

BOARD of SUPERVISORS



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

MEMORANDUM

GOVERNMENT AUDIT AND OVERSIGHT COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

TO: Supervisor Norman Yee, Chair
Government Audit and Oversight Committee

FROM: Erica Major, Assistant Committee Clerk

DATE: December 7, 2015

SUBJECT: **COMMITTEE REPORT, BOARD MEETING**
Tuesday, December 8, 2015

The following file should be presented as a **COMMITTEE REPORT** at the Board meeting, Tuesday, December 8, 2015. This item was acted upon at the Government Audit and Oversight Committee Meeting on December 3, 2015 at 10:30 a.m., by the votes indicated.

Item No. 71 **File No. 151065**

Resolution approving a Mills Act historical property contract between The Trust of Côme Lague and Charlene Li, the owners of 722 Steiner Street, and the City and County of San Francisco, under Administrative Code, Chapter 71; and authorizing the Planning Director and the Assessor to execute the historical property contract.

RECOMMENDED AS A COMMITTEE REPORT

Vote: Supervisor Norman Yee - Aye
Supervisor Julie Christensen - Aye
Supervisor London Breed - Aye

cc: Board of Supervisors
Angela Calvillo, Clerk of the Board
Rick Caldeira, Legislative Deputy Director
Jon Givner, Deputy City Attorney

File No. 151065 Committee Item No. 4
 Board Item No. 71

COMMITTEE/BOARD OF SUPERVISORS
 AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight Date December 3, 2015

Board of Supervisors Meeting Date DECEMBER 8, 2015
 Cmte Board

- | | | |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Introduction Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

- | | | |
|-------------------------------------|-------------------------------------|--|
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Planning Letter - 10/09/2015</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>HPC Reso No. 753</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Case Report 100715</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Referral ER - 11/03/2015</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Referral FYI - 110315</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Response Planning - 112315</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Committee Report Memo - 112415</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>COMMITTEE REPORT MEMO - 12/7/2015</u> |
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| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |

Completed by: Erica Major Date November 25, 2015
 Completed by: JMM Date DECEMBER 7, 2015

1 [Mills Act Historical Property Contract - 722 Steiner Street]

2
3 **Resolution approving a Mills Act historical property contract between The Trust of**
4 **Côme Lague and Charlene Li, the owners of 722 Steiner Street, and the City and County**
5 **of San Francisco, under Administrative Code, Chapter 71; and authorizing the Planning**
6 **Director and the Assessor to execute the historical property contract.**

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

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

15 WHEREAS, Said determination is on file with the Clerk of the Board of Supervisors in
16 File No. 151065, is incorporated herein by reference, and the Board herein affirms it; and

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

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

23 WHEREAS, 722 Steiner Street is a contributor the Alamo Square Landmark District
24 under Planning Code, Article 10, and thus qualifies as an historical property as defined in
25 Administrative Code, Section 71.2; and

1 WHEREAS, A Mills Act application for an historical property contract has been
2 submitted by The Trust of Côme Lague and Charlene Li, the owners of 722 Steiner Street,
3 detailing completed rehabilitation work and proposing a maintenance plan for the property;
4 and

5 WHEREAS, As required by Administrative Code, Section 71.4(a), the application for
6 the historical property contract for 722 Steiner Street was reviewed by the Assessor's Office
7 and the Historic Preservation Commission; and

8 WHEREAS, The Assessor has reviewed the historical property contract and has
9 provided the Board of Supervisors with an estimate of the property tax calculations and the
10 difference in property tax assessments under the different valuation methods permitted by the
11 Mills Act in its report transmitted to the Board of Supervisors on October 13, 2015, which
12 report is on file with the Clerk of the Board of Supervisors in File No. 151065 and is hereby
13 declared to be a part of this motion as if set forth fully herein; and

14 WHEREAS, The Historic Preservation Commission recommended approval of the
15 historical property contract in its Resolution No. 753, which Resolution is on file with the Clerk
16 of the Board of Supervisors in File No. 151065 and is hereby declared to be a part of this
17 resolution as if set forth fully herein; and

18 WHEREAS, The draft historical property contract between The Trust of Côme Lague
19 and Charlene Li, the owners of 722 Steiner Street, and the City and County of San Francisco
20 is on file with the Clerk of the Board of Supervisors in File No. 151065 and is hereby declared
21 to be a part of this resolution as if set forth fully herein; and

