

File No. 231280

Committee Item No. 1

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: December 5, 2024

Board of Supervisors Meeting:

Date: _____

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- FYI Referral 121823
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- _____
- _____
- _____

Prepared by: Monique Crayton

Date: November 26, 2024

Prepared by: _____

Date: _____

Prepared by: _____

Date: _____

1 [Non-Renewal of a Mills Act Historical Property Contract - 2209 Webster Street]

2

3 **Resolution regarding non-renewal of a Mills Act historical property contract with**
4 **Michael Foley and Chiao Mei Lin, as Trustees of The Foley Lin Family Trust dated June**
5 **20, 2023, the owners of 2209 Webster Street, Assessor’s Parcel Block No. 0612, Lot No.**
6 **007, under Chapter 71 of the San Francisco Administrative Code; notifying the**
7 **Assessor Recorder’s Office of such non-renewal; and authorizing the Planning Director**
8 **to send notice of the non-renewal of the historical property contract to the owner and**
9 **record a notice of non-renewal.**

10

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

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

18 WHEREAS, Under the Mills Act and Chapter 71, a year is added automatically to the
19 initial term of the contract at the anniversary date of the contract, unless notice of non-renewal
20 is given as provided as prescribed in the Mills Act; and

21 WHEREAS, A Mills Act application for an historical property contract was submitted by
22 Michael Foley and Chiao Mei Lin, as Trustees of The Foley Lin Family Trust dated June 20,
23 2023, the owners of 2209 Webster Street, Assessor’s Parcel Block No. 0612, Lot No. 007,
24 detailing rehabilitation work and proposing a maintenance plan for the property; and

25

1 WHEREAS, At a public hearing on December 12, 2023, in Resolution No. 599-23, and
2 after reviewing the Historic Preservation Commission’s recommendation and the information
3 provided by the Assessor’s Office, the Board of Supervisors approved the historical property
4 contract between Michael Foley and Chiao Mei Lin, as Trustees of The Foley Lin Family Trust
5 dated June 20, 2023, the owners of 2209 Webster Street, and the City and County of San
6 Francisco; and

7 WHEREAS, When it considered the approval of the historical property contract, the
8 Board of Supervisors balanced the benefits of the Mills Act to the owner of 2209 Webster
9 Street with the cost to the City of providing the property tax reductions authorized by the Mills
10 Act, as well as the historical value of 2209 Webster Street and the resultant property tax
11 reductions, and determined that it was in the public interest to enter into a historical property
12 contract with the applicants; and

13 WHEREAS, The historical property contract for 2209 Webster Street was recorded at
14 the Assessor Recorder Office on December 21, 2023 which is the anniversary date of the
15 contract; and

16 WHEREAS, The historical property contract for 2209 Webster Street is binding on all
17 successors and assigns, as are all Mills Act contracts; and

18 WHEREAS, The Planning Department has determined that the actions contemplated in
19 this Resolution comply with the California Environmental Quality Act (California Public
20 Resources Code, Sections 21000 et seq.); said determination is on file with the Clerk of the
21 Board of Supervisors in File No. 231280, is incorporated herein by reference, and the Board
22 herein affirms it; and now, therefore, be it

23 RESOLVED, That the Board of Supervisors hereby elects not to renew the historical
24 property contract for 2209 Webster Street Assessor’s Parcel Block No. 0612, Lot No. 007 in
25 2033; and, be it

1 FURTHER RESOLVED, That the Board of Supervisors hereby notifies the Assessor
2 Recorder of the non-renewal of the historical property contract for 2209 Webster Street; and,
3 be it

4 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the Planning
5 Director to send notice at least 60 days prior to the anniversary date to the current owner of
6 2209 Webster Street, informing them that the historical property contract will not be renewed;
7 and, be it

8 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the Planning
9 Director to cause a notice of the non-renewal of the contract to be recorded in the City
10 Recorder's office.

