



# SAN FRANCISCO PLANNING DEPARTMENT

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## Mills Act Contracts Case Report

Hearing Date: October 7, 2015

- a.** *Filing Date:* May 1, 2015  
*Case No.:* 2015-006442MLS  
*Project Address:* **722 Steiner Street**  
*Landmark District:* Alamo Square Landmark District  
*Zoning:* RH-2 (Residential-House, Two Family)  
40-X Height and Bulk District  
*Block/Lot:* 0803/023  
*Applicant:* The Trust of Come Lague and Charlene Li  
722 Steiner Street  
San Francisco, CA 94117
- b.** *Filing Date:* May 1, 2015  
*Case No.:* 2015-006448MLS  
*Project Address:* **761 Post Street**  
*Landmark District:* Lower Nob Hill Apartment Hotel National Register Historic District  
*Zoning:* RC-4 (Residential-Commercial, High Density)  
80-T-130-T Height and Bulk District  
*Block/Lot:* 0304/015  
*Applicant:* RLJC San Francisco LP  
3 Bethesda Metro Center, #1000  
Bethesda, MB 20814
- c.** *Filing Date:* May 1, 2015  
*Case No.:* 2015-006450MLS  
*Project Address:* **807 Montgomery Street**  
*Landmark District:* Jackson Square Landmark District  
*Zoning:* C-2 (Community Business)  
65-A Height and Bulk District  
*Block/Lot:* 0176/006  
*Applicant:* 807 Montgomery LLC  
17351 W. Sunset Blvd. #1A  
Pacific Palisades, CA 90272

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

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Information:  
**415.558.6377**

### PROPERTY DESCRIPTIONS

- a. 722 Steiner Street:** The subject property is located on the east side of Steiner Street between Grove and Hayes streets. Assessor's Block 0803, Lot 023. The subject property is within 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 Alamo Square Landmark District. It is a two-and-a-half-story-over-raised-basement, wood frame, single-family dwelling designed in the Queen Anne style and constructed in 1892 by master builder Matthew Kavanagh.

- b. **761 Post Street:** The subject property is located on the south side of Post Street between Leavenworth and Jones streets. Assessor's Block 0304, Lot 015. The subject property is within a RC-4 (Residential-Commercial, High Density) Zoning District and an 80-T-130-T Height and Bulk District. The property is a contributor to the Lower Nob Hill Apartment Hotel National Register Historic District. It is an 18-story plus basement, reinforced concrete, hotel/SRO building designed by architectural firm Weeks & Day in the Art Deco style and constructed in 1930.
- c. **807 Montgomery Street:** The subject property is located on the west side of Montgomery Street between Jackson Street and Pacific Avenue. Assessor's Block 0176, Lot 006. The subject property is located within a RC-4 (Residential-Commercial, High Density) Zoning District and a C-2 (Community Business) Zoning District, and a 65-A Height and Bulk District. The property was designated under Article 10 of the Planning Code as a contributor to the Jackson Square Landmark District. It is a two-story-over-basement, wood frame, brick clad, commercial building built in 1909 by J.A. Butler and owned by the Bothin Real Estate Company and was originally used as a smoke house and for meat packing.

## 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 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 Department received five Mills Act applications by the May 1, 2015 filing date. One application, 827 Fillmore Street (Block/Lot: 0798/005), was withdrawn by the applicant on September 10, 2015. The application for 149 9<sup>th</sup> Street (Block/Lot: 3728/048) was reviewed by Department Staff for completeness, comments were provided to the applicant, and Department Staff conducted a pre-approval inspection. On May 11, 2015 the property received a change in designation from Category V (Unrated) to Category III (Contributory) under Article 11 of the Planning Code, with the ordinance allowing for submittal of a final application by August 15, 2015. The Project Sponsor, however, decided not to move forward with the Mills Act this year. Although 761 Post Street (Block/Lot: 0304/015) did not see a first year reduction, the Project Sponsor will proceed with the Mills Act Contract.

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

- a. **722 Steiner Street:** As detailed in the Mills Act application, the Project Sponsor proposes to rehabilitate and 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 Preservation and Rehabilitation.

The subject property is currently valued by the Assessor's Office as over \$3,000,000 (see attached Market Analysis and Income Approach reports). The subject property qualifies for an exemption as it is a contributor to the Alamo Square Historic District under Article 10 of the Planning Code. A Historic Structure Report was required in order to demonstrate that granting the exemption would assist in the preservation of a property that might otherwise be in danger of demolition or substantial alterations. (See attached, 722 Steiner Street, Exhibit E)

The applicant has already completed substantial rehabilitation efforts, including seismic upgrades with steel moment frame, shear walls in various locations, and reframing. The proposed Rehabilitation Plan involves the following scopes of work: removal of an unpermitted deck and in-kind repair of siding; repair to downspout; repair to roof at turret; repair to rear retaining wall, stairs and handrail at north side of property; repair to dry rot on front door; repaint wood trim and siding; and replace asphalt/composition shingles. The proposed Maintenance Plan includes: annual inspection of windows, exterior doors, wood siding and trim, downspouts and roof with in-kind repair of any deteriorated elements as necessary. 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.

- b. **761 Post Street:** As detailed in the Mills Act application, the Project Sponsor proposes to rehabilitate and 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, Preservation and Restoration.

The subject property is currently valued by the Assessor's Office as over \$5,000,000 (see attached Market Analysis and Income Approach reports). The subject property qualifies for an exemption as it is a contributor to the Tenderloin Apartment Hotel National Register District. A Historic Structure Report was required in order to demonstrate that granting the exemption would assist in the preservation of a property that might otherwise be in danger of demolition or substantial alterations. (See attached, 761 Post Street, Exhibit E)

The applicant has already completed substantial rehabilitation efforts, including construction of new shear walls, roof replacement, and concrete repair and restoration of the Post Street façade. The applicants have developed a thorough Rehabilitation and Maintenance Plan that involves the following scopes of work: concrete repair and restoration at remaining non-street facing elevations, wood window rehabilitation at the façade, in-kind replacement of aluminum windows on non-street facing elevations, and rehabilitation of steel casement windows at ground floor and fire stairs. The proposed Maintenance Plan includes: inspection of all windows annually, inspection of façade and roof every five years, and repainting of the façade every ten years. Any needed repairs will be made in kind and 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. **807 Montgomery Street:**

As detailed in the Mills Act application, the Project Sponsor proposes to rehabilitate and 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 Preservation and Rehabilitation. At the time of the application filing date, the property was valued under \$5,000,000 and did not require a Historic Structure Report.

The applicants have developed a thorough Rehabilitation and Maintenance Plan that involves the following scopes of work: consult a structural engineer for evaluation of structural steel beams and cracking and bulging of structural brick and perform repairs which may include repointing and resetting bricks with compatible mortar; repointing with compatible mortar where loose, unsound, cracked or missing; replace any missing bricks with visually similar bricks; remove any biological growth and/or efflorescence using gentlest possible means; repair in kind cracked cement plaster/parge at window sills and façade ends and paint; repair existing wood windows and door at façade and metal windows at rear elevation as necessary; and repair skylight housing; repair parapet bracing; repair downspouts and scuppers; and replace roof and flashing; repair sidewalk to eliminate moisture infiltration in basement. The proposed Maintenance Plan involves a cycle of periodic inspections and includes: inspect brick masonry walls for signs of deterioration, cracking, efflorescence and moisture and repair as needed; inspect and repair and paint as necessary cement plaster/parge at windows and façade ends; seal and paint wood windows and door and seal metal windows; clean scuppers and inspect downspouts; inspect and repair as necessary roof membrane, flashing, and skylight housing; and inspect sidewalk for deterioration and repair. 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.

## **PLANNING DEPARTMENT RECOMMENDATION**

Based on information received from the Assessor-Recorder, 722 Steiner Street will receive an estimated 52% first year reduction and 807 Montgomery Street will receive an estimated 25% first year reduction as a result of the Mills Act Contract. 761 Post Street will not receive a first year reduction.

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**

Mills Act Contract property owners are required to submit an annual affidavit demonstrating compliance with Rehabilitation and Maintenance Plans.

## **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. 722 Steiner 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

Exhibit E: Historic Structure Report

### **b. 761 Post 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

Exhibit E: Historic Structure Report

### **c. 807 Montgomery 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

**Mill Act Applications**  
**October 7, 2015**

2015-006450MLS; 2015-006448MLS; 2015-006450MLS  
722 Steiner Street; 761 Post Street; 807 Montgomery Street

Exhibit D: Mills Act Application



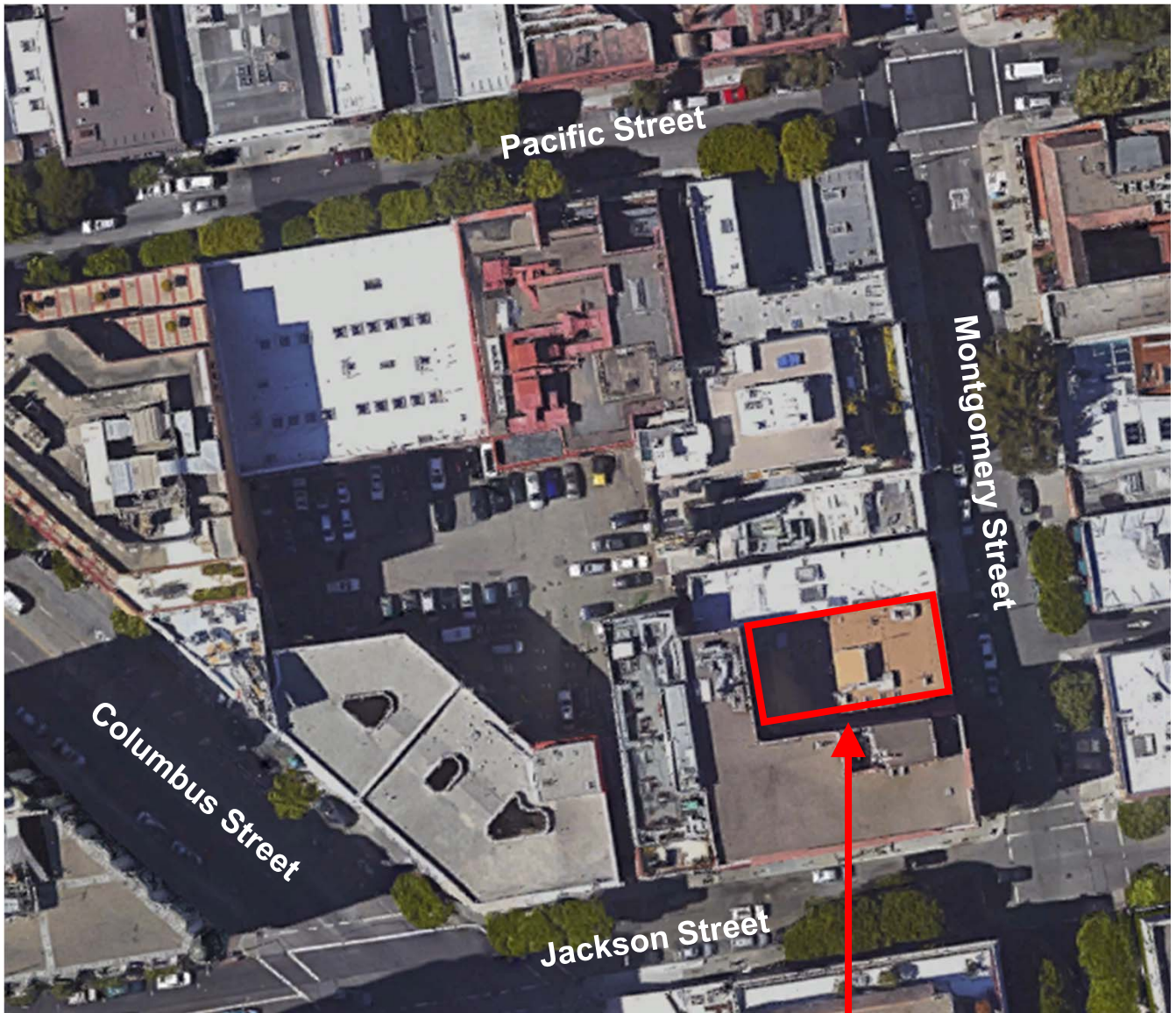
# 807 MONGOMERY STREET

# Site Photo



Mills Act Historical Property Contract  
Case Number 2015-006450MLS  
807 Montgomery Street

# Aerial Photo



SUBJECT PROPERTY



Mills Act Historical Property Contract  
Case Number 2015-006450MLS  
807 Montgomery 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  
761 Post 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 RLJC San Francisco LP (“Owner(s)”).

RECITALS

Owners are the owners of the property located at 761 Post Street, in San Francisco, California (Block 0304, Lot 015). The building located at 761 Post Street is designated as a contributor to the Lower Nob Hill Apartment Hotel National Register Historic District and is also known as the “Maurice Hotel” (“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 Two Million Four Hundred Twenty Three Thousand and Thirty Six Dollars (\$2,423,036)]. (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 Fifty Thousand Dollar (\$ 50,000s) annually (See Maintenance Plan, Exhibit B).

