS: THE BUILDING INSPECTION IS OPEN DAILY, MONDAY THRU FRIDAY,
FROM 8:00 a.m. TO 5:00 p.m. DISTRICT BUILDING INSPECTORS KEEP OFFICE HOURS DAILY,
MONDAY THRU FRIDAY, FROM 8:00 a.m. TO 8:30 a.m. AND FROM 3:00 p.m. TO 4:00 p.m.

REQUESTS FOR INSPECTIONS ARE TAKEN ONLY DURING THE HOURS OF
8:30 A.M. TO 3:00 P.M. BY CALLING (415) 588-6570

APPLICATION NO. 2012-07-24-5642 ISSUED JAN 08 2013
JOB ADDRESS: 3769 20th St BLOCK: _____ LOT: _____
NATURE OF WORK: _____

WORK PERMITTED UNDER AUTHORITY OF THIS BUILDING PERMIT NUMBER MUST BE COMPLETED
PRIOR TO EXPIRATION DATE OF 12/24/15

EXTENSION OF TIME TO COMPLETE WORK UNDER THIS BUILDING PERMIT NUMBER MAY BE GRANTED UPON
WRITTEN REQUEST PRIOR TO THE DATES NOTED ABOVE.

For information on the Permit Process, Building Plans Review, Access Issues, etc., please see page 4 of this
JOB CARD for useful and appropriate telephone numbers.

ELECTRICAL & PLUMBING WORK MUST HAVE PERMITS SEPARATE FROM A BUILDING PERMIT.

**KEEP THIS CARD POSTED IN A CONSPICUOUS PLACE ON THE JOB SITE AT ALL TIMES.
PLANS AND PERMIT DOCUMENTS SHALL BE ON THE JOB SITE
AT ALL TIMES WHEN WORK IS IN PROGRESS.
AFTER COMPLETION OF WORK, RETAIN THIS CARD FOR YOUR RECORDS.**



SECURED PROPERTY TAX BILL 2012 - 2013

FOR FISCAL YEAR BEGINNING July 1, 2012 AND ENDING June 30, 2013

City and County of San Francisco - José Cisneros, Treasurer and Tax Collector - WWW.SETREASURER.ORG

INTERNET COPY

VOL	BLOCK NO.	LOT NO.	ACCOUNT NO.	TAX BILL NO.	TAX RATE	PROPERTY LOCATION
24	3607	062	360700620	120859	1.1691 %	3769 20TH ST
Assessed on January 1, 2012				INFORMATION		
				Property Valuation: 415-554-5596 (Assessor-Recorder) Homeowner's/Other Exemptions: 415-554-5596 (Assessor-Recorder) Current Year Taxes: 415-554-4400 (Taxpayer Assistance) Prior Year Delinquencies: 415-554-4499 E-mail: Treasurer.TaxCollector@sfgov.org		
CORTAC.				PAYMENT OPTIONS		
SEE SUPPLEMENTAL INDEX.				Online: http://www.sftreasurer.org (VISA, Mastercard, Discover or AMEX credit cards, Star, NYCE or PULSE debit cards, E-check) In Person: City Hall (Check, Cash) Phone: 1-800-890-1950 (VISA, Mastercard, Discover, or AMEX credit cards, Star, NYCE or PULSE debit cards)		
SEE SUPPLEMENTAL ROLL.						

ASSESSMENT INFORMATION

ASSESSMENT	FULL VALUE	TAX RATE	TAX AMOUNT
LAND	\$1,216,452.00	1.1691 %	\$14,221.54
IMPR/STRUCTURAL	\$521,335.00		\$6,094.92
IMPR/FIXTURES	\$0.00		\$0.00
PERSONAL PROPERTY	\$0.00		\$0.00
GROSS TAXABLE VALUE	\$1,737,787.00		\$20,316.46
LESS: EXEMPTIONS			
HOMEOWNER'S	\$0.00		\$0.00
OTHER	\$0.00		\$0.00
NET TAXABLE VALUE	\$1,737,787.00		\$20,316.46

DIRECT CHARGES AND/OR SPECIAL ASSESSMENTS:
(Call For Information)

CODE	TYPE	PHONE NO.	
29	Rent Stabilization Fee	(415) 554-4452	\$29.00
89	SFUSD Facilities District	(415) 355-2203	\$33.30
98	SF - Teacher Support	(415) 355-2203	\$213.90