22 WHEREAS, The Board of Supervisors has conducted a public hearing pursuant to
23 Administrative Code, Section 71.4(d), to review the Historic Preservation Commission's
24 recommendation and the information provided by the Assessor's Office in order to determine
25 whether the City should execute the historical property contract for 722 Steiner Street; and

1 WHEREAS, The Board of Supervisors has balanced the benefits of the Mills Act to the
2 owner of 722 Steiner Street with the cost to the City of providing the property tax reductions
3 authorized by the Mills Act, as well as the historical value of 722 Steiner Street and the
4 resultant property tax reductions; now, therefore, be it

5 RESOLVED, That the Board of Supervisors hereby approves the historical property
6 contract between The Trust of Côme Lague and Charlene Li, the owners of 722 Steiner
7 Street, and the City and County of San Francisco; and, be it

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

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**FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL**
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors

Contractor Information <i>(Please print clearly.)</i>	
Name of contractor:	
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i>	
Trust of Come Lague and Charlene Li, property owners	
Contractor address: 722 Steiner Street, San Francisco, CA 94117	
Date that contract was approved: <i>(By the SF Board of Supervisors)</i>	Amount of contracts: \$19,457 (estimated property tax savings)
Describe the nature of the contract that was approved: Mills Act Historical Property Contract	
Comments:	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves: San Francisco Board of Supervisors
Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information <i>(Please print clearly.)</i>	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed


ORIG - COB
GAO, Leg Des

Member, Board of Supervisors
District 7



City and County of San Francisco

NORMAN YEE

DATE: 11/24/2015
TO: Angela Calvillo
Clerk of the Board of Supervisors
FROM: Supervisor Norman Yee 
Chairperson
RE: Government Audit and Oversight Committee
COMMITTEE REPORTS

RECEIVED
BOARD OF SUPERVISORS
STANDARD SERVICES
NOV 24 PM 4:01
AK

Pursuant to Board Rule 4.20, as Chair of the Government Audit and Oversight Committee, I have deemed the following matters are of an urgent nature and request they be considered by the full Board on December 8, 2015, as Committee Reports:

151192 Agreement - Owners' Association for Administration/Management of Greater Rincon Hill Community Benefit District

Resolution approving an agreement with the nonprofit Owners' Association for administration/management of the established property-based Community Benefit District known as the "Greater Rincon Hill Community Benefit District," pursuant to California Streets and Highways Code, Section 36651, for a period commencing upon Board approval, through June 30, 2030.

151108 Agreement - Owners' Association for Administration/Management of Yerba Buena Community Benefit District

Resolution approving an agreement with the nonprofit Owners' Association for administration/management of the established property-based Community Benefit District known as the "Yerba Buena Community Benefit District," pursuant to California Streets and Highways Code, Section 36651, for a period commencing upon Board approval, through June 30, 2030.

151189 Agreement - Owners' Association for Administration/Management of Dogpatch & Northwest Potrero Hill Green Benefit District

Resolution approving an agreement with the nonprofit Owners' Association for administration/management of the established property-based Green Benefit District known as the "Dogpatch & Northwest Potrero Hill Green Benefit District," pursuant to California Streets and Highway Code, Section 36651, for a period commencing upon Board approval, through June 30, 2025.



151065 Mills Act Historical Property Contract - 722 Steiner Street

Resolution approving a Mills Act historical property contract between The Trust of Côme Lague and Charlene Li, the owners of 722 Steiner Street, and the City and County of San Francisco, under Administrative Code, Chapter 71; and authorizing the Planning Director and the Assessor to execute the historical property contract.

151066 Mills Act Historical Property Contract - 807 Montgomery Street

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

151067 Mills Act Historical Property Contract - 761 Post Street

Resolution approving a Mills Act historical property contract between RLJC San Francisco LP, the owners of 761 Post Street, and the City and County of San Francisco, under Administrative Code, Chapter 71; and authorizing the Planning Director and the Assessor to execute the historical property contract.

150985 Settlement of Lawsuit - John Russo Industrial Sheetmetal, Inc., dba JRI, Inc. - \$2,100,000]

Ordinance authorizing settlement of the lawsuit filed by John Russo Industrial Sheetmetal, Inc., a California corporation, dba JRI, Inc. ("JRI") against the City and County of San Francisco for \$2,100,000 and other material terms; the lawsuit was filed on June 17, 2010, in Alameda County Superior Court Case No. HG10520625, entitled JRI, Inc. v. City and County of San Francisco, et al., related to the contract for the manufacture and delivery of two Aircraft Rescue Fire Fighting vehicles for use at San Francisco International Airport ("Airport"); other material terms of said settlement include that the City will convert the prior termination of JRI's contract for default to a termination for convenience; for five years, JRI will not bid on any Airport contracts, including as a subcontractor, or challenge any Airport procurements; and the parties mutually release all claims relating to the contract or the lawsuit.