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CITY AND COUNTY OF SAN FRANCISCO:

By: \_\_\_\_\_  
Phil Ting  
Assessor-Recorder

DATE: \_\_\_\_\_

By: \_\_\_\_\_  
John Rahaim  
Director of Planning

DATE: \_\_\_\_\_

APPROVED AS TO FORM:  
DENNIS J. HERRERA  
CITY ATTORNEY

By: \_\_\_\_\_  
[NAME]  
Deputy City Attorney

DATE: \_\_\_\_\_

OWNERS

By: \_\_\_\_\_  
[NAME], Owner

DATE: \_\_\_\_\_

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

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

**EXHIBIT B:**  
**DRAFT REHABILITATION AND MAINTENANCE PLAN**

**REHABILITATION, RESTORATION PLAN (Continuation Form)**

**Building Feature:** Existing Steel Seismic Roof Bracing (Non-historic) – Roof and Parapet

Rehab/Restoration                      Maintenance                      Completed                      Proposed

**Contract Year Work Completion:** 2015

**Total Cost (Rounded to Nearest Dollar): \$1440**

**Description of Work:**

Inspect to ensure all ties are secure at front and rear parapets. Repair as needed. Prepare, prime and paint.

**Building Feature:** Roofing Membrane/Membrane Flashing/Sheet Metal Flashing – Roof and Parapet

Rehab/Restoration                      Maintenance                      Completed                      Proposed

**Contract Year Work Completion:** 2023

**Total Cost (Rounded to Nearest Dollar): \$20,800**

**Description of Work:**

Replace roof, include membrane flashing and associated sheet metal flashing. Confirm proper roof slope and drainage for new roof. Provide for additional roof drains and replace flashing at perimeter walls to protect historic material below.

**Building Feature:** Flashing (Sheet Metal) – Roof and Parapet-South Wall

Rehab/Restoration                      Maintenance                      Completed                      Proposed

**Contract Year Work Completion:** 2015

**Total Cost (Rounded to Nearest Dollar): \$800**

**Description of Work:**

Inspect and repair areas of failed sheet metal roof flashing as needed, including review and correction of slope, if needed, and repair of damage and separation of flashing at southeast corner. Prepare, prime, and paint repaired areas.

**Building Feature:** Flashing-Sheet Metal. Cap at Rear/West Air Shaft– Roof and Parapet

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2015

**Total Cost (Rounded to Nearest Dollar): \$750**

**Description of Work:**

Remove sheet metal cap to gain access to lightwell/air shaft. Clean, straighten, and repair cap or replace cap as needed. Install/reinstall cap. Consider netting or other bird proofing if needed.

**Building Feature:** Scupper and Drainage System at Rear/West Air Shaft– Roof and Parapet

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2015

**Total Cost (Rounded to Nearest Dollar): \$6500**

**Description of Work:**

While sheet metal cap is removed for access to lightwell/air shaft, survey and investigate condition of through-wall scupper and drainage/downspout system. Inspect and clean. Repair or replace as needed. Investigate termination of downspout and drainage, as moisture in rooms below appears to be an issue. Repair and redirect drainage as needed. Prepare, prime, and paint sheet metal.

**Building Feature:** Skylight Housing – Roof

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2015

**Total Cost (Rounded to Nearest Dollar): \$900**

**Description of Work:**

Inspect and repair cracked/damaged stucco. Consider painting for added protection.

**Building Feature:** Brick/Masonry – Lifts, Scaffolding, Street Closure, Permits

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2015-2016

**Total Cost (Rounded to Nearest Dollar): \$4900**

**Description of Work:**

Cost for providing lifts, scaffolding, street closure and street use permits.

**Building Feature:** Brick/Masonry Structural Engineering Evaluation– Throughout building

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2015

**Total Cost (Rounded to Nearest Dollar): \$8500**

**Description of Work:**

Consultation by a structural engineer trained in the analysis of historic masonry buildings to evaluate various conditions as noted in the specific areas of work related to brick/masonry.

**Building Feature:** Brick/Masonry – Rear/West Air Shaft

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2015

**Total Cost (Rounded to Nearest Dollar): \$4,500**

**Description of Work:**

While sheet metal cap is removed for access to lightwell/air shaft, survey and investigate condition of brick/masonry. Treat biological growth if encountered, and repair masonry/repoint as needed where deteriorated, unsound, or missing. If cracking is encountered, consult structural engineer for evaluation. All work to comply with the NPS Preservation Briefs #1 and #2.

**Building Feature:** Brick/Masonry– Montgomery Elevation: Façade, Sills, Cornice and Parapet

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2015

**Total Cost (Rounded to Nearest Dollar): \$3400**

**Description of Work:**

Consult a structural engineer to evaluate large cracks at southern window head. Repair as recommended. Repoint and reset loose bricks where occurs. Repoint where needed with compatible/appropriate mortar that matches original in color, texture, and appearance where mortar is deteriorated, loose, unsound, or missing. Treat ferrous corrosion where occurs, and prepare, prime, & paint where metal is exposed. Remove light fixtures and bird proofing at corbelled cornice to treat and remove biological growth and provide appropriate mortar parge to allow positive slope at top edge. Remove biological growth from cornice and façade by gentle cleaning such as with warm water/detergent wash and biocide application. Reinstall existing or new lighting and bird proofing if needed. All work to comply with the NPS Preservation Briefs #1, #2 and #47.

**Building Feature:** Brick/Masonry – Lower Portion of Rear/Courtyard Elevation

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2015

**Total Cost (Rounded to Nearest Dollar): \$3,500**

**Description of Work:**

Consult a structural engineer to evaluate cracking. Repair as recommended. Repoint and reset loose bricks where occurs. Repoint where needed with compatible/appropriate mortar that matches original in color, texture, and appearance where mortar is deteriorated, loose, unsound, or missing. Replace missing brick with compatible visually similar bricks. Treat ferrous corrosion where occurs, and prepare, prime, & paint where metal is exposed. Treat and remove biological growth from façade by gentle cleaning such as with warm water/detergent wash and biocide application. Check stability/soundness of steel anchor plates.

**Building Feature:** Brick/Masonry –1<sup>st</sup> and 2nd Floor South Wall (Interior face of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2015

**Total Cost (Rounded to Nearest Dollar): \$4,300**

**Description of Work:**

Consult a structural engineer for evaluation of cracking, particularly at southwest corner. Repair as needed. Repoint and reset loose bricks. Repoint where needed with compatible/appropriate mortar. Investigate opening behind inset bookshelves to insure appropriate structural reinforcing at opening (possible historic window opening). Review opening for any water infiltration or other building envelope issues.

**Building Feature:** Brick/Masonry – Basement Floor South Wall (Interior face of bearing wall/foundation wall)

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2015

**Total Cost (Rounded to Nearest Dollar): \$2,000**

**Description of Work:**

Consult a structural engineer for evaluation of cracking and bulging, particularly at southwest corner and southeast corner under sidewalk. Repair as needed. Repoint and reset loose bricks. Repoint where needed with compatible/appropriate mortar, especially where deeply eroded/recessed.

**Building Feature:** Brick/Masonry – 2<sup>nd</sup> Floor North Wall (Interior face of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2015

**Total Cost (Rounded to Nearest Dollar): \$900**

**Description of Work:**

Repoint and reset loose bricks if found. Repoint with compatible/appropriate mortar where needed.



**Building Feature:** Brick/Masonry – 1<sup>st</sup> Floor North Wall (Interior face of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2015

**Total Cost (Rounded to Nearest Dollar): \$800**

**Description of Work:**

Much of this wall is concealed. Review condition if/when exposed. Investigate source of moisture (thought to be downspout at lightwell/airshaft) contributing to damp badly effloresced northwest end of wall. Remove/repair/redirect source of moisture. Brush/vacuum to remove efflorescence. Repair/repoint brick as needed (especially at deeply recessed joints) once source of moisture is identified and mitigated. Monitor for reoccurrence, particularly after times of significant rainfall.

**Building Feature:** Brick/Masonry Moisture infiltration– Basement Floor North Wall (Interior face of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2015

**Total Cost (Rounded to Nearest Dollar): \$600**

**Description of Work:**

Investigate source of moisture (thought to be downspout at lightwell/airshaft) contributing to damp effloresced northwest end of wall and at lower register of wall. Remove/repair/redirect source of moisture. Brush/vacuum to remove efflorescence. Repair/repoint brick as needed (especially at deeply recessed joints) once source of moisture is identified and mitigated. Monitor for reoccurrence, particularly after times of significant rainfall.

**Building Feature:** Brick/Masonry – 2<sup>nd</sup> Floor East Wall (Interior face of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2015

**Total Cost (Rounded to Nearest Dollar): Part of cost noted above.**

**Description of Work:**

Consult structural engineer for through-wall cracking above window (as noted on exterior). Repair as needed.

**Building Feature:** Brick/Masonry – 1<sup>st</sup> Floor East Wall (Interior face of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2015

**Total Cost (Rounded to Nearest Dollar):** Part of cost noted above

**Description of Work:**

Evaluate for minor cracking and repair as needed.

**Building Feature:** Brick/Masonry – Basement Floor East Wall (Interior face of foundation wall under sidewalk)

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2015

**Total Cost (Rounded to Nearest Dollar):** \$1,800

**Description of Work:**

Consult with a structural engineer to evaluate cracking. Repair as needed. Investigate source of moisture (thought to be from sidewalk above). See repair for sidewalk on Page 11. Brush or vacuum to remove efflorescence and repair/repoint brick as needed. Treat exposed steel where corroded, and prepare, prime, and paint.

**Building Feature:** Brick/Masonry – 2<sup>nd</sup> Floor West Wall (Interior face of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2015

**Total Cost (Rounded to Nearest Dollar):** Part of cost noted above.

**Description of Work:**

Evaluate for minor cracking and repair as needed.

**Building Feature:** Brick/Masonry – 1<sup>st</sup> Floor West Wall (Interior face of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2015

**Total Cost (Rounded to Nearest Dollar):** Part of cost noted above.

**Description of Work:**

Evaluate for minor cracking and repair as needed.

**Building Feature:** Brick/Masonry – Basement Floor West Wall (Interior face of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2015

**Total Cost (Rounded to Nearest Dollar):** \$1,200

**Description of Work:**

Evaluate for minor cracking and repair as needed.

**Building Feature:** Cement Plaster/Parge – Montgomery Elevation (North and South Ends of Façade)

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2015

**Total Cost (Rounded to Nearest Dollar):** \$4,000

**Description of Work:**

Inspect and repair cement plaster/parge including cracks at parapet portion of north and south ends. Repair substrate if needed. Prepare, prime, and paint.

**Building Feature:** Cement Plaster – Montgomery Elevation (Infill at Masonry/Window Surrounds)

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 and annually thereafter.

**Total Cost (Rounded to Nearest Dollar): \$500**

**Description of Work:**

Perform visual inspect for damage and repair as needed.

**Building Feature:** Cement Plaster – 1<sup>st</sup> and 2<sup>nd</sup> Floors-Upper Portion of Rear /Courtyard Elevation

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2015

**Total Cost (Rounded to Nearest Dollar): \$6,000**

**Description of Work:**

Consult a structural engineer to evaluate large cracks. Repair as recommended. Survey and remove deteriorated, unsound, debonded, missing, and cracked cement plaster. Repair substrate as needed and repair and patch cement plaster to match existing adjacent. Remove biological growth at facade by appropriate cleaning using gentle means such as warm water/detergent wash and biocide application. Treat steel exposed during the process, particularly at window heads, and prepare, prime, and paint. Consider painting cement plaster with appropriate breathable (high-perm) paint.

**Building Feature:** Wood Windows – Montgomery Street – Visual Inspection

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 and annually thereafter.

**Total Cost (Rounded to Nearest Dollar): \$500**

**Description of Work:**

Inspect and repairs needed. Check sealant at perimeter of frame to cement plaster and replace if needed. Clean to allow for proper operation.

**Building Feature:** Wood Entry Doorway – Montgomery Street – Visual Inspection

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 and annually thereafter.

**Total Cost (Rounded to Nearest Dollar): \$250**

**Description of Work:**

Inspect and repair as needed. Check sealant at perimeter of frame to cement plaster and replace if needed. Clean to allow for proper operation.

**Building Feature:** Metal Windows – Rear/Courtyard Elevation – Visual Inspection

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 and annually thereafter.

**Total Cost (Rounded to Nearest Dollar): \$200**

**Description of Work:**

Inspect for defects. Check sealant at perimeter of frame to cement plaster and replace if needed. Clean to allow for proper operation.

**Building Feature:** Metal Storefront Doors (Non-historic) – Rear/Courtyard Elevation – Visual Inspection

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 and annually thereafter.

**Total Cost (Rounded to Nearest Dollar): \$400**

**Description of Work:**

Inspect for defects. Check sealant at perimeter of frame to brick and replace if needed. Clean to allow for proper operation.

**Building Feature:** Metal Stairs (Non-historic) – Rear/Courtyard Elevation – Visual Inspection

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 and annually thereafter.

**Total Cost (Rounded to Nearest Dollar): \$600**

**Description of Work:**

Perform visual inspection of stairs annually for signs of deterioration. Repair as needed. Clean regularly.