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BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
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MEMORANDUM

TO: Joaquin Torres, Assessor-Recorder, Office of the Assessor-Recorder
Rich Hills, Director, Planning Department

FROM: Monique Crayton, Assistant Clerk

DATE: December 18, 2023

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Supervisor Aaron Peskin on December 12, 2023:

File No. 231280

Resolution regarding non-renewal of a Mills Act historical property contract with Michael Foley and Chiao Mei Lin, as Trustees of The Foley Lin Family Trust dated June 20, 2023, the owners of 2209 Webster Street, Assessor's Parcel Block No. 0612, Lot No. 007, under Chapter 71 of the San Francisco Administrative Code; notifying the Assessor-Recorder's Office of such non-renewal; and authorizing the Planning Director to send notice of the non-renewal of the historical property contract to the owner and record a notice of non-renewal.

If you have any additional comments or reports to be included with the file, please forward them to Alisa Somera at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: Alisa.Somera@sfgov.org.

cc:
Kurt Fuchs, Office of the Assessor-Recorder
Holly Lung, Office of the Assessor-Recorder
Dan Sider, Planning Department
Aaron Starr, Planning Department

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MEMORANDUM

Date: December 19, 2023
To: Planning Department
From: Stephanie Cabrera, Assistant Clerk
Subject: Board of Supervisors Legislation Referral - File No. 231280
Non-Renewal of a Mills Act Historical Property Contract - 2209 Webster Street

- California Environmental Quality Act (CEQA) Determination
(*California Public Resources Code, Sections 21000 et seq.*)
 - Resolution
 - Ballot Measure

- Amendment to the Planning Code, including the following Findings:
(*Planning Code, Section 302(b): 90 days for Planning Commission review*)
 - General Plan
 - Planning Code, Section 101.1
 - Planning Code, Section 302

- Amendment to the Administrative Code, involving Land Use/Planning
(*Board Rule 3.23: 30 days for possible Planning Department review*)

- General Plan Referral for Non-Planning Code Amendments
(*Charter, Section 4.105, and Administrative Code, Section 2A.53*)
(Required for legislation concerning the acquisition, vacation, sale, or change in use of City property; subdivision of land; construction, improvement, extension, widening, narrowing, removal, or relocation of public ways, transportation routes, ground, open space, buildings, or structures; plans for public housing and publicly-assisted private housing; redevelopment plans; development agreements; the annual capital expenditure plan and six-year capital improvement program; and any capital improvement project or long-term financing proposal such as general obligation or revenue bonds.)

- Historic Preservation Commission
 - Landmark (*Planning Code, Section 1004.3*)
 - Cultural Districts (*Charter, Section 4.135 & Board Rule 3.23*)
 - Mills Act Contract (*Government Code, Section 50280*)
 - Designation for Significant/Contributory Buildings (*Planning Code, Article 11*)

Please send the Planning Department determination to Alisa Somera at alisa.somera@sfgov.org.


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MEMORANDUM

Date: December 19, 2023
To: Planning Department
From: Stephanie Cabrera, Assistant Clerk
Subject: Board of Supervisors Legislation Referral - File No. 231280
Non-Renewal of a Mills Act Historical Property Contract - 2209 Webster Street

- California Environmental Quality Act (CEQA) Determination *(California Public Resources Code, Sections 21000 et seq.)* Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it would not result in a direct or indirect physical change in the environment.
- Resolution
- Ballot Measure
- 12/29/23 
- Amendment to the Planning Code, including the following Findings: *(Planning Code, Section 302(b): 90 days for Planning Commission review)*
- General Plan Planning Code, Section 101.1 Planning Code, Section 302
- Amendment to the Administrative Code, involving Land Use/Planning *(Board Rule 3.23: 30 days for possible Planning Department review)*
- General Plan Referral for Non-Planning Code Amendments *(Charter, Section 4.105, and Administrative Code, Section 2A.53)*
(Required for legislation concerning the acquisition, vacation, sale, or change in use of City property; subdivision of land; construction, improvement, extension, widening, narrowing, removal, or relocation of public ways, transportation routes, ground, open space, buildings, or structures; plans for public housing and publicly-assisted private housing; redevelopment plans; development agreements; the annual capital expenditure plan and six-year capital improvement program; and any capital improvement project or long-term financing proposal such as general obligation or revenue bonds.)
- Historic Preservation Commission
- Landmark *(Planning Code, Section 1004.3)*
- Cultural Districts *(Charter, Section 4.135 & Board Rule 3.23)*
- Mills Act Contract *(Government Code, Section 50280)*
- Designation for Significant/Contributory Buildings *(Planning Code, Article 11)*

Please send the Planning Department determination to Alisa Somera at alisa.somera@sfgov.org.



