



SAN FRANCISCO PLANNING DEPARTMENT

Mills Act Contracts Case Report

Hearing Date: October 1, 2014

- a. *Filing Date:* May 1, 2014
Case No.: 2014.0719U
Project Address: **68 Pierce Street**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential - House, Two Family)
40-X Height and Bulk District
Block/Lot: 0865/016
Applicant: Diarmuid Russell & Heather Podruchny
68 Pierce St.
San Francisco, CA 94117
- b. *Filing Date:* May 1, 2014
Case No.: 2014.0720U
Project Address: **563-567 Waller Street**
Landmark District: Duboce Park Landmark District
Zoning: RTO (Residential Transit Oriented)
40-X Height and Bulk District
Block/Lot: 0865/025
Applicant: Brandon Miller & Jay Zalewski
567 Waller St.
San Francisco, CA 94117
- c. *Filing Date:* May 1, 2013
Case No.: 2014.0746U
Project Address: **621 Waller Street**
Landmark District: Duboce Park Landmark District
Zoning: RTO (Residential Transit Oriented)
40-X Height and Bulk District
Block/Lot: 0864/023
Applicant: Claude Zellweger & Renee Zellweger
621 Waller St.
San Francisco, CA 94117

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

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415.558.6378

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415.558.6377

PROPERTY DESCRIPTIONS

- a. **68 Pierce Street:** The subject property is located on the east side of Pierce Street between Waller Street and Duboce Avenue in Assessor's Block 0865, Lot 016. The subject property is within 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 of the Planning Code as a contributor to the Duboce

Park Landmark District. It is a two-story over raised-basement, wood frame, single-family dwelling designed in the Shingle style and constructed in 1899.

- b. 563-567 Waller Street:** The subject property is located on the south side of Waller Street between Potomac and Pierce streets in Assessor's Block 0865, Lot 025. The subject property is within in a RTO (Residential Transit Oriented) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 of the Planning Code as a contributor to the Duboce Park Landmark District. It is a 3½-story over raised-basement, wood frame, three-family dwelling designed in the Queen Anne style and constructed in 1900.
- c. 621 Waller Street:** The subject property is located on the south side of Waller Street between Pierce and Carmelita streets in Assessor's Block 0864, Lot 023. The subject property is within in a RTO (Residential Transit Oriented) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 of the Planning Code as a contributor to the Duboce Park Landmark District. It is a 2½-story over raised-basement, wood frame, single-family dwelling designed in the Queen Anne style and constructed in 1900 by master builder Fernando Nelson.

PROJECT DESCRIPTION

This project is a Mills Act Historical Property Contract application.

MILLS ACT REVIEW PROCESS

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

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

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

MILLS ACT REVIEW PROCEDURES

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

- The draft Mills Act Historical Property Contract between the property owner and the City and

MILLS ACT REVIEW PROCEDURES

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

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

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

APPLICABLE PRESERVATION STANDARDS

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

TERM

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

ELIGIBILITY

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

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

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

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

Residential Buildings

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

Commercial, Industrial or Mixed Use Buildings

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

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

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

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

PUBLIC/NEIGHBORHOOD INPUT

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

STAFF ANALYSIS

The 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 believe that the draft historical property contracts and maintenance plans are adequate.

- a. 68 Pierce Street:** As detailed in the Mills Act application, the Project Sponsor proposes to maintain the historic property. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation 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 applicants have developed a thorough Rehabilitation and Maintenance Plan that involves the following scopes of work: replacing six non-historic windows on the primary facade with historically appropriate double-hung wood sash windows with ogee lugs; replacing three (3) non-historic windows on the second floor rear elevation with historically appropriate double-hung wooden-sash windows with ogee lugs; replacing the current entry stairs with a new wooden staircase that features a straight run, closed risers, a balustrade railing with a turned profile or turned elements and newel posts; engaging a structural engineer to investigate the foundation and implementing any necessary repairs or improvements to seismically stabilize the property; replacing or repairing the roof; repainting the primary elevation of the property; and repairing wood rot at the garage. In addition, the rehabilitation and maintenance plan will include a cycle of regular inspections and maintenance to be performed as necessary. The maintenance plan includes: inspecting the wooden elements of the facade and repainting as necessary; if damage or deterioration is found, any needed repairs will avoid altering, removing or obscuring character-defining features of the building; any necessary replacements will be made in kind; conducting periodic roof inspections; and servicing rain gutters and downspouts to ensure water is directed away from the property. No changes to the use of the property are proposed. Please refer to the attached Rehabilitation and Maintenance Plan for a full description of the proposed work. The attached draft historical property contract will help the Project Sponsor mitigate these expenditures and will induce the Project Sponsor to maintain the property in excellent condition in the future.

- b. 563-567 Waller Street:** As detailed in the Mills Act application, the Project Sponsor proposes to maintain the historic property. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation 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 applicants have already completed substantial rehabilitation efforts. The proposed Rehabilitation and Maintenance Plan involves the following scopes of work: relocating the property's gas meters beneath the entry stairs; if deemed infeasible by the utility, the meters will be enclosed in a painted wood cabinet finished to match the building's existing wood cladding; performing annual inspections of the windows, roof, rain gutters, siding, paint and trim; if any damage or deterioration is found, the extent and nature of the damage will be assessed; any needed repairs will avoid altering, removing or obscuring character-defining features of the building.

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

- c. **621 Waller Street:** As detailed in the Mills Act application, the Project Sponsor proposes to maintain the historic property. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation 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 applicants have developed a thorough Rehabilitation and Maintenance Plan that involves the following scopes of work: repairing existing ornamental wrought iron at front stair and porch, including rust removal, priming and repainting; repairing existing wood windows on the front elevation, either with single-pane glazing or retrofitting the windows to accept double-glazed sashes; where retention of existing windows is not possible, all replacements will be made in kind; performing site grading and drainage work at the front of the property to direct water away from the foundation walls and entry stairs; waterproofing the building envelope and repairing leaks; repairing or reconstructing the existing rear balconies to apply new waterproofing membrane and flashing; repairing existing interior ceiling damage caused by water leakage; and repainting the exterior of the building. The maintenance plan involves a cycle of periodic inspections to inspect the wooden elements of the facade and repaint as necessary; if damage or deterioration is found, any needed repairs will avoid altering, removing or obscuring character-defining features of the building; any necessary replacements will be made in kind; servicing gutters and downspouts to remove debris and inspect for leaks; and inspecting the roof and repairing or replacing as necessary.

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

PLANNING DEPARTMENT RECOMMENDATION

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

ISSUES AND OTHER CONSIDERATIONS

None.