**Building Feature:** Structural Metal Bracing (Non-historic) – Rear/Courtyard Elevation (spanning overhead)

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2015

**Total Cost (Rounded to Nearest Dollar): \$1,800**

**Description of Work:**

Metal bracing spans the width of the courtyard between the rear wall of the building and the rear wall of the site/courtyard. Inspect and repair areas of corrosion and other defects if found. Prepare, prime, and paint.

**Building Feature:** Sidewalk Repair/Steel Repair – Water infiltration to Basement below East Façade under Sidewalk

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2015

**Total Cost (Rounded to Nearest Dollar): \$2500**

**Description of Work:**

Repair sidewalk cracking with epoxy or other repairs as required to prevent future moisture penetration into basement area below. Treat exposed steel where corroded, and prepare, prime, and paint to prevent any further degradation to structural steel in this area.

**Building Feature:** Division One General Requirements and Overhead, Contingency and Contractor Fee

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2015-2016

**Total Cost (Rounded to Nearest Dollar): \$30,368**

**Description of Work:**

Fee to cover all of Division 01 General Requirements such as General Conditions, Project Management, Supervision, General Labor, Insurance, Contingency, Overhead and Contractor Fee.

**MAINTENANCE PLAN (Continuation Form)**

**Building Feature:** Existing Steel Seismic Roof Bracing – Roof and Parapet

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2020 and every 10 years thereafter

**Total Cost (Rounded to Nearest Dollar): \$800**

**Description of Work:**

Repair as needed. Prepare, prime, and paint steel seismic roof bracing every 10 years, or as needed.

**Building Feature:** Roofing Membrane/Flashing/Sheet Metal Flashing (Non-historic) – Roof and Parapet

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 and annually thereafter.

**Total Cost (Rounded to Nearest Dollar): \$200**

**Description of Work:**

Inspect and repair areas of damaged/failed/detached/deteriorated roof membrane at roof surfaces and parapet annually and thereafter. Inspect and repair areas of failed/detached/deteriorated roof membrane flashing at parapet coping as needed.

**Building Feature:** Roofing Membrane – Roof and Parapet

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 annual inspections and repair. Replacement estimated to take place in 2023 and every 20 years thereafter.

**Total Cost (Rounded to Nearest Dollar): \$2000**

**Description of Work:**

Replace roofing membrane at roof surfaces and parapet and every 20 years thereafter. Pay special attention to drainage slopes, flashing, curbs at skylights, and number of roof drains.



**Building Feature:** Flashing (Sheet Metal) – Roof and Parapet-South Wall

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 and annually thereafter.

**Total Cost (Rounded to Nearest Dollar): \$200**

**Description of Work:**

Inspect sheet metal roof flashing and repair as needed annually.

**Building Feature:** Flashing (Sheet Metal Cap at Rear/West Air Shaft) – Roof and Parapet

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 and annually thereafter.

**Total Cost (Rounded to Nearest Dollar): \$200**

**Description of Work:**

Inspect flashing cap and repair if defects are found annually.

**Building Feature:** Scupper and Drainage System – Rear/West Air Shaft

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 and annually thereafter.

**Total Cost (Rounded to Nearest Dollar): \$500**

**Description of Work:**

Inspect and clean scupper and downspout/roof drainage system annually. Repair as needed.

**Building Feature:** Skylights (Flashing) – Roof

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 and annually thereafter.

**Total Cost (Rounded to Nearest Dollar): \$250**

**Description of Work:**

Inspect and repair /maintain skylights annually and as needed.

**Building Feature:** Skylight Housing – Roof

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 and annually thereafter.

**Total Cost (Rounded to Nearest Dollar): \$200**

**Description of Work:**

Inspect and repair/maintain skylights annually and as needed.

**Building Feature:** Brick/Masonry – Rear/West Air Shaft – Visual Inspection

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 or annually as access is possible.

**Total Cost (Rounded to Nearest Dollar): \$200**

**Description of Work:**

Visually inspect brick masonry at airshaft when cap is removed or access is made possible through windows. Repair as needed.

**Building Feature:** Brick/Masonry– Montgomery Elevation: Façade, Sills, Cornice and Parapet

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 and annually thereafter

**Total Cost (Rounded to Nearest Dollar): \$200**

**Description of Work:**

Perform visual inspection of masonry with binoculars, spotting scope, or similar annually for signs of deterioration. Repair as needed.

**Building Feature:** Brick/Masonry – Lower Portion of Rear/Courtyard Elevation – Visual Inspection

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 and annually thereafter.

**Total Cost (Rounded to Nearest Dollar): \$200**

**Description of Work:**

Perform visual inspection of masonry annually for signs of deterioration. Repair as needed.

**Building Feature:** Brick/Masonry – 1<sup>st</sup> and 2<sup>nd</sup> Floor South Wall (Interior face of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 and annually thereafter.

**Total Cost (Rounded to Nearest Dollar): \$3000**

**Description of Work:**

Perform visual inspection of masonry annually for signs of deterioration, especially for cracking, efflorescence, and moisture issues. Repair as needed.

**Building Feature:** Brick/Masonry – Basement Floor South Wall (Interior face of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 and annually thereafter.

**Total Cost (Rounded to Nearest Dollar):** See above

**Description of Work:**

Perform visual inspection of masonry annually for signs of deterioration, especially for cracking, efflorescence, and moisture issues. Repair as needed.

**Building Feature:** Brick/Masonry – 2<sup>nd</sup> Floor North Wall (Interior face of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 and annually thereafter.

**Total Cost (Rounded to Nearest Dollar):** See above

**Description of Work:**

Perform visual inspection of masonry annually for signs of deterioration, especially for cracking, efflorescence, and moisture issues. Repair as needed.

**Building Feature:** Brick/Masonry – 1<sup>st</sup> Floor North Wall (Interior face of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 and annually thereafter.

**Total Cost (Rounded to Nearest Dollar):** See above

**Description of Work:**

Perform visual inspection of masonry annually for signs of deterioration, especially for cracking, efflorescence, and moisture issues. Repair as needed

**Building Feature:** Brick/Masonry – Basement Floor North Wall (Interior face of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 and annually thereafter.

**Total Cost (Rounded to Nearest Dollar):** See above

**Description of Work:**

Perform visual inspection of masonry annually for signs of deterioration, especially for cracking, efflorescence, and moisture issues. Repair as needed

**Building Feature:** Brick/Masonry – 2<sup>nd</sup> Floor East Wall (Interior face of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 and annually thereafter.

**Total Cost (Rounded to Nearest Dollar):** See above

**Description of Work:**

Perform visual inspection of masonry annually for signs of deterioration, especially for cracking, efflorescence, and moisture issues. Repair as needed.

**Building Feature:** Brick/Masonry – 1<sup>st</sup> Floor East Wall (Interior of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 and annually thereafter.

**Total Cost (Rounded to Nearest Dollar):** See above

**Description of Work:**

Perform visual inspection of masonry annually for signs of deterioration, especially for cracking, efflorescence, and moisture issues. Repair as needed.

**Building Feature:** Brick/Masonry – Basement Floor East Wall (Interior face of foundation all under sidewalk)

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 and annually thereafter.

**Total Cost (Rounded to Nearest Dollar):** See above.

**Description of Work:**

Perform visual inspection of masonry annually for signs of deterioration, especially for cracking, efflorescence, and moisture issues. Repair as needed.

**Building Feature:** Brick/Masonry – Basement Floor East Wall (Interior face of foundation wall under sidewalk)

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2025 and every 10 years thereafter.

**Total Cost (Rounded to Nearest Dollar):** See above.

**Description of Work:**

Prepare, prime, and paint exposed metal every 10 years, or as needed

**Building Feature:** Brick/Masonry – 2<sup>nd</sup> Floor West Wall (Interior face of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 and annually thereafter.

**Total Cost (Rounded to Nearest Dollar):** See above

**Description of Work:**

Perform visual inspection of masonry annually for signs of deterioration, especially for cracking, efflorescence, and moisture issues. Repair as needed.

**Building Feature:** Brick/Masonry – 1<sup>st</sup> Floor West Wall (Interior face of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 and annually thereafter.

**Total Cost (Rounded to Nearest Dollar):** See above

**Description of Work:**

Perform visual inspection of masonry annually for signs of deterioration, especially for cracking, efflorescence, and moisture issues. Repair as needed.

**Building Feature:** Brick/Masonry – Basement Floor West Wall (Interior of bearing wall)

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 and annually thereafter.

**Total Cost (Rounded to Nearest Dollar):** See above.

**Description of Work:**

Perform visual inspection of masonry annually for signs of deterioration, especially for cracking, efflorescence, and moisture issues. Repair as needed.

**Building Feature:** Cement Plaster/Parge – Montgomery Elevation (North and South Ends of Façade)

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 and annually thereafter.

**Total Cost (Rounded to Nearest Dollar):** \$200

**Description of Work:**

Perform visual inspection of cement plaster with binoculars, spotting scope, or similar annually of signs of deterioration. Repair as needed.

**Building Feature:** Cement Plaster/Parge – Montgomery Elevation (North and South Ends of Façade)

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2025 and every 10 years thereafter.

**Total Cost (Rounded to Nearest Dollar):** \$200

**Description of Work:**

Install new sealant, and prepare, prime, and paint cement plaster every 10 years.

**Building Feature:** Cement Plaster – Montgomery Elevation (Infill at Masonry/Window Surrounds)  
– Visual Inspection

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2025 and every 10 years thereafter.

**Total Cost (Rounded to Nearest Dollar): \$300**

**Description of Work:**

Install new sealant, and prepare, prime, and paint cement plaster every 10 years.

**Building Feature:** Cement Plaster – 1<sup>st</sup> and 2<sup>nd</sup> Upper Portion of Rear /Courtyard Elevation

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 and annually thereafter.

**Total Cost (Rounded to Nearest Dollar): \$300**

**Description of Work:**

Perform visual inspection of cement plaster with binoculars, spotting scope, or similar annually of signs of deterioration. Repair as needed.

**Building Feature:** Cement Plaster – Upper Portion of Rear /Courtyard Elevation

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2025 and every 10 years thereafter (if cement plaster is chose to be painted).

**Total Cost (Rounded to Nearest Dollar): \$300**

**Description of Work:**

Install new sealant, and prepare, prime, and paint cement plaster every 10 years if cement plaster is chosen to be painted.



**Building Feature:** Structural Metal Bracing (Non-historic) – Rear/Courtyard Elevation (spanning overhead) – Visual Inspection

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 and annually thereafter.

**Total Cost (Rounded to Nearest Dollar): \$800**

**Description of Work:**

Inspect the metal bracing that spans the width of the courtyard between the rear wall of the building and the rear wall of the site/courtyard annually. Repair as needed.

**Building Feature:** Structural Metal Bracing – Rear/Courtyard Elevation (spanning overhead) – Visual Inspection

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2025 and every 10 years thereafter.

**Total Cost (Rounded to Nearest Dollar): \$800**

**Description of Work:**

Install new sealant, and prepare, prime, and paint metal bracing every 10 years.

**Building Feature:** Wood Windows (Non-historic) – Montgomery Street – Visual Inspection

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 and every 10 years thereafter.

**Total Cost (Rounded to Nearest Dollar): \$100**

**Description of Work:**

Install new sealant, and prepare, prime, and wood windows every 10 years.

**Building Feature:** Wood Entry Doorway (Non-historic) – Montgomery Street – Visual Inspection

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 and every 10 years thereafter.

**Total Cost (Rounded to Nearest Dollar): \$100**

**Description of Work:**

Install new sealant, and prepare, prime, and paint wood doorway every 10 years.

**Building Feature:** Metal Windows – Rear/Courtyard Elevation – Visual Inspection

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 and annually thereafter.

**Total Cost (Rounded to Nearest Dollar): \$100**

**Description of Work:**

Inspect for defects. Check sealant at perimeter of frame to cement plaster and replace if needed. Clean to allow for proper operation.

**Building Feature:** Metal Storefront Doors (Non-historic) – Rear/Courtyard Elevation – Visual Inspection

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 and annually thereafter.

**Total Cost (Rounded to Nearest Dollar): \$100**

**Description of Work:**

Inspect for defects. Check sealant at perimeter of frame to brick and replace if needed. Clean to allow for proper operation.

**Building Feature:** Metal Stairs – Rear/Courtyard Elevation – Visual Inspection

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2025 and every 10 years thereafter.

**Total Cost (Rounded to Nearest Dollar): \$100**

**Description of Work:**

Install new sealant, and prepare, prime, and paint metal stairs every 10 years.

**Building Feature:** Sidewalk Repair– Water infiltration to Basement below East Façade under Sidewalk

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 and annually thereafter.

**Total Cost (Rounded to Nearest Dollar): \$300**

**Description of Work:**

Perform visual inspection of sidewalk annually for signs of deterioration, especially for cracking and moisture infiltration to rooms below, including efflorescence on brick; steel corrosion and deterioration. Repair sidewalk as needed.

**Building Feature:** Structural Steel – Basement at below East Façade under Sidewalk

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2025 and every 10 years thereafter.

**Total Cost (Rounded to Nearest Dollar): \$800**

**Description of Work:**

Perform visual inspection of structural steel beams below sidewalk annually for signs of deterioration, especially for moisture infiltration creating steel corrosion and deterioration. Prepare, prime, and paint exposed metal every 10 years, or as needed.