151163 Settlement of Lawsuit - New Cingular Wireless, LLC, Donald Sipple, John Simon, Kark Simonsen, and Christopher Jacobs - \$3,038,832

Ordinance authorizing settlement of the lawsuit filed by New Cingular Wireless, LLC, Donald Sipple, John Simon, Karl Simonsen, and Christopher Jacobs against the City and County of San Francisco for \$3,038,832; the lawsuit was filed on May 27, 2011, in Los Angeles Superior Court, Case No. BC462270; entitled Donald Sipple, et al. v. City Of Alameda, et al.; other material terms of said settlement are dismissal of the cross-complaint filed by the City and County of San Francisco against New Cingular Wireless, LLC, and AT&T Mobility, LLC.

These matters will be heard in the Government Audit and Oversight Committee on December 3, 2015, at 10:30 a.m.

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TDD/TTY No. 554-5227

November 3, 2015

File No. 151065

Sarah Jones
Environmental Review Officer
Planning Department
1650 Mission Street, 4th Floor
San Francisco, CA 94103

Dear Ms. Jones:

On October 27, 2015, Supervisor Breed introduced the following legislation:

File No. 151065

Resolution approving a Mills Act historical property contract between The Trust of Côme Lague and Charlene Li, the owners of 722 Steiner Street, and the City and County of San Francisco, under Administrative Code, Chapter 71; and authorizing the Planning Director and the Assessor to execute the historical property contract.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

A handwritten signature in cursive script, appearing to read "Erica Major".

By: Erica Major, Assistant Committee Clerk
Government Audit and Oversight Committee

Attachment

c: Joy Navarrete, Environmental Planning
Jeanie Poling, Environmental Planning

Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it does not result in a physical change in the environment.

Joy
Navarrete

Digitally signed by Joy Navarrete
DN: cn=Joy Navarrete,
o=Planning, ou=Environmental
Planning,
email=joy.navarrete@sfgov.org,
c=US
Date: 2015.11.23 12:17:47 -08'00'

Major, Erica (BOS)

From: Navarrete, Joy (CPC)
Sent: Monday, November 23, 2015 12:18 PM
To: Major, Erica (BOS)
Cc: Poling, Jeanie (CPC)
Subject: RE: REFERRAL ER (151065) Mills Act Historical Property Contract - 722 Steiner Street
Attachments: 151065 ER.pdf

Here's 151065

Joy Navarrete, Senior Environmental Planner
San Francisco Planning Department
1650 Mission Street, Suite 400
San Francisco, CA 94103
P. 415-575-9040 F. 415-558-6409
www.sfplanning.org

From: Major, Erica (BOS)
Sent: Tuesday, November 03, 2015 11:07 AM
To: Jones, Sarah (CPC)
Cc: Navarrete, Joy (CPC); Poling, Jeanie (CPC)
Subject: REFERRAL ER (151065) Mills Act Historical Property Contract - 722 Steiner Street

Greetings:

Attached is a referral for the Planning Department's environmental review. Please forward your determination to me as soon as possible.

Thank you in advance.

Best,

Erica Major
Assistant Committee Clerk
Board of Supervisors
1 Dr. Carlton B. Goodlett Place, City Hall, Room 244
San Francisco, CA 94102
Phone: (415) 554-4441 | Fax: (415) 554-5163
Erica.Major@sfgov.org | www.sfbos.org

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The [Legislative Research Center](#) provides 24-hour access to Board of Supervisors legislation, and archived matters since August 1998.

Disclosures: Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors website or in other public documents that members of the public may inspect or copy.