HISTORIC PRESERVATION COMMISSION ACTIONS

Review and adopt a resolution for each property:

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

Attachments:

a. 68 Pierce Street

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

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

Exhibit D: Mills Act Application

b. 563-567 Waller Street

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

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

Exhibit D: Mills Act Application

c. 621 Waller Street

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

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

Exhibit D: Mills Act Application

Site Photo



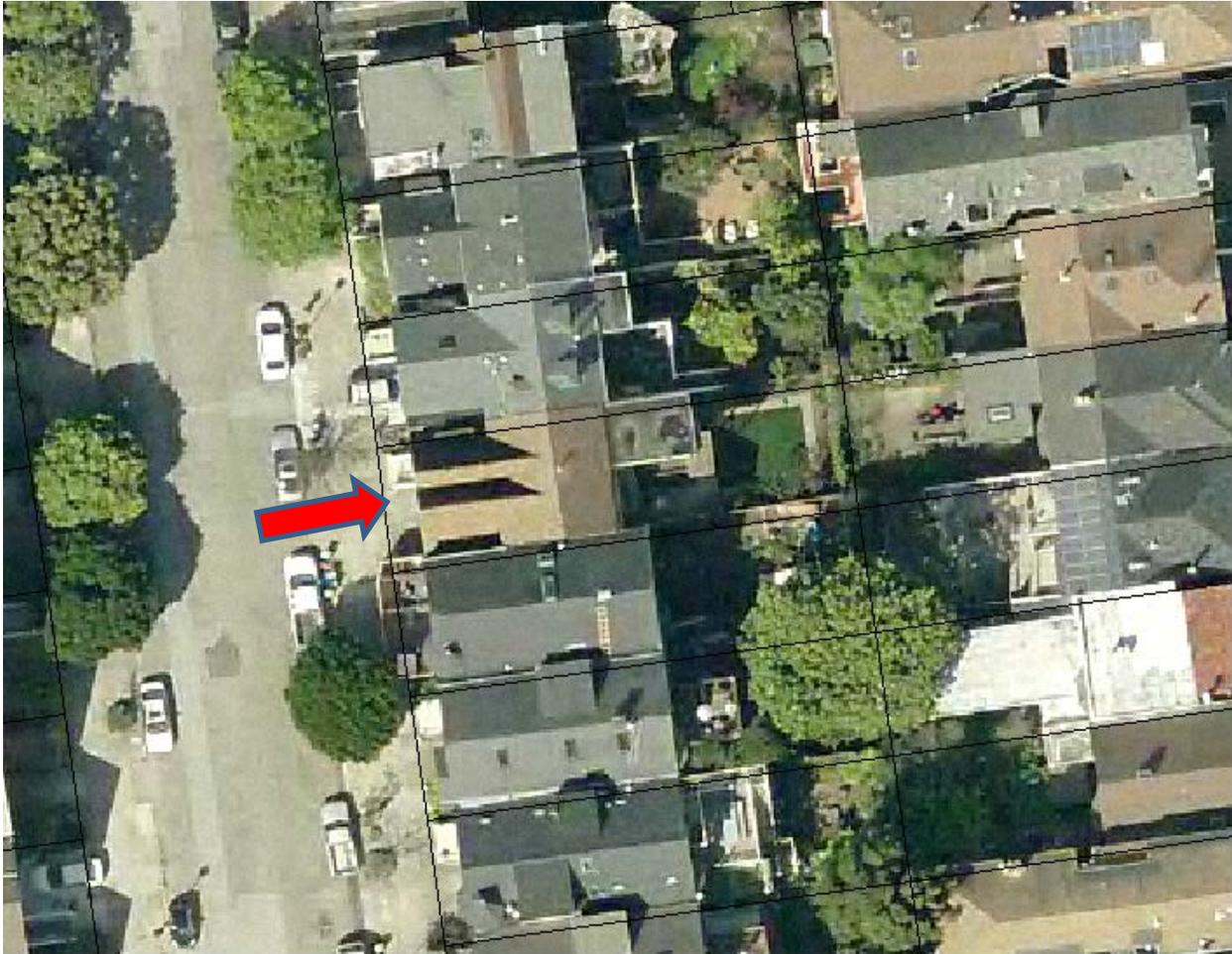
Historic Preservation Commission

Case No. 2014.0719U

Mills Act Historical Property Contract

68 Pierce Street

Aerial Photo



Historic Preservation Commission
Case No. 2014.0719U
Mills Act Historical Property Contract
68 Pierce Street

EXHIBIT A:

DRAFT MILLS ACT HISTORICAL PROPERTY CONTRACT

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

**CALIFORNIA MILLS ACT
HISTORIC PROPERTY AGREEMENT
68 PIERCE STREET
SAN FRANCISCO, CALIFORNIA**

THIS AGREEMENT is entered into by and between the City and County of San Francisco, a California municipal corporation ("City") and Diarmuid Russell and Heather Podruchny ("Owners").

RECITALS

Owners are the owners of the property located at 68 Pierce Street, in San Francisco, California (Block 0865, Lot 016). The building located at 68 Pierce Street is designated as a contributor to the Duboce Park Landmark District pursuant to Article 10 of the Planning Code and is also known as the ("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 seventy-seven thousand dollars (\$177,000). (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 hundred dollars (\$500) annually (See Maintenance Plan, Exhibit B).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CITY AND COUNTY OF SAN FRANCISCO:

By: _____
Carmen Chu
Assessor-Recorder

DATE: _____

By: _____
John Rahaim
Director of Planning

DATE: _____

APPROVED AS TO FORM:
DENNIS J. HERRERA
CITY ATTORNEY

By: _____
Andrea Ruiz-Esquide, Deputy City Attorney

DATE: _____

OWNERS

By: _____
Diarmuid Russell, Owner

DATE: _____

By: _____
Heather Podruchny, Owner

DATE: _____

OWNER(S)' SIGNATURE(S) MUST BE NOTARIZED.

EXHIBIT B:
DRAFT REHABILITATION AND MAINTENANCE PLAN

68 Pierce Street Revised Rehabilitation and Maintenance Plan

SCOPE #1
Maintenance <input checked="" type="checkbox"/> Completed <input checked="" type="checkbox"/>
Contract Year Work Completion: 2013
Total Cost (rounded to the nearest dollar): \$2,093
Description of Work
Performed emergency drainage repairs to prevent water flowing off roof from running down front and rear of the building and causing damage. This work included installing galvanized sheet metal 6" ogee-type gutters, installing a scupper at the roof run-off to connect to the gutter, and installing trim board behind the gutter, priming and painting to match existing.

SCOPE #2
Rehab/Restoration <input checked="" type="checkbox"/> Proposed <input checked="" type="checkbox"/>
Contract Year Work Completion: 2020
Total Cost (rounded to the nearest dollar): \$13,000 + 20% contractor overhead
Description of Work
Replace six (6) non-historic windows on the front elevation with historically appropriate double-hung wood sash windows with ogee lugs. The design of the new windows will replicate the sash and muntin profiles of the existing (presumed original) double-hung wood windows with ogee lugs installed in the bay window at the rear of the property.

SCOPE #3
Rehab/Restoration <input checked="" type="checkbox"/> Proposed <input checked="" type="checkbox"/>
Contract Year Work Completion: 2020
Total Cost (rounded to the nearest dollar): \$6,500 + 20% contractor overhead
Description of Work
Replace three (3) non-historic windows on the second floor rear elevation with historically appropriate double-hung wooden-sash windows as described under Scope #2.

SCOPE #4
Rehab/Restoration <input checked="" type="checkbox"/> Proposed <input checked="" type="checkbox"/>
Contract Year Work Completion: 2020
Total Cost (rounded to the nearest dollar): \$10,000 + 20% contractor overhead
Description of Work
The current entry stairs are in poor repair. The stair posts at the foot of the stairs are rotting and the balustrades and hand rails are made of rough modern timber and are not historically appropriate. We will replace the current stairs with a new wooden staircase designed to be consistent with the age of the property. The new staircase will be constructed of wood and include a straight run, closed risers, a balustrade with a turned profile or turned elements, and newel posts. It will be painted to match the house following its construction.