**Building Feature:** Division 01 General Requirements

Rehab/Restoration

Maintenance

Completed

Proposed

**Contract Year Work Completion:** 2016 and every year thereafter depending on maintenance schedule.

**Total Cost (Rounded to Nearest Dollar): \$13,219**

**Description of Work:**

General Contractor's Division 01 General Requirements to include General Conditions, Project Management, Supervision, General Labor and Insurance. In addition, the number includes Contingency, Overhead and Contractor Fee.

EXHIBIT C:  
DRAFT MILLS ACT VALUATION PROVIDED BY THE  
ASSESSOR-RECORDER'S OFFICE



**807 Montgomery Street  
APN 02-0176-006**

**MILLS ACT VALUATION**



APN: 02-0176-006 SF Landmark: N/A  
 Property Location: 807 Montgomery Street Date of Mills Act Application: 4/30/2015  
 Applicant's Name: 807 Montgomery LLC Property Type: Office  
 Agt./Tax Rep./Atty: None Date of Sale: 12/12/2014  
 Applicant supplied appraisal? No Sale Price: \$5,231,000

DATE OF MILLS ACT VALUATION: July 1, 2015

TAXABLE VALUE - THREE WAY VALUE COMPARISON					
FACTORED BASE YEAR VALUE		RESTRICTED MILLS ACT VALUE		CURRENT MARKET VALUE	
Land	\$ 3,138,600	Land	\$ 2,340,000	Land	\$ 2,520,000
Imps	\$ 2,092,400	Imps	\$ 1,560,000	Imps	\$ 1,680,000
<b>Total</b>	<b>\$ 5,231,000</b>	<b>Total</b>	<b>\$3,900,000</b>	<b>Total</b>	<b>\$4,200,000</b>

**PROPERTY CHARACTERISTICS**

**Present Use:** Office      **Neighborhood:** Pacific Heights      **Number of Stories:** 2 (+ basement)  
**Number of Units:** 1      **Year Built:** 1909      **Land Area:** 3,877 sq.ft.  
**Owner Occupied:** Yes      **Building Area:** 10,221 sq.ft.      **Zoning:** C2

**CONTENTS**

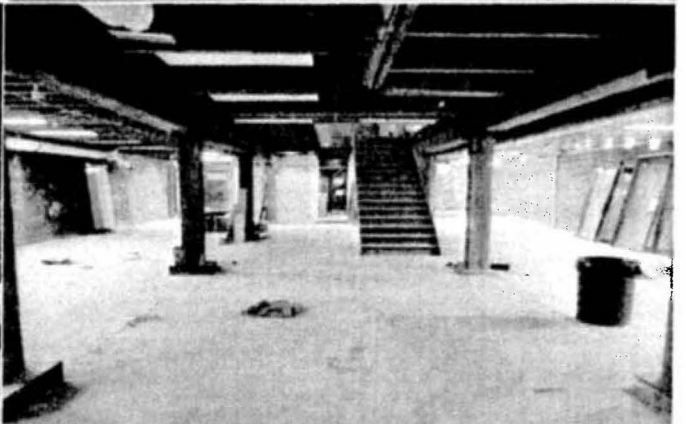
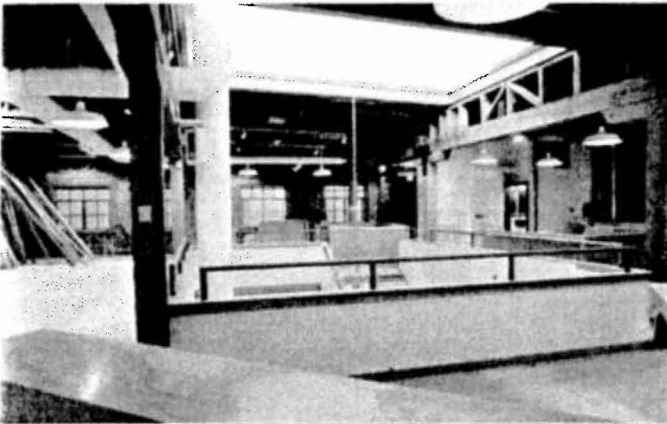
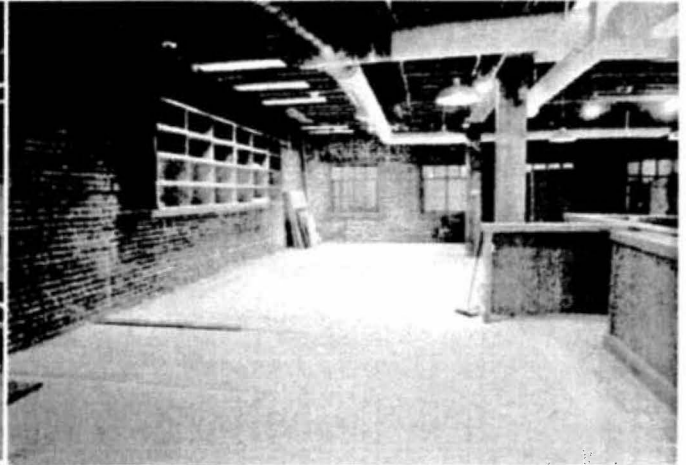
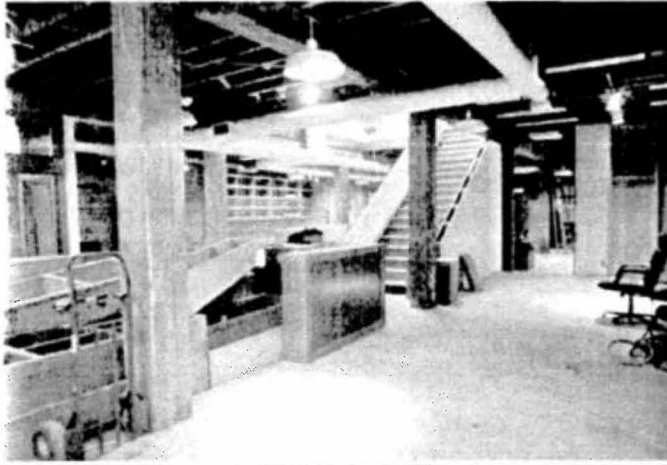
Cover Sheet	Page 2
Subject Interior Photos	Page 3
Restricted Income Valuation	Page 4
Comparable Rents	Page 5
Sales Comparison Valuation	Page 6
Map of Comparable Sales	Page 7

**CONCLUSION AND RECOMMENDATIONS**

Based on the three-way value comparison, the lowest of the three values is the Restricted Income Approach.  
 The taxable Mills Act value on:      July 1, 2015      is      \$3,900,000

**Appraiser:** Harvey Huey      **Date:** 08/28/15  
**Principal Appraiser:** Robert Spencer

Photos- 807 Montgomery St.





**RESTRICTED INCOME APPROACH**

**APN 0176-006  
807 Montgomery Street  
Restricted Mills Act Value  
Lien Date July 1, 2015**

**Non-Owner Occupied**














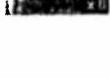

Potential Gross Income	Lower	3,407 sq.ft.	x	\$38.00	psf	\$129,466
	Flrs. 1&2	6,814	x	\$50.00	psf	<u>\$340,700</u>
<b>Total PGI</b>		<b>10,221</b>				<b>\$470,166</b>
Less Vacancy & Collection Loss						5% <u>(\$23,508)</u>
Effective Gross Income						\$446,658
Less Anticipated Operating Expenses		\$11.50	psf			<u>(\$117,542)</u>
Net Operating Income						\$329,116
Restricted Capitalization Rate						
<u>Rate Components:</u>						
2015 interest rate per State Board of Equalization						4.2500%
Risk rate (4% owner occupied / 2% all other property types)						2.0000%
2014 property tax rate *						1.1743%
Amortization rate for improvements only						1.0000%
Remaining economic life (in years)				40	0.0250	
Improvements constitute % of total property value				40%		<u>8.4243%</u>
<b>RESTRICTED VALUE</b>						<b>\$3,906,748</b>
<b>ROUNDED TO</b>						<b>\$3,900,000</b>

\* The 2015 property tax rate will be determined in September 2015

42nd Flr

Tackson Square Rents 9/2014

40 office spaces for rent, 110 vacancies

		POSTED	RENT	SIZE	USES
	655 Montgomery St San Francisco, CA	Sep 08	\$43.00	776 - 17,160	Sublease
	333 Bush St San Francisco, CA	Sep 03		4,186 - 17,066	Sublease
	100 Bush St San Francisco, CA	Jul 18		319 - 5,710	
	100 Pine St San Francisco, CA	Sep 08	\$39.00	1,220 - 13,693	Sublease
	535 Green St San Francisco, CA	Jul 21		3,650	
	601 Montgomery St San Francisco, CA	Aug 22	\$48.00	2,890 - 13,303	Sublease
	201 California St San Francisco, CA	Jul 02		2,584 - 14,974	
	750 Battery St San Francisco, CA	Jun 15		3,366 - 9,125	
	235 Montgomery St San Francisco, CA	Aug 14	\$52.00	2,373 - 5,651	
	101 California St San Francisco, CA	Aug 27		2,460 - 26,118	Sublease
	1 Embarcadero Center San Francisco, CA	Sep 08		28,178	Sublease
	388 Market St San Francisco, CA	Jul 10	\$58.00	1,343	
	855 Montgomery St San Francisco, CA	Mar 25		3,400	
	255 California St San Francisco, CA	Jul 10	\$48.00	3,712 - 13,049	
	114 Sansome St San Francisco, CA	May 20	\$55.00	3,203 - 15,705	

## MARKET ANALYSIS

	ADDRESS	SALE PRICE \$ PER SQ.FT.	MARKET CONDITIONS	LOCATION	LOT SIZE	YEAR BUILT	SQUARE FEET	CONDITION	OVERALL ADJUSTMENT	ADJUSTED SALE PRICE
S	807 Montgomery APN 02-0176-006	12/12/14 \$5,231,000	Good	Jackson Square	3,877	1909	10,221	Good		
1	18 Bartol Street APN 02-0164-016	4/29/2015 \$1,840,000	Good	Jackson Square	2,300 \$157,700	1924	2,280 \$2,382,300	Inferior \$138,000	\$2,678,000	\$4,518,000
2	520 Montgomery APN 02-228-015	1/8/2015 \$2,450,000	inferior \$122,500	Jackson Square	1,770 \$210,700	1920	5,789 \$1,329,600	Good	\$1,662,800	\$4,112,800

RANGE OF VALUE	\$4,112,800	to	\$4,518,000
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**ESTIMATED MARKET VALUE                      \$4,300,000**

ADJUSTMENTS:

Market Conditions	1%	per month
Location	None	
Lot Size	\$100	psf
Year Built	None	
Square Feet	\$300	psf
Condition	5%	good/inferior

REMARKS:

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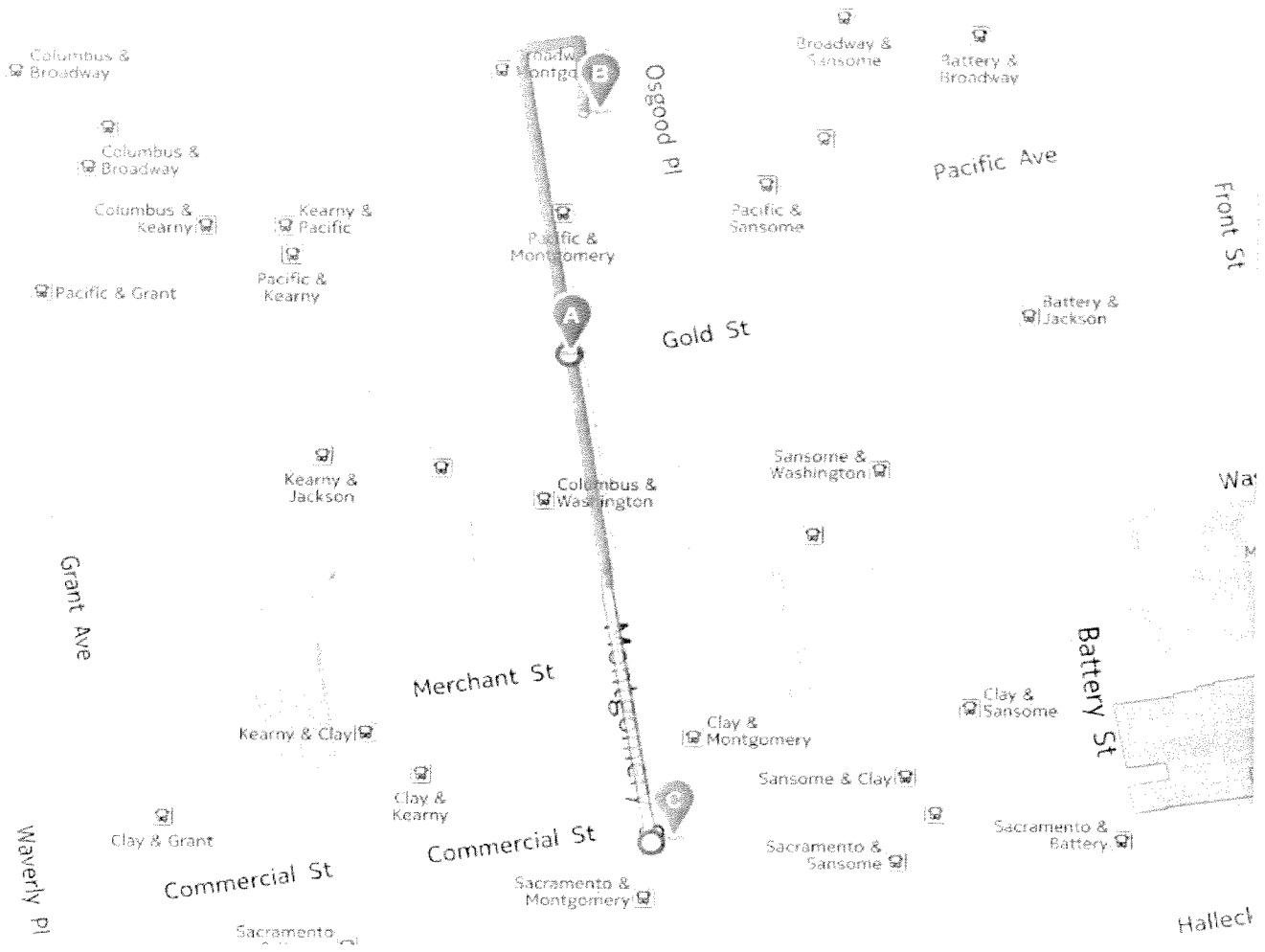


