

1 [Disapproval of Mills Act Historical Property Contract - 714 Steiner Street]

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3 **Resolution rescinding Resolution No. 225-22, which had approved a historical property**
4 **contract between Leah Culver Revocable Trust, the owner of 714 Steiner Street,**
5 **Assessor's Parcel Block No. 803, Lot No. 019, and the City and County of San**
6 **Francisco, under Administrative Code, Chapter 71, and disapproving said contract.**
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8 WHEREAS, The California Mills Act (California Government Code, Sections 50280 et
9 seq.) authorizes local governments to enter into a contract with owners of qualified historical
10 properties who agree to rehabilitate, restore, preserve, and maintain the property in return for
11 property tax reductions under the California Revenue and Taxation Code; and

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

15 WHEREAS, Said determination is on file with the Clerk of the Board of Supervisors in
16 File No. 211088, is incorporated herein by reference, and the Board hereby affirms it; and

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

22 WHEREAS, Administrative Code, Chapter 71 implements the provisions of the Mills
23 Act and is intended to preserve these historical buildings; and
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1 WHEREAS, Administrative Code, Section 71.2(b) excludes properties with an
2 assessed valuation of over \$3,000,000 from eligibility for historical property contracts, unless
3 the Board grants an exemption from that limitation; and

4 WHEREAS, 714 Steiner Street, Assessor's Parcel Block No. 803, Lot No. 019, ("714
5 Steiner Street" or "the property") is a contributor to the Alamo Square Historic District, and
6 thus qualifies as a historical property as defined in Administrative Code, Section 71.2; and

7 WHEREAS, On April 30, 2021, a Mills Act application for an historical property contract
8 was submitted by Leah Culver Revocable Trust, the owner of 714 Steiner Street, detailing
9 rehabilitation work and proposing a maintenance plan for the property; and

10 WHEREAS, As required by Administrative Code, Section 71.4(a), the application for
11 the historical property contract for 714 Steiner Street was reviewed by the Office of the
12 Assessor-Recorder and the Historic Preservation Commission; and

13 WHEREAS, The Assessor-Recorder reviewed the historical property contract and
14 provided the Board of Supervisors with an estimate of the property tax calculations and the
15 difference in property tax assessments under the different valuation methods permitted by the
16 Mills Act, and assessed the value of the property at greater than \$3,000,000, in its report
17 transmitted to the Board of Supervisors on April 19, 2022, which report is on file with the Clerk
18 of the Board of Supervisors in File No. 211088 and is hereby declared to be a part of this
19 Resolution as if set forth fully herein; and

20 WHEREAS, The Historic Preservation Commission recommended approval of the
21 historical property contract in its Resolution No. 1199, including approval of the exemption
22 from limitations on eligibility and the Rehabilitation Program and Maintenance Plan, attached
23 to said Resolution, which is on file with the Clerk of the Board of Supervisors in File No.
24 211088 and is hereby declared to be a part of this Resolution as if set forth fully herein; and
25

1 WHEREAS, On May 5, 2022, Leah Culver, trustee of the Leah Culver Revocable Trust,
2 appeared before the Government Audit and Oversight Committee of the Board to speak in
3 support of the application, and did not give any indication she planned to sell the property; and

4 WHEREAS, On May 17, 2022, the Board passed Resolution No. 225-22 approving the
5 historical property contract; and

6 WHEREAS, On May 20, 2022, Ms. Culver posted on the Twitter account
7 @pinkpaintedlady that she would be selling the property, and that she had been considering
8 the sale for several months; said Twitter post is on file with the Clerk of the Board of
9 Supervisors in File No. 220738; and

10 WHEREAS, On May 20, 2022, the property was listed for sale at \$3,555,000 under
11 Multiple Listing Service #422657482; a copy of a recent real estate listing for the property, and
12 articles reporting that the property is for sale are on file with the Clerk of the Board of
13 Supervisors in File No. 220738; and

14 WHEREAS, On May 26, 2022, the Mayor returned Resolution No. 225-22 unsigned, at
15 which time said Resolution became effective; and

16 WHEREAS, As of June 14, 2022, the date of the introduction of this Resolution, the
17 property is listed for sale by Compass Realty, the listing which is on file with the Clerk of the
18 Board of Supervisors in File No. 220738 and

19 WHEREAS, The draft historical property contract between Leah Culver Revocable
20 Trust and the City and County of San Francisco is on file with the Clerk of the Board of
21 Supervisors in File No. 211088 and is hereby declared to be a part of this Resolution as if set
22 forth fully herein; and

23 WHEREAS, As of the introduction of this Resolution on June 14, 2022, no party has
24 signed that historical property contract; and
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1 WHEREAS, The proposed sale of the property is contradictory to statements made by
2 the property owner indicating an intent to restore the property herself; a copy of articles where
3 the property owner stated her intent to restore the property are on file with the Clerk of the
4 Board of Supervisors in File No. 220738; and

5 WHEREAS, The proposed sale of the property creates uncertainty about the
6 completion of the proposed rehabilitation and maintenance of the property by a future owner
7 under the historical property contract; and

8 WHEREAS, Where a property owner declines to complete work required by an
9 executed historical property contract, the City bears significant time and expense to either
10 enforce or cancel the contract pursuant to California Government Code, Sections 50284
11 through 50287; and

12 WHEREAS, The Board of Supervisors has conducted a public hearing pursuant to
13 Administrative Code, Section 71.4(d), to review the Historic Preservation Commission's
14 recommendation, the information provided by the Assessor's Office, and the new information
15 regarding the proposed sale of the property, in order to reconsider whether the City should
16 execute the historical property contract for 714 Steiner Street, in light of that new information;
17 and

18 WHEREAS, The Board of Supervisors has balanced the benefits of the Mills Act to the
19 public with the cost to the City of providing the property tax reductions authorized by the Mills
20 Act, and the potential cost of enforcing or cancelling the contract, and has determined that it is
21 not in the public interest to enter into an historical property contract with the applicant and not
22 in the public interest to grant an exception to the \$3,000,000 ceiling in assessed value for
23 historical property contract eligibility; now, therefore, be it

1 RESOLVED, That the Board of Supervisors hereby rescinds Resolution No. 225-22,
2 approving the historical property contract for 714 Steiner Street, and instead disapproves the
3 contract; and, be it

4 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the Planning
5 Director to send notice no later than 30 days after adoption of this Resolution to the owner of
6 714 Steiner Street informing it that the historical property contract has been disapproved; and,
7 be it

8 FURTHER RESOLVED, That the Clerk of the Board of Supervisors shall include in the
9 posting on its website indicating passage of Resolution No. 225-22, a notation that Resolution
10 No. 225-22 has been rescinded by this Resolution.

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