SCOPE #5
Rehab/Restoration <input checked="" type="checkbox"/> Proposed <input checked="" type="checkbox"/>
Contract Year Work Completion: 2020
Total Cost (rounded to the nearest dollar): \$80,000 + 20% contractor overhead
Description of Work
The building foundation has not been earthquake retrofitted and the current foundation is partially brick. We will engage a structural engineer to investigate the foundation. Based on the engineer's report, we will implement any necessary repairs/improvements in order to protect the house in the event of future earthquakes. These repairs will be designed to avoid altering, removing or obscuring character-defining features of the property.

SCOPE #6
Rehab/Restoration <input checked="" type="checkbox"/> Proposed <input checked="" type="checkbox"/>
Contract Year Work Completion: 2020
Total Cost (rounded to the nearest dollar): \$15,000 + 20% contractor overhead
Description of Work
The current roof is old and in poor repair. We will engage a licensed roofing contractor to assess the current roof. We will then either repair or replace the roof with new asphalt/composition shingles. Installation of the new roof will avoid changing the roof configuration, or altering, removing or obscuring character-defining features of the building, including decorative elements in the gable ends, as well as eave trim and moldings.

SCOPE #7
Rehab/Restoration <input checked="" type="checkbox"/> Proposed <input checked="" type="checkbox"/>
Contract Year Work Completion: 2020
Total Cost (rounded to the nearest dollar): \$18,000 + 20% contractor overhead
Description of Work
We will repaint the front elevation of the house. If any damage or deterioration is found as part of the painting preparation, the extent and nature of the damage will be assessed. Any needed repairs will avoid altering, removing or obscuring character-defining features of the building. If any elements are determined to be damaged or deteriorated beyond repair, replacements will be made in kind (e.g., wood for wood).

SCOPE #8
Rehab/Restoration <input checked="" type="checkbox"/> Proposed <input checked="" type="checkbox"/>
Contract Year Work Completion: 2020
Total Cost (rounded to the nearest dollar): \$5000 + 20% contractor overhead
Description of Work
We will repair rot to the post/flat board trim at the left side of the existing garage. Should the existing garage door also require replacement, the new door will feature more historically appropriate details, such as wood panels and partial glazing.

SCOPE #9
Maintenance <input checked="" type="checkbox"/> Proposed <input checked="" type="checkbox"/>
Contract Year Work Completion: Ongoing
Total Cost (rounded to the nearest dollar): \$600
Description of Work
We will service our gutters and downspouts approximately every other year, removing debris and inspecting for leaks. As such time we will confirm that the downspouts direct water away from the house and that no water is infiltrating the foundation. If any drainage issues are found, we will repair or replace the gutters and downspouts as necessary. Repair or replacement of the gutters will avoid altering, removing or obscuring character-defining features of the building. This maintenance routine will be informed by the guidance outlined in the National Park Service's <i>Preservation Brief 47: Maintaining the Exterior of Small and Medium Size Historic Buildings</i> .

SCOPE #10
Maintenance <input checked="" type="checkbox"/> Completed <input checked="" type="checkbox"/>
Contract Year Work Completion: Ongoing
Total Cost (rounded to the nearest dollar): \$600
Description of Work
Once the house has been repainted, we will inspect the wooden elements of the façade approximately every 3 years and repaint as necessary. If any damage or deterioration is found, the extent and nature of the damage will be assessed. Any needed repairs will avoid altering, removing or obscuring character-defining features of the building. If any elements are determined to be damaged or deteriorated beyond repair, replacements will be made in kind (e.g., wood for wood). This maintenance routine will be informed by the guidance outlined in the National Park Service's <i>Preservation Brief 47: Maintaining the Exterior of Small and Medium Size Historic Buildings</i> .

SCOPE #11
Maintenance <input checked="" type="checkbox"/> Completed <input checked="" type="checkbox"/>
Contract Year Work Completion: Ongoing
Total Cost (rounded to the nearest dollar): \$300
Description of Work
Once the roof has been replaced or repaired, we will have a licensed roofing contractor conduct periodic inspections approximately every 5 years to ensure that it remains in good condition. Any needed repairs will avoid altering, removing or obscuring character-defining features of the building. This maintenance routine will be informed by the guidance outlined in the National Park Service's <i>Preservation Brief 47: Maintaining the Exterior of Small and Medium Size Historic Buildings</i> .



HERLING CONSTRUCTION
 4168 23rd STREET,
 SAN FRANCISCO, CA 94114

Estimate

Date	Estimate #
5/29/2014	390

Licence # 831004

Diarmuid Russell
 68 Pierce Street,
 San Francisco, CA 94123

Description	Total
SCOPE #1. - Install galvanized metal 6" ogee-type gutter to front of building with scupper at valley connecting, - Install one scupper and conductor to match existing connecting to sewer line - Installing trim board behind the gutter, - Prime and paint to match existing.	2,000.00
SCOPE #2 - Install six new windows with double-pane low-emissive glass at front elevation with historically appropriate double-hung wood sash windows with ogee lugs. Sash and muntin profiles to match existing double-hung wood windows with ogee lugs. - Install bitumen adhesive flashing and polyurethane caulking. - Install new trim to match existing. - Prime and paint to match existing. - Dispose of existing windows.	13,000.00
SCOPE #3 - Install three new windows with double-pane low-emissive glass at rear elevation with historically appropriate double-hung wood sash windows with ogee lugs. Sash and muntin profiles to match existing double-hung wood windows with ogee lugs. - Install bitumen adhesive flashing and polyurethane caulking. - Install new trim to match existing. - Prime and paint to match existing. - Dispose of existing windows..	6,500.00
SCOPE #4 - Remove and dispose of existing front entry stair case. - Install new staircase at front entry with cedar stepping treads and closed risers, - Install new balustrades with a turned profile. - Install two new turned newel posts. - Prime and paint to match existing.	10,000.00
SCOPE #5 - Ballpark figure to earthquake retrofitted and replace the current brick foundation a structural engineer would need to investigate and provide drawings for more accurate pricing.	80,000.00
SCOPE #6 - Remove existing roof covering and dispose of debris - Apply 30lb shingle underlayment over roof sheathing, - Install copper nosing at edge of roof - Install starter shingle at edge of roof and gable ends. - Replace pipe collars. - Install class "A" composition shingles with galvanized nails. - Install ridge shingles	15,000.00
SCOPE #7 - Erect scaffold with netting - Scrape, fill, sand, and prime all front facade siding trim and windows. - Apply two coats of exterior finish paint. color to be decided.	18,000.00

T. 415 377 3674	F. 415 643 6953	E. johnhammatt@comcast.net	Total
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HERLING CONSTRUCTION
 4168 23rd STREET,
 SAN FRANCISCO, CA 94114

Estimate

Date	Estimate #
5/29/2014	390

Licence # 831004

Diarmuid Russell
 68 Pierce Street,
 San Francisco, CA 94123

Description	Total
SCOPE #8 - Repair rot at the post/flat board trim at the left side of the existing garage. - Install new carriage style garage door with obscure glass, using existing motor and track.	5,000.00
SCOPE #9 - Inspect gutters and downspouts approximately every other year, removing debris and inspecting for leaks.	600.00
SCOPE #10 - Inspect the wooden elements of the facade approximately every 3 years and repaint as necessary. If any damage or deterioration is found, the extent and nature of the damage will be assessed.	600.00
SCOPE #11 - Inspect roof every 5 years to ensure that it remains in good condition.	300.00
GENERAL REQUIREMENTS AND CONTRACTORS OVERHEAD 20% - Remove construction debris at regular intervals to keep a "clean job site" Install all floor and wall protection prior to construction date. Install adequate dust proofing protection of owners property prior to construction start date. Maintain temporary utilities as necessary during construction. Supply and install all shoring bracing and protective barriers as necessary to maintain a "safe" job site. Fulfill workers compensation requirements. Project management. Provide \$2000,000. liability insurance.	30,200.00