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# Map of Comparable Sales



- A: Subject (807 Montgomery)**
- B: 18 Bartol Street**
- C: 520 Montgomery**

# EXHIBIT D: MILLS ACT APPLICATION

# 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: <b>807 Montgomery LLC</b>	TELEPHONE: <b>(310) - 454-6593</b>
PROPERTY OWNER 1 ADDRESS: <b>17351 W Sunset Blvd. #1A, Pacific Palisades, CA 90272</b>	EMAIL: <b>michael@9mileinvestments.com</b>
PROPERTY OWNER 2 NAME:	TELEPHONE: ( )
PROPERTY OWNER 2 ADDRESS:	EMAIL:
PROPERTY OWNER 3 NAME:	TELEPHONE: ( )
PROPERTY OWNER 3 ADDRESS:	EMAIL:

## 2. Subject Property Information

PROPERTY ADDRESS: <b>807 Montgomery Street</b>	ZIP CODE: <b>94133</b>
PROPERTY PURCHASE DATE: <b>December 11, 2014</b>	ASSESSOR BLOCK/LOT(S): <b>0176/006</b>
MOST RECENT ASSESSED VALUE: <b>\$4,082,282</b>	ZONING DISTRICT: <b>C-2</b>

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. By signing below, I affirm that all information provided in this application is true and correct. I further swear and affirm that false information will be subject to penalty and revocation of the Mills Act Contract.

Owner Signature:  Date: 4-30-15

Owner Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Owner Signature: \_\_\_\_\_ Date: \_\_\_\_\_

# 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.

<b>1</b>	<b>Mills Act Application</b> Has each property owner signed? Has each signature been notarized?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
<b>2</b>	<b>High Property Value Exemption Form &amp; Historic Structure Report</b> 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? <u>Application includes HSR.</u>	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> N/A <input type="checkbox"/>
<b>3</b>	<b>Draft Mills Act Historical Property Contract</b> Are you using the Planning Department's standard "Historical Property Contract?" Have all owners signed and dated the contract? Have all signatures been notarized?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
<b>4</b>	<b>Notary Acknowledgement Form</b> Is the Acknowledgement Form complete? Do the signatures match the names and capacities of signers?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
<b>5</b>	<b>Draft Rehabilitation/Restoration/Maintenance Plan</b> 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? <u>In progress - getting additional pricing.</u>	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
<b>6</b>	<b>Photographic Documentation</b> Have you provided both interior and exterior images (either digital, printed, or on a CD)? Are the images properly labeled?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
<b>7</b>	<b>Site Plan</b> Does your site plan show all buildings on the property including lot boundary lines, street name(s), north arrow and dimensions?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
<b>8</b>	<b>Tax Bill</b> Did you include a copy of your most recent tax bill?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
<b>9</b>	<b>Rental Income Information</b> Did you include information regarding any rental income on the property, including anticipated annual expenses, such as utilities, garage, insurance, building maintenance, etc.?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
<b>10</b>	<b>Payment</b> 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.	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
<b>11</b>	<b>Recordation Requirements</b> Not at this time. A Board of Supervisors approved and fully executed Mills Act Historical Property contract must be recorded with the Assessor-Recorder. The contract must be <u>accompanied</u> by the following in order to meet recording requirements: - All approvals, signatures, recordation attachments - Fee: Check payable to the Office of the Assessor-Recorder" in the appropriate recording fee amount. Please visit <a href="http://www.sfassessor.org">www.sfassessor.org</a> for an up-to-date fee schedule for property contracts. - Preliminary Change of Ownership Report (PCOR). Please visit <a href="http://www.sfassessor.org">www.sfassessor.org</a> for an up-to-date PCOR (see example on page 20).	YES <input type="checkbox"/> NO <input type="checkbox"/>

3. Property Value Eligibility:

Choose one of the following options:

The property is a Residential Building valued at less than \$3,000,000.	YES <input type="checkbox"/>	NO <input type="checkbox"/>
The property is a Commercial/Industrial Building valued at less than \$5,000,000.	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

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

**\*\* Please see the attached Exhibits A and B for Exemption Statement & the Historic Structures Report.**

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: 807 Montgomery LLC
MOST RECENT ASSESSED PROPERTY VALUE: \$4,082,282
PROPERTY ADDRESS: 807 Montgomery Street, San Francisco, CA 94133

5. Other Information

All property owners are required to attach a copy of all other information as outlined in the checklist on page 7 of this application.

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:  Date: 4-30-15

Owner Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Owner Signature: \_\_\_\_\_ Date: \_\_\_\_\_



4. PROPERTY TAX BILL

Due 4/10

1961201  
Secured  
2014-2015  
ZH  
CA29

Total Direct Charges and Special Assessments	\$398.20	
Total Due		\$48,276.42

**Payment Summary**  
Choose how much of your property tax you wish to pay now by clicking one of the radio buttons in the left hand column below. The second installment cannot be paid before the first installment is paid. Late penalties and fees are applied to payments made after their respective delinquency dates. The "Amount Due" indicated below already reflects applicable late penalties and fees, if any.

	Amount Due	Paid Date
<input type="radio"/> Pay First Installment	\$0.00	12/09/14
<input checked="" type="radio"/> Pay Second Installment	\$24,138.21	
<input type="radio"/> Pay Full Amount	\$24,138.21	

Please choose a payment method to pay your tax bill:

Credit Card or Debit Card  
 E-Check

Click the 'Continue' button to finish paying your tax. A convenience fee will be applied to each payment.

**Frequently Asked Questions**

**Online Payment Support**  
For support on making payments via the web please e-mail [support@link2gov.com](mailto:support@link2gov.com)

Office of the Treasurer & Tax Collector • City Hall, Room 140, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 • [Contact Us](#)  
[Visit San Francisco's 311 online](#)

**5. OTHER INFORMATION**

PLEASE SEE "EXHIBIT C" FOR REHABILITATION / RESTORATION &  
MAINTENANCE PLAN

6. CALIFORNIA MILLS ACT HISTORICAL PROPERTY AGREEMENT

## 6. Draft Mills Act Historical Property Agreement

Please complete the following Draft Mills Act Historical Property Agreement and submit with your application. A final Mills Act Historical Property Agreement will be issued by the City Attorney once the Board of Supervisors approves the contract. The contract is not in effect until it is fully executed and recorded with the Office of the Assessor-Recorder.

Any modifications made to this standard City contract by the applicant or if an independently-prepared contract is used, it shall be subject to approval by the City Attorney prior to consideration by the Historic Preservation Commission and the Board of Supervisors. This will result in additional application processing time and the timeline provided in the application will be nullified.

**7. NOTARY ACKNOWLEDGEMENT FORM**

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: Los Angeles

On: 04/30/15 before me, Carina Perry / Notary Public  
DATE INSERT NAME OF THE OFFICER

NOTARY PUBLIC personally appeared: JACOB MATHEWS  
NAME(S) OF SIGNER(S)

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

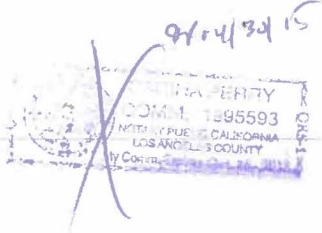
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Carina Perry  
SIGNATURE

April 30 15

(PLACE NOTARY SEAL ABOVE)



C.

EXHIBITS



5. Rehabilitation/Restoration & Maintenance Plan

A 10 Year Rehabilitation/Restoration Plan has been submitted detailing work to be performed on the subject property	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
A 10 Year Maintenance Plan has been submitted detailing work to be performed on the subject property	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Proposed work will meet the <i>Secretary of the Interior's Standards for the Treatment of Historic Properties</i> and/or the California Historic Building Code.	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Property owner will ensure that a portion of the Mills Act tax savings will be used to finance the preservation, rehabilitation, and maintenance of the property	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>

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 <input type="checkbox"/>	Maintenance <input type="checkbox"/> Completed <input type="checkbox"/> Proposed <input type="checkbox"/>
CONTRACT YEAR FOR WORK COMPLETION:	
TOTAL COST (rounded to nearest dollar):	
DESCRIPTION OF WORK:	
See additional pages.	