March 08, 2024

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

Re: Non-Renewal of Mills Act Historical Property Contracts

988 Market Street

Planning Department File No. 2023-003984MLS
Board File No.: 231281

2209 Webster Street

Planning Department File No. 2023-003779MLS
Board File No.: 231280

Dear Ms. Calvillo,

On December 12, 2023, Supervisor Peskin introduced proposed legislation regarding non-renewal of the Mills Act Historical Property Contracts for 988 Market Street and 2209 Webster Street in order to better achieve a balance between the benefits of the Mills Act and the costs to the City (see Board File Nos. 231281 and 231280). The Board of Supervisors Resolutions establish non-renewal for these Contracts at year 11 in 2033. On February 21, 2024, the Historic Preservation Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the Non-Renewal of the Mills Act Historical Property Contracts for 988 Market Street and 2209 Webster Street. At the hearing, the Historic Preservation Commission recommended to approve the proposed Resolutions.

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

Sincerely,

Aaron D. Starr

Manager of Legislative Affairs

cc: Monique Crayton, Government Audit and Oversight Clerk, Office of the Clerk of the Board
Peter Miljanich, City Attorney's Office
Andrea Ruiz-Esquide, Deputy City Attorney

Attachments:

988 Market Street, Historic Preservation Commission Resolution No.1374, dated February 21, 2024
2209 Webster Street, Historic Preservation Commission Resolution No.1375, dated February 21, 2024



NON-RENEWAL OF MILLS ACT HISTORICAL PROPERTY CONTRACTS EXECUTIVE SUMMARY

HEARING DATE: February 21, 2024

Record No.: 2023-003984MLS
Project Address: 988 Market Street
Historic District: Article 11 Category: I - Significant Building; Contributor to Market Street Theater and Lofts National Register Historic District
Zoning: C-3-G - Downtown- General Zoning District, 120-X Height and Bulk District
Block/Lot: 0342/019
Project Sponsor: Joy Ou
Property Owner: 140 Partners, L.P., a California Limited Partnership and Marlin Cove, Inc., a California Corporation
988 Market Street, Suite 400, San Francisco, CA 94102

Record No.: 2023-003779MLS
Project Address: 2209 Webster Street
Historic District: Article 10 Webster Street Historic District
Zoning: RH-2 – Residential-House, Two Family Zoning District, 40-X Height and Bulk District
Block/Lot: 0612/007
Project Sponsor: Michael Foley
Property Owner: Michael Foley and Chiao Mei Lin, as Trustees of The Foley Lin Family Trust dated June 20, 2023
2209 Webster Street, San Francisco, CA 94115

Staff Contact: Elizabeth Gordon Jonckheer – 628-652-7365
Elizabeth.Gordon-Jonckheer@sfgov.org
Manushi Mathur – 628- 652-7355
Manushi.Mathur@sfgov.org

Recommendation: Recommend Non-Renewal of the Mills Act Historical Property Contracts to the Board of Supervisors

Timeline

At a public hearing on October 4, 2023, the Historic Preservation Commission recommended that the Board of Supervisors approve the Mills Act Historical Property Contracts (Contracts) for the buildings located at 988 Market Street and 2209 Webster Street per Resolution Nos. 1348 and 1349. At a public hearing on December 12, 2023, in Resolution Nos. 600-23 and 559-23, and after reviewing the Historic Preservation Commission's recommendation and the information provided by the Assessor Recorder's Office, the Board of Supervisors approved the Contracts for 988 Market Street and 2209 Webster Street. The Mayor approved the Contracts on December 19, 2023. The Contract for 988 Market Street was recorded at the Assessor Recorder's Office on December 22, 2023, and the Contract for 2209 Webster Street was recorded on December 21, 2023. These are the anniversary dates of the Contracts. The Contracts are binding on all successors and assignees, as are all Mills Act Contracts.

On December 12, 2023, Supervisor Peskin introduced proposed legislation regarding non-renewal of the aforementioned Contracts in order to better achieve a balance between the benefits of the Mills Act and the costs to the City. The proposed Board of Supervisors Resolutions establish non-renewal for the Mills Act Historical Property Contracts for 988 Market Street and 2209 Webster Street at year 11 in 2033.