T. 415 377 3674	F. 415 643 6953	E. johnhammatt@comcast.net	Total	\$181,200.00
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**EXHIBIT C:
DRAFT MILLS ACT VALUATION PROVIDED BY
SAN FRANCISCO ASSESSOR-RECORDER**

DRAFT

DRAFT



68 Pierce Street
APN 06-0865-016

2014 MILLS ACT VALUATION



APN: 06-0865-016 SF Landmark: _____
 Property Location: 68 Pierce Street Date of Mills Act Application: 6/1/2014
 Applicant's Name: Diarmuid Russell / Heather Podruchny Property Type: Single Family Dwelling
 Agt./Tax Rep./Atty: NA Date of Sale: 7/9/2012
 Applicant supplied appraisal? No Sale Price: \$1,555,000

DATE OF MILLS ACT VALUATION: June 1, 2014

TAXABLE VALUE - THREE WAY VALUE COMPARISON					
FACTORED BASE YEAR VALUE		RESTRICTED MILLS ACT VALUE		CURRENT MARKET VALUE	
Land	\$ 1,093,440	Land	\$ 456,000	Land	\$1,200,000
Imps	\$ 468,616	Imps	\$ 304,000	Imps	\$800,000
Total	\$ 1,562,056	Total	\$ 760,000	Total	\$2,000,000

PROPERTY CHARACTERISTICS

Present Use: SFR Neighborhood: Hayes Valley Number of Stories: 2
 Number of Units: 1 Year Built: 1900 Land Area (SF): 2,823
 Owner Occupied: Yes Building Area: 2,509 Zoning: RH2

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Restricted Income Valuation	Page 4
Comparable Rents	Page 5
Sales Comparison Valuation	Page 6
Map of Comparable Sales	Page 7

CONCLUSION AND RECOMMENDATIONS

Based on the three-way value comparison, the lowest of the three values is the restricted Mills Act value.
 The taxable Mills Act value on: June 1, 2014 is \$760,000

Appraiser: Timothy Landregan Date: 06/01/14
 Principal Appraiser: Cathleen Hoffman *CH*

0865-016 Photos



RESTRICTED INCOME APPROACH

APN 06-0865-016
 68 Pierce Street
 Restricted Mills Act Value
 Application Date: June 1, 2014

Owner Occupied

	GLA (SF)		Annual Rent / SF		
Potential Gross Income:	2,509	x	\$36.00	=	\$90,324
Less Vacancy & Collection Loss			2%		<u>(\$1,806)</u>
Effective Gross Income					\$88,518
Less Anticipated Operating Expenses*			15%		<u>(\$13,278)</u>
Net Operating Income (before property tax)					\$75,240

Restricted Capitalization Rate Components:

Rate Components:

2014 Interest Rate per SBE		4.0000%
Risk rate (4% owner occupied / 2% all other property types)		4.0000%
Property tax rate (2013)		1.1880%
Amortization rate for the Improvements:		
Remaining Economic Life: 60		
Amortization per Year (reciprocal) 0.0167		<u>1.6667%</u>

Overall Rates:

Land	9.1880%
Improvements	10.8547%

Weighted Capitalization Rate

Land	60%	5.51%
Improvements	40%	<u>4.34%</u>
Total		9.85%

RESTRICTED VALUE **\$763,495**

ROUNDED TO **\$760,000**

Footnotes:

Topline rent potential concluded to be about \$7,500 per month, or \$36 per foot annually

**Annual Operating Expenses include PG&E, water service, refuse collection, insurance, maintenance and property management, typically estimated at 15% of effective gross income. No estimate of actual annual operating expenses of the subject property were provided by the taxpayer.*

Rental Comps

Comp #1: Eureka Valley



Listing Agent: By Owners
Address: 272 Eureka Street
Cross Streets: Eureka (between 19th and 20th St)
SF: 1,992
Layout: 3/1.5, 1 car parking
Monthly Rent \$5,035
Rent/Foot/Mo **\$2.53**
Annual Rent/Foot: **\$30.33**
Listing Date: July 2014, Craigs List

Comp #2: Eureka Valley



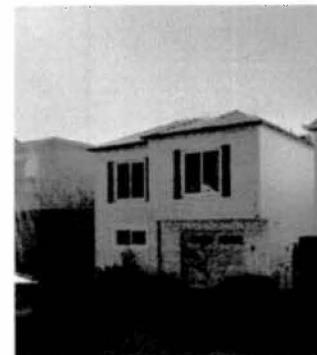
By Owners
 100 Eagle Street
 Near Market and Caselli
 825
 3/2, 1 car parking
 \$5,800
\$7.03
\$84.36
 July 2014, Craigs List

Comp #3: Midtown Terrace



By Owners
 76 Clairview Court
 Clairview near Panorama Drive
 1,274
 3/2, 2 car parking
 \$4,350
\$3.41
\$40.97
 July 2014, Craigs List

Comp #4: Midtown Terrace



Broker not identified
 35 Skyview Way (near City View Way)
 West side of the peaks
 2,128
 4/3, 1 car parking
 \$5,900
\$2.77
\$33.27
 July 2014, Craigs List

Comp #5: Eureka Valley



Listing Agent: Home Bell Construction
Address: Not Provided
Cross Streets: Market at Yukon
SF: 1,650
Layout: 2/2, 1 car parking
Monthly Rent \$6,100
Rent/Foot/Mo **\$3.70**
Annual Rent/Foot: **\$44.36**
Listing Date: July 2014, Craigs List

Comp #6: Clarendon Hts



Not Provided
 226 Twin Peaks Blvd
 Twin Peaks near Clarendon
 2,000
 4/2.5, 1 car parking
 \$8,000
\$4.00
\$48.00
 July 2014, Craigs List

Comp #7: Upper Market



Not Provided
 333 Caselli
 Caselli at Market
 2,100
 3/2, 1 car parking
 \$6,200
\$2.95
\$35.43
 July 2014, Craigs List

Comp #8: Eureka Valley



Not Provided
Not Provided
 Eureka at 20th St
 2,300
 3/2, 1 car parking
 \$8,200
\$3.57
\$42.78
 July 2014, Craigs List

SINGLE FAMILY MARKET ANALYSIS

APN	Subject 0865-016	Sale 1 0841-004	Sale 2 0852-033	Sale 3 0864-008			
							
Address	68 Pierce	405 Buchanan	188 Haight	55 Pierce St			
		\$1,550,000	\$2,666,000	\$2,250,000			
Sale Price / Square Foot		\$738	\$667	\$900			
	Description	Description	Adjust.	Description	Adjust.	Description	Adjust.
Date of Valuation/Sale	06/01/14	10/31/13	\$54,250	1/22/2014	\$53,320	05/22/13	\$135,000
Location	Hayes Valley	Hayes Valley		Hayes Valley		Hayes Valley	
Lot Size	2,823	2,021	\$40,100	2,700	\$0	2,374	\$22,450
View	Neighborhood	Neighborhood		City	(\$50,000)	Neighborhood	
Year Blt/Year Renovated	1900	1900		1883		1900	
Condition	Average/Original	Updates		Good/Remodeled	(\$150,000)	Good/Remodeled	(\$150,000)
Construction Quality	Good	Good		Good		Good	
Gross Living Area	2,509	2,100	\$122,700	4,000	(\$447,300)	2,500	
Total Rooms	8	6				6	
Bedrooms	3	3		4		3	
Bathrooms	2	1	\$25,000	3	(\$25,000)	3	(\$25,000)
Stories	2	2		2		3	
Garage	1 car	None	\$50,000	1 car		2 car	(\$50,000)
Net Adjustments			\$292,050		(\$618,980)		(\$67,550)
Indicated Value	\$2,000,000		\$1,842,050		\$2,047,020		\$2,182,450
Adjust. \$ Per Sq. Ft.	\$797		\$734		\$816		\$870

VALUE RANGE: \$734 to \$870 per Sq Ft GLA

VALUE CONCLUSION: \$2,000,000 \$797

Adjustments Lot size adjustment: \$50/foot; Adjustment for view: \$50,000, GLA adjustment: \$300/foot; Adjustment for bath counts: \$25,000 for full bath Adjustment for garage parking; \$50,000 per space.