**EXHIBIT D: PHOTOGRAPHIC DOCUMENTATION**

EXTERIOR | MONTGOMERY STREET (EAST) FAÇADE



Montgomery Street Facade



Montgomery Street Cornice Detail



Montgomery Street Entrance

EXTERIOR | REAR (WEST) FAÇADE



Rear Courtyard

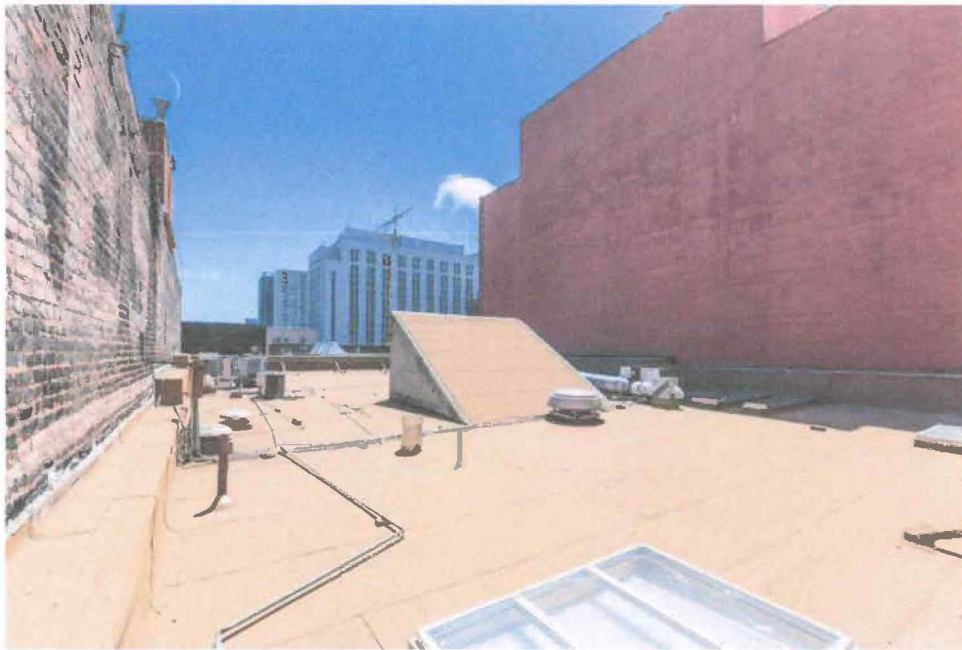


Rear Courtyard with bracing



Rear Courtyard

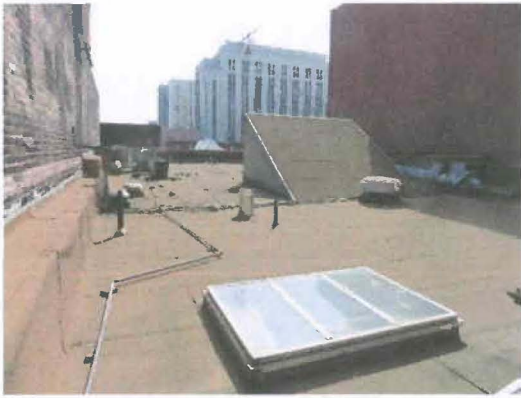
EXTERIOR | ROOF



Roof Overall, looking east



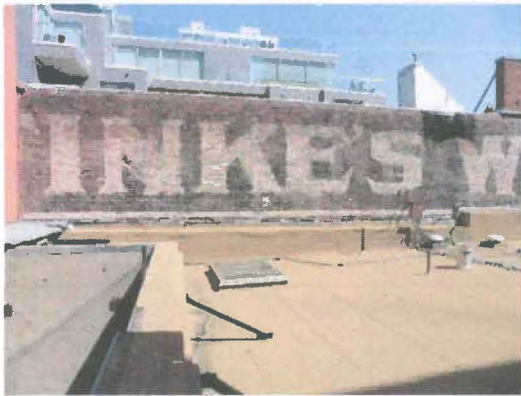
Roof Overall, looking west



Roof overall, looking east



Roof with parapet braces



Roof, looking north



Central skylight



Roof, looking southwest



Roof and rear courtyard parapet

**INTERIOR | BASEMENT**



**West Basement**



**Basement with courtyard entrance**

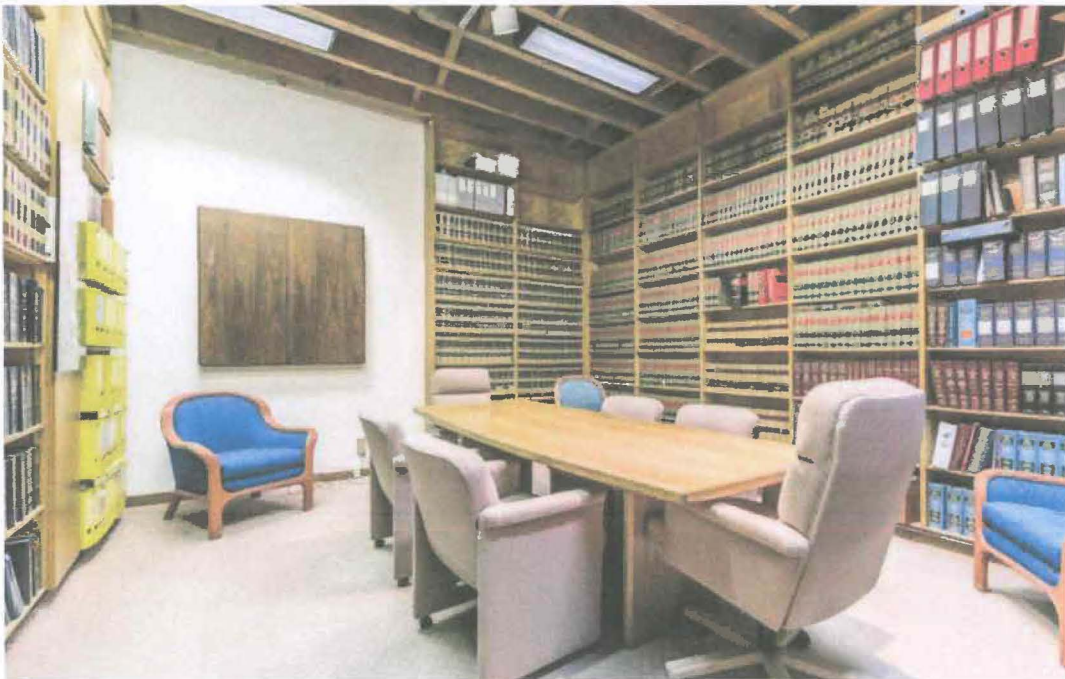


**Basement with drop ceiling**

INTERIOR | 1<sup>ST</sup> FLOOR

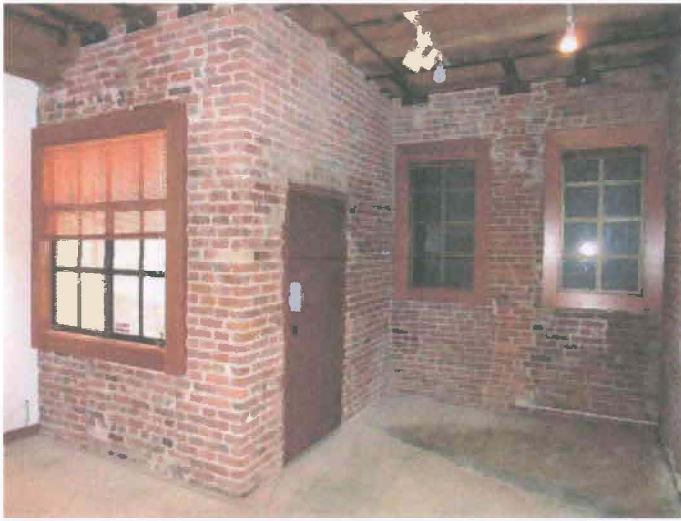


1st Floor Overall



Individual Room Overall





Rear windows and courtyard entrance



Rear windows



Interior of Montgomery Street entrance

INTERIOR | 2<sup>ND</sup> FLOOR



Interior of Montgomery Street 2<sup>nd</sup> Floor windows



Interior of 2<sup>nd</sup> Floor Montgomery Street windows



Overall of 2<sup>nd</sup> Floor interior space, looking east



Interior of 2<sup>nd</sup> Floor interior space, looking west

**EXHIBIT E: SITE PLAN**

LOTUS FONG 2006 LIVING TRUST  
PARCEL NO. 0176-005

ADJOINING BUILDING

WESTERLY  
N90°00'00"W

82'6"  
82.50'

82.5'

BUILDING IS ON LINE

47.00'

BUILDING IS ON LINE

ADJOINING BUILDING

SOUTHERLY  
S00°00'00"E

47.0'

TWO STORY  
BUILDING  
AREA-3078 SQ.FT.  
HEIGHT-29.0'

PARCEL NO. 0176-006

BUILDING IS ON LINE

N90°00'00"E  
EASTERLY

82.5'

ADJOINING BUILDING

82'6"  
82.50'

POINT OF BEGINNING

48.00'

PACIFIC PARTNERS LLC/TUSKER CORP  
PARCEL NO. 0176-007

N00°00'00"E  
BASIS OF BEARING  
NORTHERLY

47.0'

AWNING  
5.8'

CONCRETE SIDEWALK

CONCRETE SIDEWALK

UTILITY  
LID

DWM

PMO

GV

DEL

GPM

CONCRETE CURB



**MONTGOMERY STREET**  
PUBLIC RIGHT OF WAY WIDTH VARIES  
37' ASPHALT ROADWAY

**EXHIBIT F: TAX BILL**

City & County of San Francisco  
**Treasurer & Tax Collector**

**Office of the Treasurer & Tax Collector**

Receipt Page

**Thank you for your Payment!**

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**Please note that it may take up to 5 business days to receive and process your payment. Successful transactions will be considered paid as of the date of this transaction. Unsuccessful transactions due to insufficient funds or user error must be successfully paid prior to the payment deadline together with any accompanying administrative fees in order to avoid late penalties.**

<b>Property Location:</b>	807 MONTGOMERY ST
<b>Payment Amount:</b>	\$5,388.38
<b>Convenience Fee:</b>	\$0.00
<b>Receipt Number:</b>	3635842892
<b>Date and Time:</b>	02/26/2015 01:34:39 PM
<b>Total Payment Amount:</b>	\$5,388.38
<b>Block # / Lot #:</b>	0176 / 006
<b>Tax Bill #:</b>	144749
<b>Payment Type:</b>	ECheck
<b>Account Number:</b>	XXXX-X6836

To make a contribution to support vital City programs such as the arts, neighborhood beautification, disaster recovery, programs for the homeless, preservation of city services or recreation and parks services and facilities, please visit [www.Give2SF.org](http://www.Give2SF.org).

**PLEASE PRINT THIS RECEIPT AND KEEP IT FOR YOUR RECORDS**

FINISH

For questions about property tax, email the Office of the Treasurer & Tax Collector: [treasurer\\_taxcollector@sf.gov](mailto:treasurer_taxcollector@sf.gov) or dial 311 (within San Francisco only) or 415-701-2311.

**Online Payment Support**

For support on making payments via the web please e-mail [support@link2gov.com](mailto:support@link2gov.com)

Office of the Treasurer & Tax Collector City Hall, Room 140, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

[www.sanfrancisco.gov](http://www.sanfrancisco.gov)

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City of Canton at Sea Grant  
**Treasurer & Tax Collector**

Office of the Treasurer & Tax Collector

Escape Tax Information & Payment - Property Information

Property

Vol. #	Block #	Lot #	Tax Bill #	Tax Rate	Property Location
00	010	000	144748	1.174 %	201 HICKORY STREET

Assessment Information

Assessment	Full Value	Tax Rate	Amount
LAND	\$198,466	1.174 %	\$230.12
Street Frontage	\$3,921.31		\$4,597.84
Personal Property			\$0.00
Personal Property			\$0.00
Grand Taxable Value	\$202,387.31		\$25,197.96
LESS: Exemptions			
Homestead			\$0.00
Other			\$0.00
Net Taxable Value	\$202,387.31		\$25,197.96

Payment Summary

Check the number of payments you wish to pay. The number and amount of the first payment is shown below. The second installment should be paid before the first installment is paid. Subsequent and regular amounts to be paid will appear after their respective due dates. The amount due (including penalties) reflects any other late charges and fees, if any.

	Amount Due	Paid Date
<input checked="" type="radio"/> Pay First Installment	\$1,438.25	
<input type="radio"/> Pay Second Installment	\$3,759.71	
<input type="radio"/> Pay Full Amount	\$5,197.96	

Please choose a payment method to pay your tax bill:

- Credit Card (Discover)
- Check

Click the **Continue** button to finish paying your tax. A convenience fee will be applied to each payment.

**Frequently Asked Questions**

Online Payment Support

For support in making payments online, visit [www.canton.gov](http://www.canton.gov)

Office of the Treasurer & Tax Collector, 201 Hickory Street, Canton, OH 44702-1000, Phone: 330.246.2200, Fax: 330.246.2201

[www.canton.gov](http://www.canton.gov)



**EXHIBIT G: RENTAL INCOME INFORMATION**

**807 MONTGOMERY, LLC**

**RENT ROLL**  
As of March 31, 2015

Updated: March 31, 2015

Tenant	Space	Unit #	Start Date	End Date	Rate	Notes
Sandra Ribera	L01, S2, L02, L03, L07		10-6-13	4-16-15	\$ 43,000.00	Prepaid Rent 12-12-14 to 4-16-15

Former Tenants						
Benjamin Madison Wealth Advisors	L08, L09 in basement		10-01-13	09-30-20	\$ 2,450.00	vacated 2-27-15, early termination fee of \$3K paid 3-11-15
Emmanuel Enyinwa	1st Floor, Right front		4-16-95	1/15/15	\$ 1,500.00	Prepaid Rent to 12-12-14 to 1-1-15
Frank Morelli	2nd Floor, Center office west		10-2-98	1/15/15	\$ 1,020.00	
Thomas J Kaster	2nd Floor, South side	203	11-18-13	1/15/15	\$ 1,500.00	
Brian Graziani	2nd Floor, Southwest corner		11-18-13	1/15/15	\$ 1,500.00	
James Choulos	1st Floor, southwest corner	199	2-06-06	1/15/15	\$ 1,250.00	
Kelly Armstrong	3 offices on 2nd floor	205	11-7-05	1/15/15	\$ 4,325.00	
Sami Khadder	1st Floor, #252	252	10-21-13	1/15/15	\$ 1,000.00	
Robert Harden	L06 in basement		8-01-10	1/15/15	\$ 1,000.00	
Michael J. Staskus	1st Floor, center west side		12-01-07	1/15/15	\$ 1,000.00	
Hugo Torbet	Mailbox+Conference Room		1-01-06	1/15/15	\$ 250.00	

**EXHIBIT H: PAYMENT**

6071

**9 MILE INVESTMENTS, LLC**

17351 WEST SUNSET BLVD #1A  
PACIFIC PALISADES, CA 90272

DATE 4/30/15

16-1606-1220

PAY TO THE ORDER OF SAN FRANCISCO PLANNING DEPARTMENT

\$ 5252.00

FIFTY-TWO THOUSAND FIFTY-TWO AND 00/100

DOLLARS

**CITY NATIONAL  
BANK**



FOR MILLS ACT APPLICATION FOR 807 MONTGOMERY

⑈006071⑈ ⑆122016066⑆ 123⑈649990⑈

**EXHIBIT I: RECORDATION REQUIREMENTS**

**PRELIMINARY CHANGE OF OWNERSHIP REPORT**

To be completed by the transferee (buyer) prior to a transfer of subject property, in accordance with section 480.3 of the Revenue and Taxation Code. A Preliminary Change of Ownership Report must be filed with each conveyance in the County Recorder's office for the county where the property is located.



Carmen Chu, Assessor-Recorder  
 Office of the Assessor-Recorder  
 City and County of San Francisco  
 1 Dr. Carlton B. Goodlett Place, Room 19C  
 San Francisco, CA 94102  
 www.sfassessor.org (415) 554-5596

**FOR ASSESSOR'S USE ONLY**

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ASSESSOR'S PARCEL NUMBER \_\_\_\_\_

SELLER/TRANSFEROR \_\_\_\_\_

BUYER'S DAYTIME TELEPHONE NUMBER  
 ( ) \_\_\_\_\_

BUYER'S EMAIL ADDRESS \_\_\_\_\_

└

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STREET ADDRESS OR PHYSICAL LOCATION OF REAL PROPERTY \_\_\_\_\_

MAIL PROPERTY TAX INFORMATION TO (NAME) \_\_\_\_\_

ADDRESS	CITY	STATE	ZIP CODE
---------	------	-------	----------

<input type="checkbox"/> YES <input type="checkbox"/> NO	This property is intended as my principal residence. If YES, please indicate the date of occupancy or intended occupancy.	MO	DAY	YEAR
--	---	----	-----	------

**PART 1. TRANSFER INFORMATION** *Please complete all statements.*

This section contains possible exclusions from reassessment for certain types of transfers.