Background

MILLS ACT

Enacted in 1972, the California Mills Act (Government Code Section 50280 et seq.) authorizes local jurisdictions such as San Francisco to enter into a Contract with the owners of a qualified historical property who agree to rehabilitate, restore, preserve, and maintain the property in return for property tax reductions under the California Revenue and Taxation Code. Chapter 71 of the Administrative Code was adopted to implement the Mills Act in San Francisco and to preserve these historic buildings. Property owners who participate in the program adhere to a schedule of maintenance repairs and upkeep on their historic property for the duration of the contract. In exchange, the property owner is entitled to an alternate evaluation of the property for tax purposes, which usually results in a reduced property tax bill.

Under the State Law and Chapter 71 of the San Francisco Administrative Code, a Mills Act Contract is a ten-year rolling contract. As such, one year is added automatically to the initial term of the Contract at the anniversary date of the Contract, unless notice of non-renewal is given. If a Contract is not renewed, scopes of work detailed in the Rehabilitation/Restoration and Maintenance plans must still be completed according to the schedule stated in each plan.

A Mills Act Historical Property Contract allows either the property owners or the City to not renew the Contract in advance of the annual renewal date. If the property owners desire not renew the Contract, they must serve written notice to the City at least ninety (90) days prior to the date of renewal. If the City desires not to renew the Contract, the City must serve written notice to the property owners sixty (60) days prior to the date of renewal. If written notice is not served prior to the renewal date, one year will be automatically added to the term of the Contract. The Board of Supervisors will make the City's determination that the Contract will not be renewed by either party.

Property Description

988 Market Street is a Category: I – Significant Building under Article 11 of the Planning Code and a contributor to the Market Street Theater and Lofts Historic District, which is listed in the National Register of Historic Places. It is located on the north side of Market Street between Taylor and Mason Streets, Assessor’s Block 0342, Lot 019. The subject property is located within a C-3-G –Downtown-General Zoning District and a 120-X Height and Bulk District. 988 Market Street is an 8-story building with a partial basement, steel-frame, office building designed by local architect of merit G. Albert Lansburgh in the Renaissance Revival style and constructed in 1922.

2209 Webster Street is a contributor to the Webster Street Historic District under Article 10 of the Planning Code. It is located on the west side of Webster Street between Clay and Washington streets, Assessor’s Block 0612, Lot 007. The subject property is located within an RH-2 – Residential-House, Two Family Zoning District and a 40-X Height and Bulk District. It is a two-story, plus basement, wood-frame, single-family dwelling designed in the Italianate style by Henry Hinkel and built in circa 1900.

Compliance With Planning Code

PLANNING CODE DEVELOPMENT STANDARDS.

The proposed project is in compliance with all other provisions of the Planning Code.

Public/Neighborhood Input

The Department has not received any public feedback about the proposed non-renewals.

The property owners received notice of the non-renewal resolutions. The owners were advised, and acknowledged during the 2023 hearing process, that the recorded Contracts would be proposed to be limited to a term of twenty years under trailing legislation introduced by the Board of Supervisors.

Environmental Review Status

The proposed actions are not a project under CEQA Guidelines Sections 15060(c) and 15378 because there would be no direct or indirect physical change in the environment as a result of the resolutions.

Basis for Recommendation

The Department recommends that the Commission adopt findings recommending to the Board of Supervisors non-renewal of the Mills Act Historical Property Contracts for 988 Market Street and 2209 Webster Street in 2033, in order to better achieve a balance between the benefits of the Mills Act and the costs to the City.

Attachments

Draft Resolution – Recommending Non-Renewal of the Mills Act Historical Property Contract for 988 Market Street
Draft Resolution – Recommending Non-Renewal of the Mills Act Historical Property Contract for 2209 Webster Street
Exhibit A - Board of Supervisors Resolutions for Non-Renewal as referred to HPC (attached and links below):

- 988 Market Street, File #: 231281: [City and County of San Francisco - File #: 231281 \(legistar.com\)](#)
- 2209 Webster Street, File #: 231280: [City and County of San Francisco - File #: 231280 \(legistar.com\)](#)

Exhibit B - Assessor's calculation of terms of Contracts under non-renewal

Exhibit C – Recorded Mills Act Historical Property Contracts, including Rehabilitation and Maintenance Plans