Market Conditions Adjustment: 5 to 10% increase in value between 2013 and 2014 (.5% per month)

Subject is concluded to be in average condition with some updates. There is evidence of deferred maintenance. The foundation requires seismic updating.

405 Buchanan has had some updates but has no garage. There is a parking pad in front. Cost to cure the lack of garage exceeds the market value of the new parking. Comps #2 and #3 sold fully remodeled . A \$150,000 adjustment is made for condition based on cost to cure.

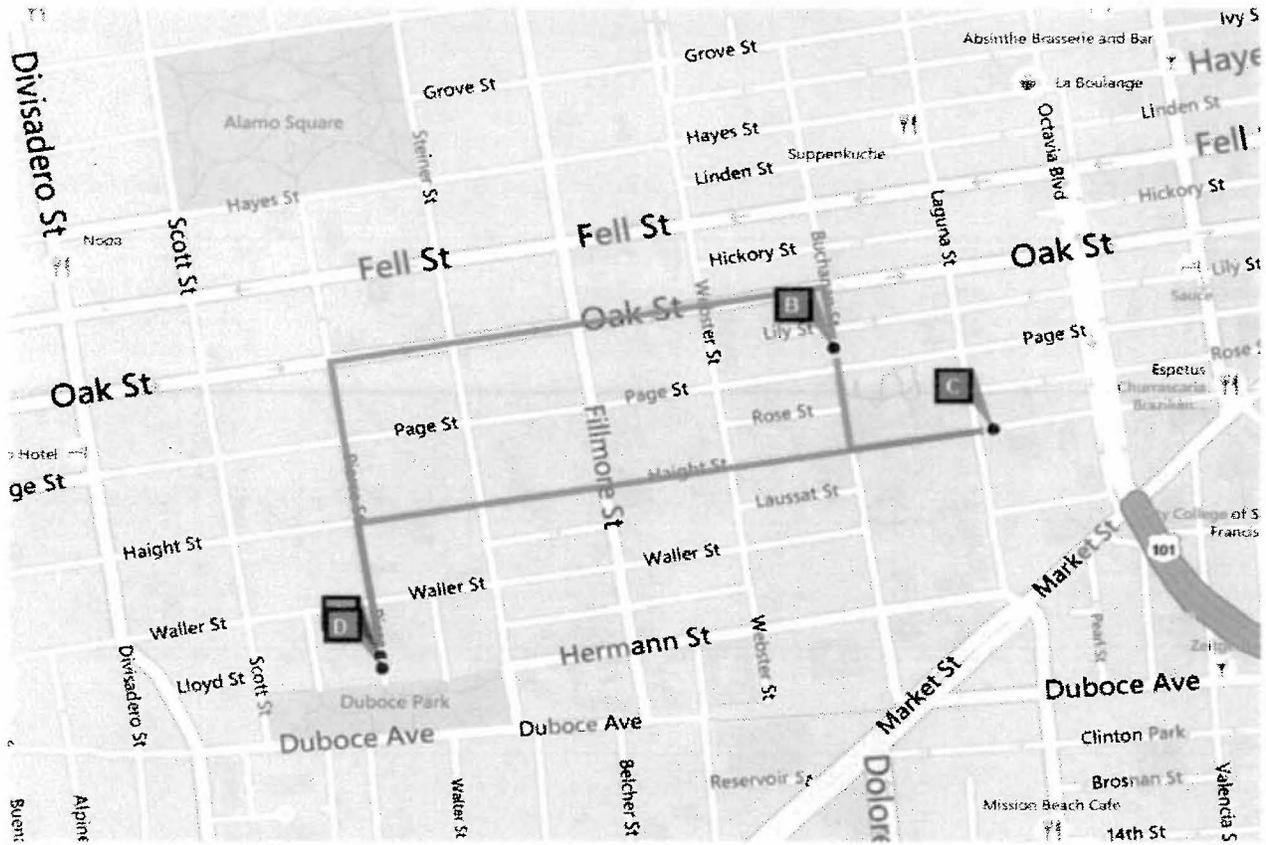
MARKET VALUE

LAND	\$1,200,000
IMPROVEMENTS	\$800,000
TOTAL	\$2,000,000
<i>Market Value / Foot</i>	<u>\$797</u>

ASSESSED VALUE

LAND	\$ 1,093,440
IMPROVEMENTS	\$ 468,616
TOTAL	\$1,562,056
<i>Assessed Value / Foot</i>	<u>\$623</u>

Map of Subject Property and Comparable Sales



A	Subject Property	68 Pierce
B	Comp #1	405 Buchanan
C	Comp #2	188 Haight
D	Comp #3	55 Pierce St

**EXHIBIT D:
MILLS ACT APPLICATION**

MILLS ACT HISTORICAL PROPERTY CONTRACT

Application Checklist:

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

1 Mills Act Application	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Has each property owner signed? Has each signature been notarized?	
2 High Property Value Exemption Form & Historic Structure Report	YES <input type="checkbox"/> NO <input type="checkbox"/>
Required for Residential properties with an assessed value over \$3,000,000 and Commercial/Industrial properties with an assessed value over \$5,000,000. Have you included a copy of the Historic Structures Report completed by a qualified consultant?	N/A <input checked="" type="checkbox"/>
3 Draft Mills Act Historical Property Contract	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Are you using the Planning Department's standard "Historical Property Contract?" Have all owners signed and dated the contract? Have all signatures been notarized?	
4 Notary Acknowledgement Form	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Is the Acknowledgement Form complete? Do the signatures match the names and capacities of signers?	
5 Draft Rehabilitation/Restoration/Maintenance Plan	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Have you identified and completed the Rehabilitation, Restoration, and Maintenance Plan organized by contract year, including all supporting documentation related to the scopes of work?	
6 Photographic Documentation	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Have you provided both interior and exterior images (either digital, printed, or on a CD)? Are the images properly labeled?	
7 Site Plan	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Does your site plan show all buildings on the property including lot boundary lines, street name(s), north arrow and dimensions?	
8 Tax Bill	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Did you include a copy of your most recent tax bill?	
9 Rental Income Information	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
Did you include information regarding any rental income on the property? <i>N/A</i>	
10 Payment	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Did you include a check payable to the San Francisco Planning Department? Current application fees can be found on the Planning Department Fee Schedule under Preservation Applications.	