YES NO

- A. This transfer is solely between spouses (*addition or removal of a spouse, death of a spouse, divorce settlement, etc.*).
- B. This transfer is solely between domestic partners currently registered with the California Secretary of State (*addition or removal of a partner, death of a partner, termination settlement, etc.*).
- \*C. This is a transfer:  between parent(s) and child(ren)  from grandparent(s) to grandchild(ren).
- \*D. This transfer is the result of a cotenant's death. Date of death \_\_\_\_\_
- \*E. This transaction is to replace a principal residence by a person 55 years of age or older. Within the same county?  YES  NO
- \*F. This transaction is to replace a principal residence by a person who is severely disabled as defined by Revenue and Taxation Code section 69.5. Within the same county?  YES  NO
- G. This transaction is only a correction of the name(s) of the person(s) holding title to the property (*e.g., a name change upon marriage*). If YES, please explain: \_\_\_\_\_
- H. The recorded document creates, terminates, or reconveys a lender's interest in the property.
- I. This transaction is recorded only as a requirement for financing purposes or to create, terminate, or reconvey a security interest (*e.g., cosigner*). If YES, please explain: \_\_\_\_\_
- J. The recorded document substitutes a trustee of a trust, mortgage, or other similar document.
- K. This is a transfer of property:
  - 1. to/from a revocable trust that may be revoked by the transferor and is for the benefit of  the transferor, and/or  the transferor's spouse  registered domestic partner.
  - 2. to/from a trust that may be revoked by the creator/grantor/trustor who is also a joint tenant, and which names the other joint tenant(s) as beneficiaries when the creator/grantor/trustor dies.
  - 3. to/from an irrevocable trust for the benefit of the  creator/grantor/trustor and/or  grantor's/trustor's spouse  grantor's/trustor's registered domestic partner.
- L. This property is subject to a lease with a remaining lease term of 35 years or more including written options.
- M. This is a transfer between parties in which proportional interests of the transferor(s) and transferee(s) in each and every parcel being transferred remain exactly the same after the transfer.
- N. This is a transfer subject to subsidized low-income housing requirements with governmentally imposed restrictions.
- \*O. This transfer is to the first purchaser of a new building containing an active solar energy system.

\* Please refer to the instructions for Part 1.

**Please provide any other information that will help the Assessor understand the nature of the transfer.**

**PART 2. OTHER TRANSFER INFORMATION**

*Check and complete as applicable.*

- A. Date of transfer, if other than recording date: \_\_\_\_\_
- B. Type of transfer:
  - Purchase  Foreclosure  Gift  Trade or exchange  Merger, stock, or partnership acquisition (Form BOE-100-B)
  - Contract of sale. Date of contract: \_\_\_\_\_  Inheritance. Date of death: \_\_\_\_\_
  - Sale/leaseback  Creation of a lease  Assignment of a lease  Termination of a lease. Date lease began: \_\_\_\_\_
  - Original term in years (including written options): \_\_\_\_\_ Remaining term in years (including written options): \_\_\_\_\_
  - Other. Please explain: \_\_\_\_\_
- C. Only a partial interest in the property was transferred.  YES  NO If YES, indicate the percentage transferred: \_\_\_\_\_ %

**PART 3. PURCHASE PRICE AND TERMS OF SALE**

*Check and complete as applicable.*

- A. Total purchase price \$ \_\_\_\_\_
- B. Cash down payment or value of trade or exchange excluding closing costs Amount \$ \_\_\_\_\_
- C. First deed of trust @ \_\_\_\_\_% interest for \_\_\_\_\_ years. Monthly payment \$ \_\_\_\_\_ Amount \$ \_\_\_\_\_
  - FHA (\_\_\_Discount Points)  Cal-Vet  VA (\_\_\_Discount Points)  Fixed rate  Variable rate
  - Bank/Savings & Loan/Credit Union  Loan carried by seller
  - Balloon payment \$ \_\_\_\_\_ Due date: \_\_\_\_\_
- D. Second deed of trust @ \_\_\_\_\_% interest for \_\_\_\_\_ years. Monthly payment \$ \_\_\_\_\_ Amount \$ \_\_\_\_\_
  - Fixed rate  Variable rate  Bank/Savings & Loan/Credit Union  Loan carried by seller
  - Balloon payment \$ \_\_\_\_\_ Due date: \_\_\_\_\_
- E. Was an Improvement Bond or other public financing assumed by the buyer?  YES  NO Outstanding balance \$ \_\_\_\_\_
- F. Amount, if any, of real estate commission fees paid by the buyer which are not included in the purchase price \$ \_\_\_\_\_
- G. The property was purchased:  Through real estate broker. Broker name: \_\_\_\_\_ Phone number: (\_\_\_\_) \_\_\_\_\_
  - Direct from seller  From a family member-Relationship \_\_\_\_\_
  - Other. Please explain: \_\_\_\_\_
- H. Please explain any special terms, seller concessions, broker/agent fees waived, financing, and any other information (e.g., buyer assumed the existing loan balance) that would assist the Assessor in the valuation of your property.

**PART 4. PROPERTY INFORMATION**

*Check and complete as applicable.*

- A. Type of property transferred
  - Single-family residence  Co-op/Own-your-own  Manufactured home
  - Multiple-family residence. Number of units: \_\_\_\_\_  Condominium  Unimproved lot
  - Other. Description: (i.e., timber, mineral, water rights, etc.)  Timeshare  Commercial/Industrial
- B.  YES  NO Personal/business property, or incentives, provided by seller to buyer are included in the purchase price. Examples of personal property are furniture, farm equipment, machinery, etc. Examples of incentives are club memberships, etc. Attach list if available.
 

If YES, enter the value of the personal/business property: \$ \_\_\_\_\_ Incentives \$ \_\_\_\_\_
- C.  YES  NO A manufactured home is included in the purchase price.
 

If YES, enter the value attributed to the manufactured home: \$ \_\_\_\_\_

YES  NO The manufactured home is subject to local property tax. If NO, enter decal number: \_\_\_\_\_
- D.  YES  NO The property produces rental or other income.
 

If YES, the income is from:  Lease/rent  Contract  Mineral rights  Other: \_\_\_\_\_
- E. The condition of the property at the time of sale was:  Good  Average  Fair  Poor
 

Please describe: \_\_\_\_\_

**CERTIFICATION**

*I certify (or declare) that the foregoing and all information hereon, including any accompanying statements or documents, is true and correct to the best of my knowledge and belief.*

SIGNATURE OF BUYER/TRANSFeree OR CORPORATE OFFICER ▶ _____	DATE _____	TELEPHONE (____) _____
NAME OF BUYER/TRANSFeree/LEGAL REPRESENTATIVE/CORPORATE OFFICER (PLEASE PRINT)	TITLE	EMAIL ADDRESS

The Assessor's office may contact you for additional information regarding this transaction.

## ADDITIONAL INFORMATION

Please answer all questions in each section, and sign and complete the certification before filing. This form may be used in all 58 California counties. If a document evidencing a change in ownership is presented to the Recorder for recordation without the concurrent filing of a *Preliminary Change of Ownership Report*, the Recorder may charge an additional recording fee of twenty dollars (\$20).

**NOTICE:** The property which you acquired may be subject to a supplemental assessment in an amount to be determined by the County Assessor. Supplemental assessments are not paid by the title or escrow company at close of escrow, and are not included in lender impound accounts. **You may be responsible for the current or upcoming property taxes even if you do not receive the tax bill.**

**NAME AND MAILING ADDRESS OF BUYER:** Please make necessary corrections to the printed name and mailing address. Enter Assessor's Parcel Number, name of seller, buyer's daytime telephone number, buyer's email address, and street address or physical location of the real property.

**NOTE:** Your telephone number and/or email address is very important. If there is a question or a problem, the Assessor needs to be able to contact you.

**MAIL PROPERTY TAX INFORMATION TO:** Enter the name, address, city, state, and zip code where property tax information should be mailed. This must be a valid mailing address.

**PRINCIPAL RESIDENCE:** To help you determine your principal residence, consider (1) where you are registered to vote, (2) the home address on your automobile registration, and (3) where you normally return after work. If after considering these criteria you are still uncertain, choose the place at which you have spent the major portion of your time this year. Check YES if the property is intended as your principal residence, and indicate the date of occupancy or intended occupancy.

### PART 1: TRANSFER INFORMATION

If you check YES to any of these statements, the Assessor may ask for supporting documentation.

**C,D,E, F:** If you checked YES to any of these statements, you may qualify for a property tax reassessment exclusion, which may allow you to maintain your property's previous tax base. **A claim form must be filed and all requirements met in order to obtain any of these exclusions.** Contact the Assessor for claim forms. **NOTE:** If you give someone money or property during your life, you may be subject to federal gift tax. You make a gift if you give property (including money), the use of property, or the right to receive income from property without expecting to receive something of at least equal value in return. The transferor (donor) may be required to file Form 709, Federal Gift Tax Return, with the Internal Revenue Service if they make gifts in excess of the annual exclusion amount.

**G:** Check YES if the reason for recording is to correct a name already on title [e.g., Mary Jones, who acquired title as Mary J. Smith, is granting to Mary Jones]. This is not for use when a name is being removed from title.

**H:** Check YES if the change involves a lender, who holds title for security purposes on a loan, and who has no other beneficial interest in the property.

**"Beneficial interest"** is the right to enjoy all the benefits of property ownership. Those benefits include the right to use, sell, mortgage, or lease the property to another. A beneficial interest can be held by the beneficiary of a trust, while legal control of the trust is held by the trustee.

**I:** A "cosigner" is a third party to a mortgage/loan who provides a guarantee that a loan will be repaid. The cosigner signs an agreement with the lender stating that if the borrower fails to repay the loan, the cosigner will assume legal liability for it.

**M:** This is primarily for use when the transfer is into, out of, or between legal entities such as partnerships, corporations, or limited liability companies. Check YES only if the interest held in each and every parcel being transferred remains exactly the same.

**N:** Check YES only if property is subject to subsidized low-income housing requirements with governmentally imposed restrictions; property may qualify for a restricted valuation method (i.e., may result in lower taxes).

**O:** If you checked YES, you may qualify for a new construction property tax exclusion. **A claim form must be filed and all requirements met in order to obtain the exclusion. Contact the Assessor for a claim form.**

### PART 2: OTHER TRANSFER INFORMATION

**A:** The date of recording is rebuttably presumed to be the date of transfer. If you believe the date of transfer was a different date (e.g., the transfer was by an unrecorded contract, or a lease identifies a specific start date), put the date you believe is the correct transfer date. If it is not the date of recording, the Assessor may ask you for supporting documentation.

**B:** Check the box that corresponds to the type of transfer. If OTHER is checked, please provide a detailed description. Attach a separate sheet if necessary.



**PART 3: PURCHASE PRICE AND TERMS OF SALE**

It is important to complete this section completely and accurately. The reported purchase price and terms of sale are important factors in determining the assessed value of the property, which is used to calculate your property tax bill. Your failure to provide any required or requested information may result in an inaccurate assessment of the property and in an overpayment or underpayment of taxes.

- A.** Enter the total purchase price, not including closing costs or mortgage insurance.  
**“Mortgage insurance”** is insurance protecting a lender against loss from a mortgagor’s default, issued by the FHA or a private mortgage insurer.
- B.** Enter the amount of the down payment, whether paid in cash or by an exchange. If through an exchange, exclude the closing costs.  
**“Closing costs”** are fees and expenses, over and above the price of the property, incurred by the buyer and/or seller, which include title searches, lawyer’s fees, survey charges, and document recording fees.
- C.** Enter the amount of the First Deed of Trust, if any. Check all the applicable boxes, and complete the information requested.  
 A **“balloon payment”** is the final installment of a loan to be paid in an amount that is disproportionately larger than the regular installment.
- D.** Enter the amount of the Second Deed of Trust, if any. Check all the applicable boxes, and complete the information requested.
- E.** If there was an assumption of an improvement bond or other public financing with a remaining balance, enter the outstanding balance, and mark the applicable box.  
 An **“improvement bond or other public financing”** is a lien against real property due to property-specific improvement financing, such as green or solar construction financing, assessment district bonds, Mello-Roos (a form of financing that can be used by cities, counties and special districts to finance major improvements and services within the particular district) or general improvement bonds, etc. Amounts for repayment of contractual assessments are included with the annual property tax bill.
- F.** Enter the amount of any real estate commission fees paid by the buyer which are not included in the purchase price.
- G.** If the property was purchased through a real estate broker, check that box and enter the broker’s name and phone number. If the property was purchased directly from the seller (who is not a family member of one of the parties purchasing the property), check the “Direct from seller” box. If the property was purchased directly from a member of your family, or a family member of one of the parties who is purchasing the property, check the “From a family member” box and indicate the relationship of the family member (e.g., father, aunt, cousin, etc.). If the property was purchased by some other means (e.g., over the Internet, at auction, etc.), check the “OTHER” box and provide a detailed description (attach a separate sheet if necessary).
- H.** Describe any special terms (e.g., seller retains an unrecorded life estate in a portion of the property, etc.), seller concessions (e.g., seller agrees to replace roof, seller agrees to certain interior finish work, etc.), broker/agent fees waived (e.g., fees waived by the broker/agent for either the buyer or seller), financing, buyer paid commissions, and any other information that will assist the Assessor in determining the value of the property.

