

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Carmen Chu, Assessor-Recorder, Office of the Assessor-Recorder
Harvey Rose, Budget Analyst, Budget and Legislative Analyst
Andrew Wolfram, Commission President, Historic Preservation
Commission
John Rahaim, Director, Planning Department
Tom Hui, Director, Department of Building Inspection

FROM: Erica Major, Assistant Committee Clerk, Government Audit and Oversight
Committee, Board of Supervisors

DATE: November 3, 2015

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by the Historic Preservation Commission on October 27, 2015:

File No. 151066

Resolution approving a Mills Act historical property contract between 807 Montgomery, LLC, the owners of 807 Montgomery Street, and the City and County of San Francisco, under Administrative Code, Chapter 71; and authorizing the Planning Director and the Assessor to execute the historical property contract.

If you have any comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c:

Edward McCaffrey, Office of the Assessor-Recorder
Debra Newman, Budget and Legislative Analyst
Severin Campbell, Budget and Legislative Analyst
Gabriela Loeza, Budget and Legislative Analyst
Aaron Jon Hyland, Historic Preservation Commission
Karl Hasz, Historic Preservation Commission
Ellen Johnck, Historic Preservation Commission
Richard S.E. Johns, Historic Preservation Commission
Diane Matsuda, Historic Preservation Commission
Jonathan Pearlman, Historic Preservation Commission
Tim Frye, Planning Department
Jonas Ionin, Planning Department
William Strawn, Department of Building Inspection
Carolyn Jayin, Department of Building Inspection
Sonya Harris, Department of Building Inspection

1 [Mills Act Historical Property Contract - 807 Montgomery Street]

2
3 **Resolution approving a Mills Act historical property contract between 807 Montgomery,**
4 **LLC, the owners of 807 Montgomery Street, and the City and County of San Francisco,**
5 **under Administrative Code, Chapter 71; and authorizing the Planning Director and the**
6 **Assessor to execute the historical property contract.**

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

12 WHEREAS, The Planning Department has determined that the actions contemplated in
13 this Resolution comply with the California Environmental Quality Act (California Public
14 Resources Code, Sections 21000, et seq.); and

15 WHEREAS, Said determination is on file with the Clerk of the Board of Supervisors in
16 File No. 151066, is incorporated herein by reference, and the Board herein affirms it; and

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

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

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

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

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

7 WHEREAS, The Assessor has reviewed the historical property contract and has
8 provided the Board of Supervisors with an estimate of the property tax calculations and the
9 difference in property tax assessments under the different valuation methods permitted by the
10 Mills Act in its report transmitted to the Board of Supervisors on October 13, 2015, which
11 report is on file with the Clerk of the Board of Supervisors in File No. 151066 and is hereby
12 declared to be a part of this motion as if set forth fully herein; and

13 WHEREAS, The Historic Preservation Commission recommended approval of the
14 historical property contract in its Resolution No. 755, which Resolution is on file with the Clerk
15 of the Board of Supervisors in File No. 151066 and is hereby declared to be a part of this
16 resolution as if set forth fully herein; and

17 WHEREAS, The draft historical property contract between 807 Montgomery, LLC, the
18 owners of 807 Montgomery Street, and the City and County of San Francisco is on file with
19 the Clerk of the Board of Supervisors in File No. 151066 and is hereby declared to be a part of
20 this resolution as if set forth fully herein; and

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

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

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

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

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25