Exhibit D – Board of Supervisors December 12, 2023 Packet approving the Mills Act Property Contracts for 988 Market Street and 2209 Webster Street, including:

- Historic Preservation Commission Resolution Nos. 1348 and 1349
- Board of Supervisors Resolution Nos. 600-23 and 559-23
- October 4, 2023, Historic Preservation Commission Packet



HISTORIC PRESERVATION COMMISSION RESOLUTION NO. 1375

HEARING DATE: FEBRUARY 21, 2024

Project Name: 2209 Webster Street
Case Number: 2023-003779MLS
Re: Non-Renewal of Mills Act Historical Property Contract
Staff Contact: Elizabeth Gordon Jonckheer – 628-652-7365
Elizabeth.Gordon-Jonckheer@sfgov.org
Manushi Mathur – 628- 652-7355
Manushi.Mathur@sfgov.org
Reviewed by: Elizabeth Gordon Jonckheer – 628-652-7365
Elizabeth.Gordon-Jonckheer@sfgov.org

ADOPTING FINDINGS RECOMMENDING TO THE BOARD OF SUPERVISORS NON-RENEWAL OF THE MILLS ACT HISTORICAL PROPERTY CONTRACT FOR 2209 WEBSTER STREET, ASSESSOR’S BLOCK 0612, LOT 007:

WHEREAS, The Mills Act, California Government Code Sections 50280 et seq. (“the Mills Act”) authorizes local governments to enter into contracts with owners of private historical property who assure the rehabilitation, restoration, preservation and maintenance of a qualified historical property; and

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

WHEREAS, Ordinance No. 191-96 amended the San Francisco Administrative Code by adding Chapter 71, to implement Mills Act locally; and

WHEREAS, The Planning Department has determined that the proposed activity is not defined as a project under CEQA Guidelines Section 15060(c) and 15378 because it does not result in a physical change in the environment; and

WHEREAS, The existing building located at 2209 Webster Street is listed under Article 10 of the San Francisco Planning Code as a contributor to the Webster Street Historic District and thus qualifies as a historic property; and

WHEREAS, At a public hearing on October 4, 2023, in Resolution 1349, the Historic Planning Commission recommended that the Board of Supervisors approve the Mills Act Historical Property Contract for the historic building located at 2209 Webster Street; and

WHEREAS, At a public hearing on December 12, 2023, in Resolution No. 559-23, and after reviewing the Historic Preservation Commission's recommendation and the information provided by the Assessor's Office, the Board of Supervisors approved the Mills Act Historical Property Contract for the historic building located at 2209 Webster Street; and

WHEREAS, The property owner recorded the approved Mills Act Historical Property Contract with the San Francisco Assessor-Recorder on December 21, 2023; and

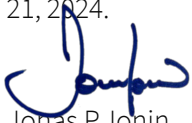
WHEREAS, When the Board of Supervisors considered the approval of the Mills Act Historical Property Contract, it balanced the benefits of the Mills Act to the owner of 2209 Webster Street with the cost to the City of providing the property tax reductions authorized by the Mills Act, as well as the historical value of 2209 Webster Street and the resultant property tax reductions, and determined that it was in the public interest to enter into a Mills Act Historical Property Contract with the applicants; and

WHEREAS, At the time, the Board of Supervisors also expressed interest in limiting the historical property contract for 2209 Webster Street in order to better achieve such balance between the benefits of the Mills Act and the costs to the City; and

THEREFORE BE IT RESOLVED, that the Historic Preservation Commission hereby recommends non-renewal of the Mills Act Historical Property Contract for 2209 Webster Street (Assessor's Block No. 0612, Lot No. 007) to the Board of Supervisors; and

BE IT FURTHER RESOLVED That the Historic Preservation Commission hereby directs its Commission Secretary to transmit this Resolution and other pertinent materials in the case file 2023-003779MLS to the Board of Supervisors.

I hereby certify that the foregoing Resolution was ADOPTED by the Historic Preservation Commission on February 21, 2024.



Jonas P. Ionin
Commission Secretary

AYES: Vergara, Wright, Foley, Nageswaran, Matsuda

NOES: None

ABSENT: Baldauf, Campbell

ADOPTED: February 21, 2024