**PART 4: PROPERTY INFORMATION**

- A.** Indicate the property type or property right transferred. Property rights may include water, timber, mineral rights, etc.
- B.** Check YES if personal, business property or incentives are included in the purchase price in Part 3. Examples of personal or business property are furniture, farm equipment, machinery, etc. Examples of incentives are club memberships (golf, health, etc.), ski lift tickets, homeowners’ dues, etc. Attach a list of items and their purchase price allocation. An adjustment will not be made if a detailed list is not provided.
- C.** Check YES if a manufactured home or homes are included in the purchase price. Indicate the purchase price directly attributable to each of the manufactured homes. If the manufactured home is registered through the Department of Motor Vehicles in lieu of being subject to property taxes, check NO and enter the decal number.
- D.** Check YES if the property was purchased or acquired with the intent to rent or lease it out to generate income, and indicate the source of that anticipated income. Check NO if the property will not generate income, or was purchased with the intent of being owner-occupied.
- E.** Provide your opinion of the condition of the property at the time of purchase. If the property is in “fair” or “poor” condition, include a brief description of repair needed.

EXHIBIT C.1: REHABILITATION / RESTORATION & MAINTENANCE PLAN:  
CONTRACTOR COST ESTIMATES (Rev. May 31, 2015)

# Rehabilitation/Restoration

License No: 799624

Date: May 28, 2015

Client: 807 Montgomery LLC  
Michael Baker

Contractor: R3 Builders, Inc.  
503 Stone Road  
Benicia, CA 94510  
(707) 748-2255 (707) 748-2250 Fax

Project Address: 807 Montgomery Street  
San Francisco CA 94133



# Builders

Contractor proposes to furnish all **labor, material and services** as listed below for the above mentioned Project.

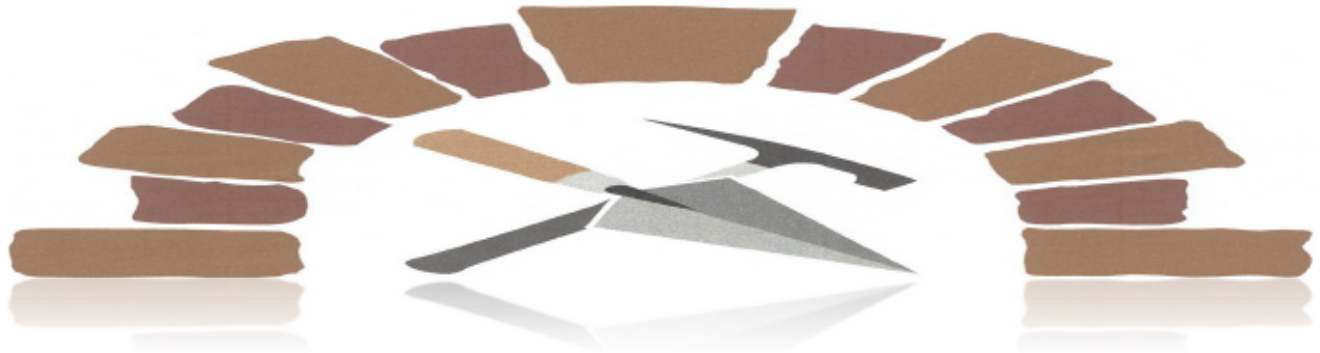
Cost Code	Description	Scope:	Division Amount	Amount
			\$ 15,694.00	
<b>Division 01 General Requirements</b>				
1005.000	General Conditions			\$ 3,469.00
1040.000	Project Management			\$ 900.00
1041.000	Supervision			\$ 5,625.00
1042.000	General Labor			\$ 5,200.00
1044.000	Insurance			\$ 500.00
<b>Division 04 - Masonry</b>			\$ 4,900.00	
4220.000	Masonry	Lifts, Scaffolding, Street Closure, Permits		\$ 4,900.00
<b>Division 07 - Thermal and Moisture Protection</b>			\$ 20,000.00	
7530.000	Roofing	Replacement Cost to be done in the Year 2023		\$ 20,000.00
<b>Division 09 - Finishes</b>			\$ -	\$ -
9950.000	Painting			
<b>Division 10 - Specialties</b>			\$ 27,850.00	
10400.000	Flashing: Membrane Flashing	Inspect and repair areas of failed/detached roof membrane flashing at parapet coping as needed.		\$ 800.00
		Review slope and correct if necessary. Repair/replace damaged flashing at SE corner. Prepare, prime, & paint. Routinely inspect.		
10436.000	Flashing: Sheet Metal	Remove, clean, and straighten cap. Use opportunity to investigate condition of downspout and determine where outflow occurs. The NW rooms in first floor and basement show significant water intrusion/moisture presence, which correlates with location of single roofing drainage source. Check masonry at west-facing elevation of airshaft for condition and repair needs. Reinstall or replace flashing at parapet coping. Prepare, prime, & paint.		\$ 800.00
		Check stucco for loose pieces. Patch/replace/repair as needed. Paint for added protection.		
10500.000	Flashing: Airshaft Cap @ West End	Inspect and repair. Prepare, prime, & paint. Inspect periodically.		\$ 750.00
10660.000	Skylight Housing			\$ 900.00
10700.000	Cement Plaster / Parge - Montgomery Elevation (North and South Ends)			\$ 4,000.00
10800.000	Cement Plaster - Montgomery Elevation (Infill at Masonry/Window Surrounds)	Inspect for damage and prepare, prime and paint		\$ 500.00
		Survey and remove deteriorated, unsound, debonded, missing, and cracked cement plaster. Repair and patch to match existing adjacent. Remove biological growth at facade by appropriate cleaning and biocide application using gentle means such as warm water wash or water misting with cleaner.		
10900.000	Cement Plaster (1st & 2nd Floors)	Inspect and repair deteriorated / split wood if found. Replace sealant, prepare, prime and paint all wood. Check for proper operation.		\$ 6,000.00
11100.000	Wood Window Montgomery St.	Inspect and repair deteriorated / split wood if found. Replace sealant, prepare, prime and paint all wood. Check for proper operation.		\$ 500.00
11120.000	Wood Entry Doorway Montgomery St.			\$ 250.00
11300.000	Metal Windows - Rear/Courtyard	Inspect for defects. Replace sealant as needed.		\$ 200.00
11340.000	Metal Storefront Doors - Rear/Courtyard	Inspect for defects. Replace sealant as needed.		\$ 400.00
11360.000	Metal Stairs - Rear/Courtyard	Repair areas of corrosion if found.		\$ 600.00
		Metal bracing spans the width between the rear facade of the building and rear wall at the first floor level. Inspection still need to verify stability and condition. At a minimum, inspect and prepare, prime, & paint.		
11380.000	Existing Steel Seismic Roof Bracing	Repair and Paint as needed		\$ 800.00
11390.000	Existing Steel Seismic Roof Bracing	Repair sidewalk cracking with epoxy as needed		\$ 2,500.00
11425.000	Sidewalk At Entry Repair	Replace the through-wall scupper and drainage/downspout system. Repair sheet metal cap		\$ 6,550.00
12610.000	Air Shaft			
			<b>TOTAL \$</b>	<b>68,444.00</b>
19000	Contingency			\$ 5,000.00
19004	Overhead			\$ 3,422.20
19005	Contractor Fee			\$ 6,844.40
			<b>TOTAL \$</b>	<b>83,710.60</b>

Submitted By: Sean Brennan

Terms: Net 30DY

Approved By:

Dated



L.C. Masonry Services

License #466342

*Since 1984*

3214 Santa Barbara Way.

Antioch, CA 94509

(925) 437-4829

---

*May 22, 2015*

**Sean Brennan,  
Project Manager  
R3 Builders, Inc.  
503 Stone Road  
Benicia, CA. 94510  
Office: (707) 748-2255  
Cell: (415) 948-3580**

*Sent via email: (sbrennan@r3builders.com)*

**Reference: 807 Montgomery Street – SFO  
Subject: Masonry Preservation Repairs Proposal**

**Dear Mr. Brennan,**

***I appreciate your invitation to bid and provide an outline regarding the above titled project and after completing two (2) visits and interview with the project owner, I have prepared our reported findings and cost proposal to complete the work defined and associated with the Mills Act Historical Property Contract.***

***My report is based wholly upon the visual inspection conducted during both site visits, the first being: April 29, 2015 and the second being: May 19, 2015.***

***The first said inspection concluded with findings relating to the attached report provided in your original email dated April 29, 2015 with attachments, "April 28, 2015 Mills Act HSR & Maintenance Plan Report – Draft". Much of the condition of the exposed interior brick masonry work concluded with the need to remedy some of the failing joints – indicative of masonry structures of this era defined with lime mortar content used in construction of this early period. The historical report***

*indicates that this building was constructed in 1909 and appears to have been renovated in the 1960's and again in the late 1970's. In masonry structures such as this, it is commonplace to find cracks and masonry spalling as a result of age and ground movement. The common practice of brick construction in this time period where no means of steel reinforcement and concrete grouting methods were available (early technology) was to construct multiple vertical brick walls in tandem using opposing coursing masonry as means to tie the walls together.*

*The use of lime and hydrated lime mortar was commonplace also during this period as the lime base was thought to add additional structural integrity to cement and sand. This method also provided longevity to the setting time and extended use of the mortar prior to setting up or hardening too quickly. Unfortunately the extended use of lime during this period has proven over the years that it is susceptible to failure and decay at the surface level due to the lessened strength value. Today's mortar has been modified and balanced to prevent such decay and failure under the ASTM (American Society for Testing Materials) certification process.*

*The second site visit simply provided additional view of previously covered wall areas exposing more of the brick masonry wall areas. This inspection has not really revealed any added scope areas that require further investigation or cause for concern.*

*The report dated April 28, 2015 lists one critical through crack area at the upper level south/east corner above the exterior cornice and window elevations. This location as discussed should be reviewed or inspected by a structural engineer. I have attempted to make contact with two engineers with whom I'm familiar, that may be able to assist in reviewing this location for their opinion. I am awaiting return phone calls at the present time.*

*During our second walk through conducted on May 19, 2015 the Owner pointed out two(2) additional crack areas of concern located at the mezzanine and lower levels nearer the rear that should be addressed. In my considered opinion, the existing lower basement level area doesn't appear to have movement activity and can at the Owner's discretion simply be addressed as a maintenance issue for cleanup and dressing, no further remedy should be required. The mezzanine level rear right elevation along the "pop out" area as noted in the accompanying description notes should be viewed as the transcending crack appears to transfer through the wall from the interior to the exterior as revealed by the cracking activity shown at the stucco finish. It is my opinion that this is nothing more than a movement crack attributed to settling that possibly occurred at a prior window area that was infilled at some point.*

*Building's exterior masonry surface is in need of attention, more for maintenance and physical esthetics, other than the noted crack upper level. Additional addressing of the accompanying report suggests that the upper level cornice be parged with a masonry coating at an angled fashion to prevent continued decay or degradation.*

*Pressure washing or power washing and cleaning of the interior elevations are not recommended as the activity can cause additional damage to the decade surfaces of the brick. Sealants or restorative coating products may provide additional protection, however the use of such chemical treatments must be limited and thoroughly examined prior to use, and a test area should be sampled prior to completing such a task. Generally this is not a recommended action for buildings in this condition.*

Scope of Work:

1. Provide labor, material and equipment to address the crack location south/east upper level elevation interior. Means and methods shall be considered upon inspection of a qualified engineer.
2. Provide labor, material and equipment to address the crack location at the mezzanine level with point up mortar and tooling. Additional remedy may be required by injecting an epoxy base material to provided adhesion and covering the epoxy material with a mortar grout finish.
3. Provide labor, material and equipment to “tuck point” existing masonry joints that are severely recessed throughout the entire structure, but limited in scope as not to detract the ambiance of the building’s interior motif.
4. Provide labor, material and equipment, including high reach to address the esthetic maintenance aspects of the exterior elevation.
5. Provide labor, material and equipment to address the crack location south/east upper level elevation exterior. Means and methods shall be considered upon inspection of a qualified engineer.

Estimate:

• Mobilization and setup:	\$ 1,500.00
• Material cost for mortar, epoxy and supplies:	\$ 2,800.00
• Labor service – 120 man-hours @ \$150.00/hr. fully burdened:	\$18,000.00
• High reach equipment:	\$ 700.00
<b>Total not to exceed:</b>	<b>\$23,000.00</b>

Exclusions:

We specifically exclude the following:

1. Encroachment permits or fees
2. Sidewalk closure safety barricades or equipment
3. Brick replacement or restoration (limited to materials on hand or immediately available)
4. Engineer fees or reports(reserves should be provided at approximately \$3,000)
5. Special inspections or testing
6. Paint touch up, ferrous metal cleaning or restoration
7. Other means or methods not otherwise noted as included in scope details

Regards,

*Lee Cummings*

Lee Cummings, Owner  
LC MASONRY SERVICES