1 [Mills Act Historical Property Contract - 722 Steiner Street]
2

3 **Resolution approving a Mills Act historical property contract between The Trust of**
4 **Côme Lague and Charlene Li, the owners of 722 Steiner Street, and the City and County**
5 **of San Francisco, under Administrative Code, Chapter 71; and authorizing the Planning**
6 **Director and the Assessor to execute the historical property contract.**

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

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

15 WHEREAS, Said determination is on file with the Clerk of the Board of Supervisors in
16 File No. 151065, is incorporated herein by reference, and the Board herein affirms it; and

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

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

23 WHEREAS, 722 Steiner Street is a contributor the Alamo Square Landmark District
24 under Planning Code, Article 10, and thus qualifies as an historical property as defined in
25 Administrative Code, Section 71.2; and

1 WHEREAS, A Mills Act application for an historical property contract has been
2 submitted by The Trust of Côme Lague and Charlene Li, the owners of 722 Steiner Street,
3 detailing completed rehabilitation work and proposing a maintenance plan for the property;
4 and

5 WHEREAS, As required by Administrative Code, Section 71.4(a), the application for
6 the historical property contract for 722 Steiner Street was reviewed by the Assessor's Office
7 and the Historic Preservation Commission; and

8 WHEREAS, The Assessor has reviewed the historical property contract and has
9 provided the Board of Supervisors with an estimate of the property tax calculations and the
10 difference in property tax assessments under the different valuation methods permitted by the
11 Mills Act in its report transmitted to the Board of Supervisors on October 13, 2015, which
12 report is on file with the Clerk of the Board of Supervisors in File No. 151065 and is hereby
13 declared to be a part of this motion as if set forth fully herein; and

14 WHEREAS, The Historic Preservation Commission recommended approval of the
15 historical property contract in its Resolution No. 753, which Resolution is on file with the Clerk
16 of the Board of Supervisors in File No. 151065 and is hereby declared to be a part of this
17 resolution as if set forth fully herein; and

18 WHEREAS, The draft historical property contract between The Trust of Côme Lague
19 and Charlene Li, the owners of 722 Steiner Street, and the City and County of San Francisco
20 is on file with the Clerk of the Board of Supervisors in File No. 151065 and is hereby declared
21 to be a part of this resolution as if set forth fully herein; and

22 WHEREAS, The Board of Supervisors has conducted a public hearing pursuant to
23 Administrative Code, Section 71.4(d), to review the Historic Preservation Commission's
24 recommendation and the information provided by the Assessor's Office in order to determine
25 whether the City should execute the historical property contract for 722 Steiner Street; and

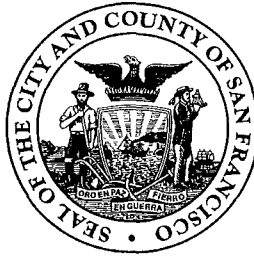
1 WHEREAS, The Board of Supervisors has balanced the benefits of the Mills Act to the
2 owner of 722 Steiner Street with the cost to the City of providing the property tax reductions
3 authorized by the Mills Act, as well as the historical value of 722 Steiner Street and the
4 resultant property tax reductions; now, therefore, be it

5 RESOLVED, That the Board of Supervisors hereby approves the historical property
6 contract between The Trust of Côme Lague and Charlene Li, the owners of 722 Steiner
7 Street, and the City and County of San Francisco; and, be it

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

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MEMORANDUM

TO: Tom Hui, Director, Department of Building Inspection
Sonya Harris, Secretary, Building Inspection Commission

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

DATE: November 3, 2015

SUBJECT: LEGISLATION INTRODUCED

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

File No. 151065

Sponsor: Supervisor Breed
Resolution approving a Mills Act historical property contract between The Trust of Côme Lague and Charlene Li, the owners of 722 Steiner Street, and the City and County of San Francisco, under Administrative Code, Chapter 71; and authorizing the Planning Director and the Assessor to execute the historical property contract.

File No. 151066

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

File No. 151067

Sponsor: Historic Preservation Commission
Resolution approving a Mills Act historical property contract between RLJC San Francisco LP, the owners of 761 Post Street, and the City and County of San Francisco, under Administrative Code, Chapter 71; and authorizing the Planning Director and the Assessor to execute the historical property contract.

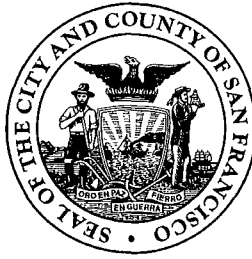
Referral from the Office of the Clerk of the Board
Government Audit and Oversight Committee
November 3, 2015
Page 2

The proposed ordinance is being transmitted pursuant to Charter Section D3.750-5 for public hearing and recommendation. It is pending before the Government Audit and Oversight Committee and will be scheduled for hearing upon receipt of your response.