APPLICATION FOR Mills Act Historical Property Contract

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

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

PROPERTY OWNER 1 NAME: MR DIARMUID RICHARD RUSSELL	TELEPHONE: (415) 601 4162
PROPERTY OWNER 1 ADDRESS: 68, PIERCE ST, SAN FRANCISCO CA 94117	EMAIL: DIARMUID@GLISSON.CA.GOV
PROPERTY OWNER 2 NAME: MRS HEATHER ROSE POORUCHMY	TELEPHONE: (415) 637 0424
PROPERTY OWNER 2 ADDRESS: 68, PIERCE ST, SAN FRANCISCO CA 94117	EMAIL: HEATHERPOORUCHMY@YANMCCOY.COM
PROPERTY OWNER 3 NAME:	TELEPHONE: ()
PROPERTY OWNER 3 ADDRESS:	EMAIL:

2. Subject Property Information

PROPERTY ADDRESS: 68, PIERCE ST, SAN FRANCISCO CA	ZIP CODE: 94117
PROPERTY PURCHASE DATE: 7/19/2012	ASSESSOR BLOCK/LOT(S): 0865/016
MOST RECENT ASSESSED VALUE: \$1,555,000	ZONING DISTRICT: RH-2 40-X

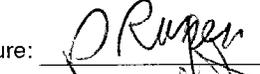
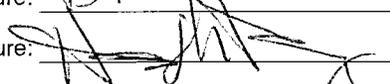
Are taxes on all property owned within the City and County of San Francisco paid to date? YES NO

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

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

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

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

Owner Signature: 	Date: 4/30/2014
Owner Signature: 	Date: 4/30/2014
Owner Signature: _____	Date: _____

3. Property Value Eligibility:

Choose one of the following options:

The property is a Residential Building valued at less than \$3,000,000. YES NO

The property is a Commercial/Industrial Building valued at less than \$5,000,000. YES NO

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

Application for Exemption from Property Tax Valuation

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

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

4. Property Tax Bill

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

PROPERTY OWNER NAMES:

DIARMUID RICHARD RUSSELL
HEATHER ROSE PODRUCHNY

MOST RECENT ASSESSED PROPERTY VALUE:

\$1,555,000

PROPERTY ADDRESS:

68 PIERCE ST SAN FRANCISCO CA 94117

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: 
Owner Signature: 
Owner Signature: _____

Date: 4/30/2014
Date: 4/30/2014
Date: _____

5. Rehabilitation/Restoration & Maintenance Plan

A 10 Year Rehabilitation/Restoration Plan has been submitted detailing work to be performed on the subject property YES NO

A 10 Year Maintenance Plan has been submitted detailing work to be performed on the subject property YES NO

Proposed work will meet the *Secretary of the Interior's Standards for the Treatment of Historic Properties* and/or the California Historic Building Code. YES NO

Property owner will ensure that a portion of the Mills Act tax savings will be used to finance the preservation, rehabilitation, and maintenance of the property YES NO

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

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

____ (Provide a scope number) BUILDING FEATURE:

Rehab/Restoration Maintenance Completed Proposed

CONTRACT YEAR FOR WORK COMPLETION:

TOTAL COST (rounded to nearest dollar):

DESCRIPTION OF WORK

PLEASE SEE SEPARATE ATTACHED TYPED DOCUMENT

SEE ATTACHMENT

Draft Rehabilitation/Restoration/Maintenance Plan (Continued)

____ (Provide a scope number) BUILDING FEATURE:

Rehab/Restoration Maintenance Completed Proposed

CONTRACT YEAR WORK COMPLETION:

TOTAL COST (rounded to nearest dollar):

DESCRIPTION OF WORK:

____ (Provide a scope number) BUILDING FEATURE:

Rehab/Restoration Maintenance Completed Proposed

CONTRACT YEAR WORK COMPLETION:

TOTAL COST (rounded to nearest dollar):

DESCRIPTION OF WORK:

____ (Provide a scope number) BUILDING FEATURE:

Rehab/Restoration Maintenance Completed Proposed

CONTRACT YEAR WORK COMPLETION:

TOTAL COST (rounded to nearest dollar):

DESCRIPTION OF WORK:

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

California Mills Act Historical Property Agreement

PROPERTY NAME (IF ANY)

68 PIERCE ST, SAN FRANCISCO CA 94117

PROPERTY ADDRESS

San Francisco, California

THIS AGREEMENT is entered into by and between the City and County of San Francisco, a California municipal corporation ("City") and DIARMUID RUSSELL & HEATHER ("Owner/s").

PODRUCHMY
RECITALS

Owners are the owners of the property located at

68, PIERCE ST

PROPERTY ADDRESS

, in San Francisco, California

0865 / 16

BLOCK NUMBER

LOT NUMBER

The building located at

68 PIERCE ST

PROPERTY ADDRESS

is designated as A CITY LANDMARK PURSUANT TO ARTICLE 10 OF THE PLANNING CODE (e.g. "a City Landmark pursuant to Article 10 of the Planning Code") and is also known as the N/A

HISTORIC NAME OF PROPERTY (IF ANY)

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 _____ (\$ _____). See Rehabilitation Plan, Exhibit A.

AMOUNT IN WORD FORMAT

AMOUNT IN NUMERICAL FORMAT

Owners' application calls for the maintenance of the Historic Property according to established preservation standards, which is estimated will cost approximately _____ (\$ _____) annually. See Maintenance Plan, Exhibit B.

AMOUNT IN WORD FORMAT

AMOUNT IN NUMERICAL FORMAT

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:

Mills Act Application

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:

CARMEN CHU
ASSESSOR-RECORDER

JOHN RAHAIM
DIRECTOR OF PLANNING

APPROVED AS PER FORM:
DENNIS HERRERA
CITY ATTORNEY

Signature
Print name
DEPUTY CITY ATTORNEY

D Russell 4/30/2014
Signature Date

[Signature] 4/30/14
Signature Date
HEATHER ROSE
PODRUCHNY
Print name
OWNER

Print name
OWNER
DIARMUID RICHARD RUSSELL

Signature Date
Print name
OWNER

Owner/s' signatures must be notarized. Attach notary forms to the end of this agreement.
(If more than one owner, add additional signature lines. All owners must sign this agreement.)

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: Apr 30, 2014 before me, Sheng Mei Notary Public
DATE INSERT NAME OF THE OFFICER

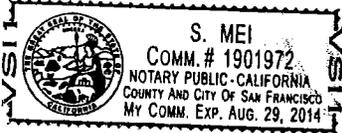
NOTARY PUBLIC personally appeared: Russell Drarmuid Richard
NAME(S) OF SIGNER(S)
and Podruchny, Heather Rose

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]
SIGNATURE



(PLACE NOTARY SEAL ABOVE)

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of San Francisco

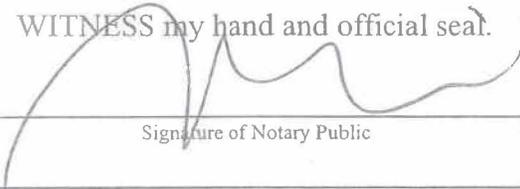
On Apr 30, 2014 before me, Sheng Mei Notary Public
(here insert name and title of the officer)

personally appeared RUSSELL, Diarmuid Richard
PODOLUCHNY, Heather Rose

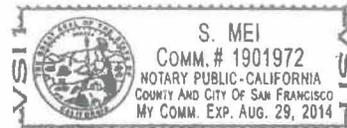
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s) 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 of Notary Public



(Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

Mills Act Application
(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages 6 Document Date _____

Apr 30, 2014
(Additional information)