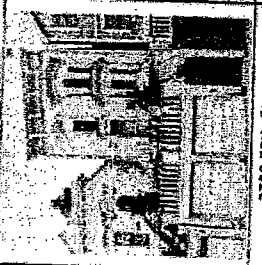
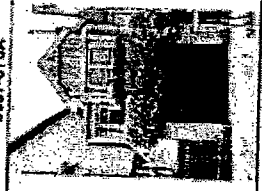
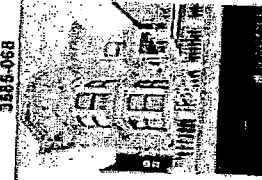

TOTAL DIRECT CHARGES AND SPECIAL ASSESSMENTS \$276.20

DUE NOVEMBER 1, 2012
FIRST INSTALLMENT:
\$10,296.33

DUE FEBRUARY 1, 2013
SECOND INSTALLMENT:
\$10,296.33

TOTAL DUE: \$20,592.66

MARKET ANALYSIS

APN	Subject	Sale 1	Sale 2	Sale 3
	3607-082	3607-070A	3585-068	
				
	3789 20th Street	3733 20th Street	3887 18th Street	937 Nov
		\$1,715,000	\$1,500,000	\$1,530,000
Date of Valuation/Sale				
Location	01/01/13	07/13/12	4/20/2012	11/30/12
Proximity to Subject	Eureka Valley	Eureka Valley	Eureka Valley	Eureka Valley
Lot Size	2.848	< 1ml	< 1ml	< 1ml
View	City	City	City	City
Year Bldg/Year Renowned	1900	1800	1800	1912
Condition	Good/Remodeled	Good/Remodeled	Good/Remodeled	Good/Remodeled
Construction Quality	Good	Good	Good	Good
Gross Living Area	2,350	2,220	2,020	2,160
Total Rooms	10	8	8	8
Bedrooms	3	2	2	2
Bathrooms	2.5	2	1.5	1.5
Stories	3	2	3	3
Garage	2 car	2 car	2 car	1 car
Net Adjustments				
Indicated Value	\$1,780,000	\$71,000	\$112,500	\$105,000
Adjust. \$ Per Sq. Ft.	\$79	\$802	\$1,612,500	\$1,635,000
VALUE RANGE:	\$1,612,500-1,786,000		\$788	\$727
			Value Conclusion	\$1,780,000

REMARKS: Subject prior sales history: 7/21/2000-\$1,000,000, 11/3/2006-\$1,595,000, 8/1/2008-\$1,595,000, 2/10/2012-\$1,750,000. Actual age of subject and comparables #1 and #2 cannot be verified with city records. The subject and comparable properties have all undergone recent upgrades and remodeling to better accommodate modern tastes. Few original details remain outside of crown moldings, floors and facade.

MARKET VALUE	ASSESSED VALUE
LAND	LAND
IMPROVEMENTS	IMPROVEMENTS
TOTAL	TOTAL
\$1,068,000	\$1,248,500
\$712,000	\$536,500
\$1,780,000	\$1,785,000

Income Approach

APN 3607-062
3769 20th Street
Mills Act
Lien Date 01/01/13

Potential Gross Income					
Rental Income	2350 sq. ft.	@	\$48.51	\$114,000	\$9500/MO
Less Vacancy & Collection Loss		@	5%	<u>-\$5,700</u>	
Effective Gross Income				\$108,300	
Less Operating Expenses				<u>-\$15,600</u>	
Net Operating Income				\$92,700	

Restricted Capitalization Rate

Rate Components:		
Interest Rate per SBE	@	3.750%
Risk	@	4.000%
Property Tax Rate	@	1.169%
Amortization (60-year)	@	<u>1.670%</u>
Remaining economic Life; improvements)		10.589%

Capitalization Rate Summation

Land:	3.750%	Imps:	3.750%
	4.000%		4.000%
	<u>1.169%</u>		1.169%
	8.919%		<u>1.670%</u>
			10.589%

Weighted Capitalization Rate:

Land:	8.919%	x	0.6	=	5.3514%
Imps:	10.589%	x	0.4	=	<u>4.2356%</u>
					9.587%

Restricted Value @ \$92,700 / 9.587% = \$966,934

Taxable Value – Three-Way Comparison

1 Restricted Value	\$966,934
2 Factored Base Year Value	\$1,785,000
3 Market Value	\$1,780,000

FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors
Contractor Information <i>(Please print clearly.)</i>	
Name of contractor: Brian Jackson and Thomas Ranese	
Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.	
Brian Jackson and Thomas Ranese, property owners	
Contractor address: 3769 20 th Street San Francisco CA 94110	
Date that contract was approved: <i>(By the SF Board of Supervisors)</i>	Amount of contracts: \$ \$10,103 (estimated property tax savings)
Describe the nature of the contract that was approved: Mills Act Historical Property Contract	
Comments:	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves: San Francisco Board of Supervisors
Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information <i>(Please print clearly.)</i>	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