CAPACITY CLAIMED BY THE SIGNER

- Individual (s)
 Corporate Officer

(Title)

- Partner(s)
 Attorney-in-Fact
 Trustee(s)
 Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e. certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he/she/they~~, is /are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document



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

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

For Fiscal Year July 1, 2013 through June 30, 2014

Vol 06	Block 0865	Lot 016	Account Number 086500160	Tax Rate 1.1880%	Statement Date 10/02/2013	Property Location 68 PIERCE ST
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Assessed on January 1, 2013

To: RUSSELL DIARMUID RICHARD

RUSSELL DIARMUID RICHARD
68 PIERCE ST
SAN FRANCISCO CA 94117-3319

Assessed Value		
Description	Full Value	Tax Amount
Land	1,088,500	12,931.38
Structure	466,500	5,542.02
Fixtures		
Personal Property		
Gross Taxable Value	1,555,000	18,473.40
Less HO Exemption	7,000	83.16
Less Other Exemption		
Net Taxable Value	1,548,000	\$18,390.24

Direct Charges and Special Assessments			
Code	Type	Telephone	Amount Due
89	SFUSD FACILITY DIST	(415) 355-2203	33.96
91	SFCCD PARCEL TAX	(415) 487-2400	79.00
98	SF - TEACHER SUPPORT	(415) 355-2203	219.64
Total Direct Charges and Special Assessments			\$332.60

► TOTAL DUE		\$18,722.84
1st Installment		2nd Installment
\$9,361.42		\$9,361.42
Due: November 1, 2013 Delinquent after Dec 10, 2013		Due: February 1, 2014 Delinquent after April 10, 2014

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

090562

68 Pierce Street – Photographs

Section A: Front Elevation





ABOVE: Detail of repaired guttering (scope 1) as well as upper vinyl windows to be replaced (scope 2)

BELOW: Detail of lower vinyl windows to be replaced (scope 2)



Lower part of front elevation



Detail of front steps to be repaired/replaced (scope 4)



Section B: Rear Elevation



Detail of rear roof as well as repairs made to guttering under scope 1

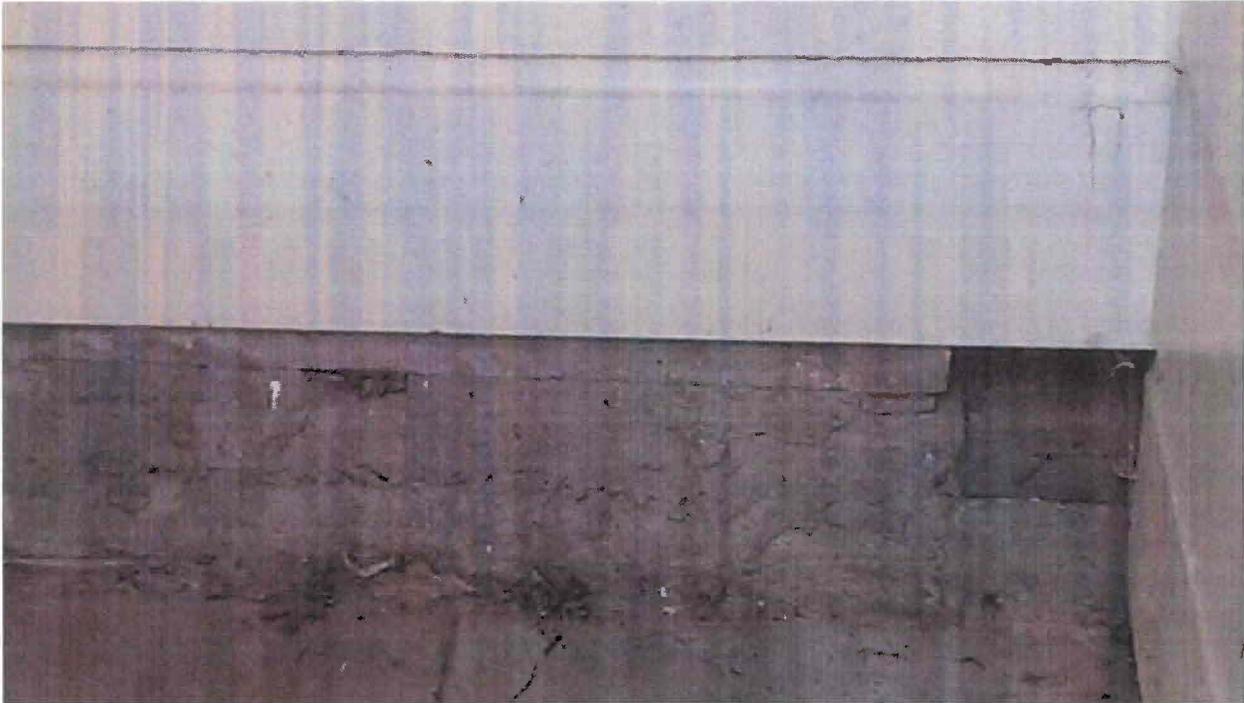


Section C: Basement and foundation

Garage

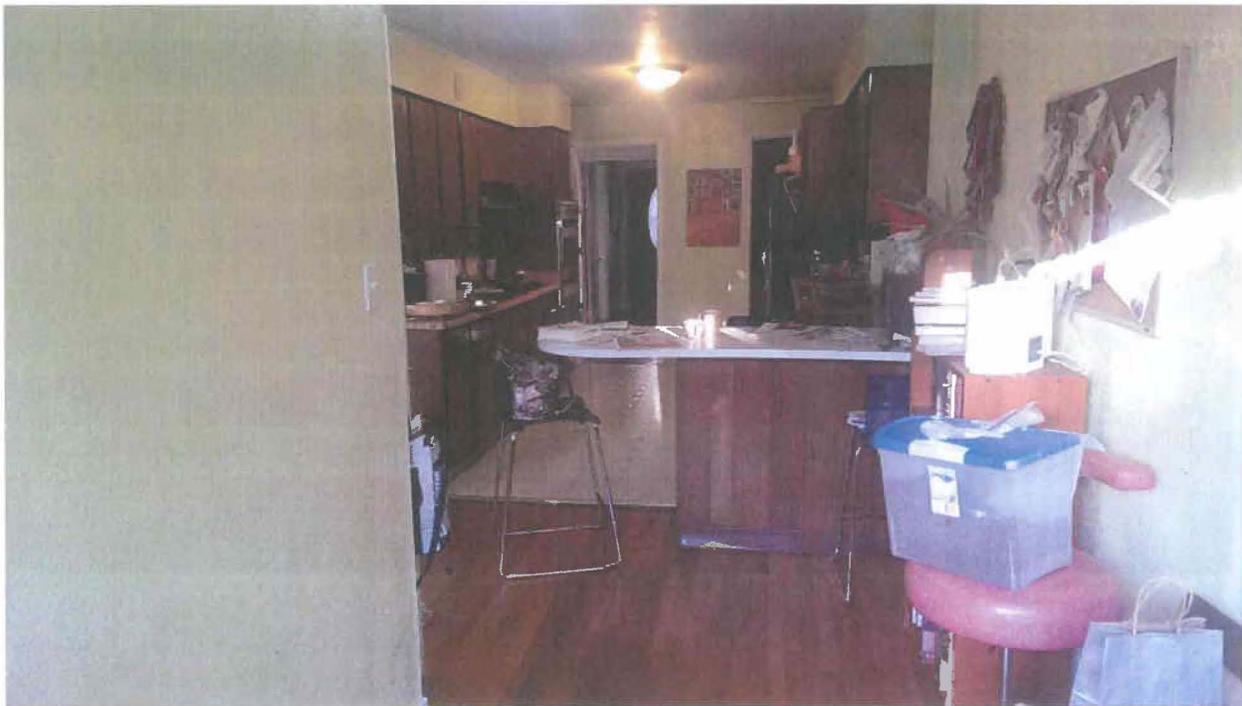


Foundation details (two photos)



Section D: Interior Photos

1. Kitchen (2 photos)



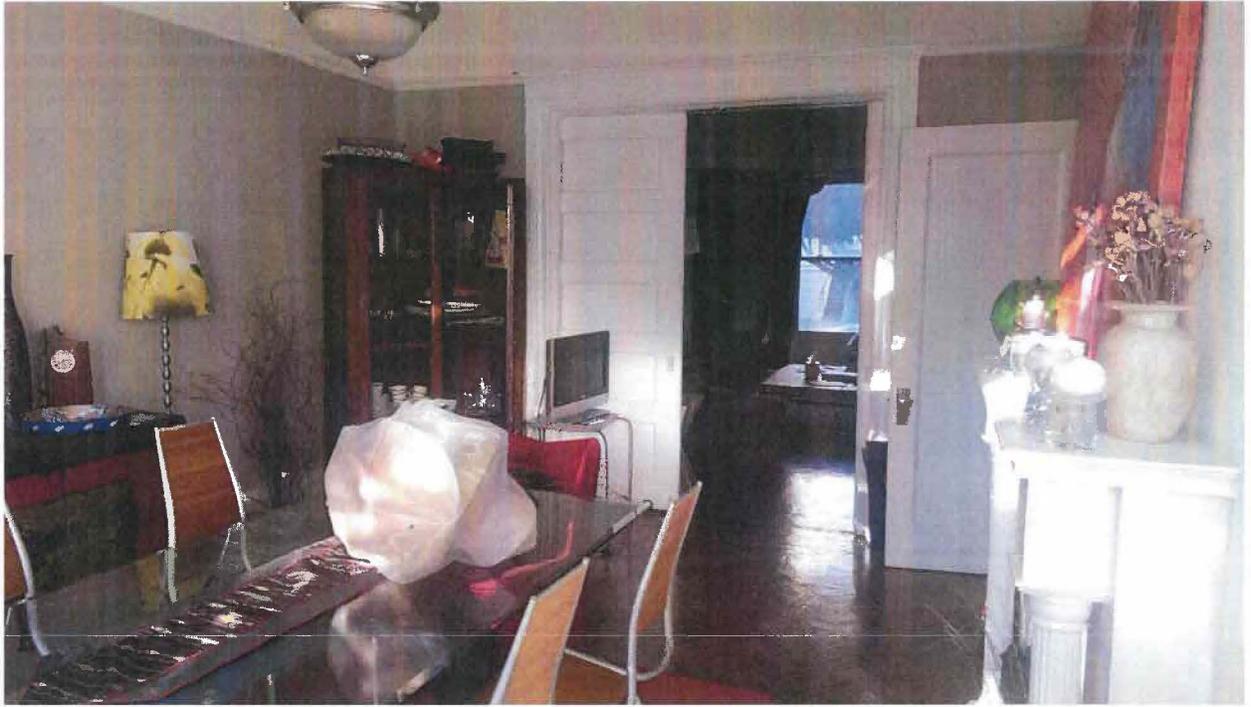
2. Details of windows non historic windows

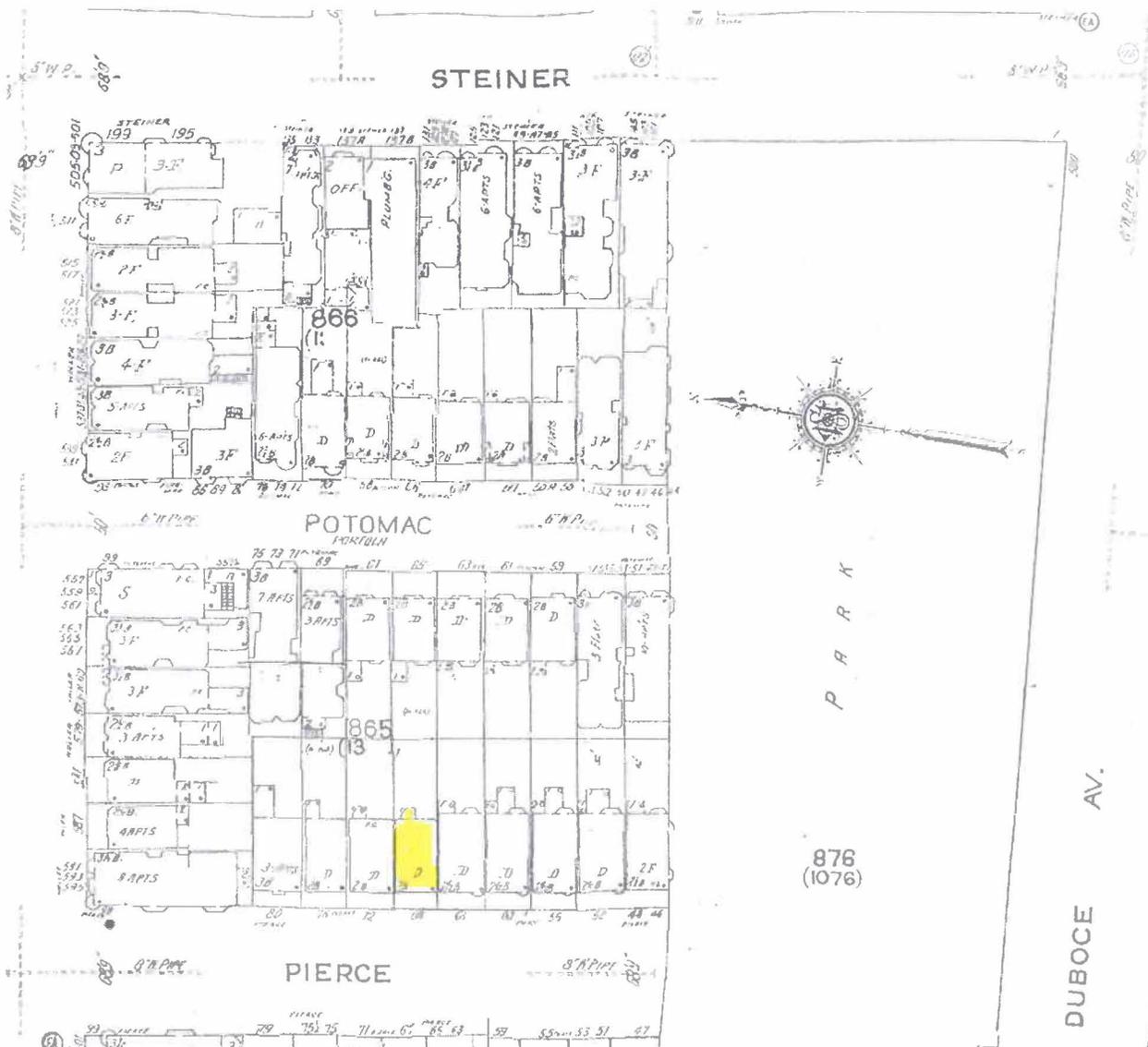




3. Other interior photos (living/dining room)







Sanborn map for 68 Pierce Street