Please forward me the Commission's recommendation and reports at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: William Strawn, Department of Building Inspection
Carolyn Jayin, Department of Building Inspection

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MEMORANDUM

TO: Harvey Rose, Budget and Legislative Analyst, Office of the Budget and Legislative Analyst

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

DATE: November 3, 2015

SUBJECT: LEGISLATION INTRODUCED

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

File No. 151065

Sponsor: Supervisor Breed
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File No. 151066

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

File No. 151067

Sponsor: Historic Preservation Commission
Resolution approving a Mills Act historical property contract between RLJC San Francisco LP, the owners of 761 Post Street, and the City and County of San Francisco, under Administrative Code, Chapter 71; and authorizing the Planning Director and the Assessor to execute the historical property contract.

Referral from the Office of the Clerk of the Board
Government Audit and Oversight Committee
November 3, 2015
Page 2

The proposed resolutions are being transmitted pursuant to Administrative Code, Section 71.4 (c) for fiscal impact report for the proposed historical contracts. They are pending before the Government Audit and Oversight Committee and will be scheduled for hearing.

Please forward me the report at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Severin Campbell, Office of the Budget and Legislative Analyst
Debra Newman, Office of the Budget and Legislative Analyst
Gabriela Loeza, Office of the Budget and Legislative Analyst

Major, Erica (BOS)

From: Major, Erica (BOS)
Sent: Tuesday, November 03, 2015 1:05 PM
To: Rose, Harvey (BUD)
Cc: Campbell, Severin (BUD); Newman, Debra (BUD); Loeza, Gabriela (BUD)
Subject: REFERRAL BLA (151065, 151066, and 151067) Mills Act Resolutions
Attachments: 151065-151067 BLA.pdf

Greetings:

Attached are proposed resolutions being transmitted to you for fiscal impact reports. They are pending in the Government Audit and Oversight Committee and tentatively scheduled for the third Thursday of November. Please provide our office with the reports by Thursday, October 12th.

Best,

Erica Major
Assistant Committee Clerk
Board of Supervisors
1 Dr. Carlton B. Goodlett Place, City Hall, Room 244
San Francisco, CA 94102
Phone: (415) 554-4441 | Fax: (415) 554-5163
Erica.Major@sfgov.org | www.sfbos.org

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

November 3, 2015

File No. 151065

Sarah Jones
Environmental Review Officer
Planning Department
1650 Mission Street, 4th Floor
San Francisco, CA 94103

Dear Ms. Jones:

On October 27, 2015, Supervisor Breed introduced the following legislation:

File No. 151065

Resolution approving a Mills Act historical property contract between The Trust of Côme Lague and Charlene Li, the owners of 722 Steiner Street, and the City and County of San Francisco, under Administrative Code, Chapter 71; and authorizing the Planning Director and the Assessor to execute the historical property contract.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

A handwritten signature in cursive script, appearing to read "Erica Major".

By: Erica Major, Assistant Committee Clerk
Government Audit and Oversight Committee

Attachment

c: Joy Navarrete, Environmental Planning
Jeanie Poling, Environmental Planning

Major, Erica (BOS)

From: Major, Erica (BOS)
Sent: Tuesday, November 03, 2015 11:04 AM
To: Jones, Sarah (CPC)
Cc: Navarrete, Joy (CPC); Poling, Jeanie (CPC)
Subject: REFERRAL ER (151065) Mills Act Historical Property Contract - 722 Steiner Street
Attachments: 151065 ER.pdf

Greetings:

Attached is a referral for the Planning Department's environmental review. Please forward your determination to me as soon as possible.

Thank you in advance.

Best,

Erica Major
Assistant Committee Clerk
Board of Supervisors
1 Dr. Carlton B. Goodlett Place, City Hall, Room 244
San Francisco, CA 94102
Phone: (415) 554-4441 | Fax: (415) 554-5163
Erica.Major@sfgov.org | www.sfbos.org



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BOARD of SUPERVISORS



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

MEMORANDUM

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

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

DATE: November 3, 2015

SUBJECT: LEGISLATION INTRODUCED

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

File No. 151065

Resolution approving a Mills Act historical property contract between The Trust of Côme Lague and Charlene Li, the owners of 722 Steiner Street, and the City and County of San Francisco, under Administrative Code, Chapter 71; and authorizing the Planning Director and the Assessor to execute the historical property contract.

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

Referral from the Office of the Clerk of the Board
Government Audit and Oversight Committee
November 3, 2015
Page 2

C:

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

Major, Erica (BOS)

From: Major, Erica (BOS)
Sent: Tuesday, November 03, 2015 11:03 AM
To: Chu, Carmen (ASR); Rose, Harvey (BUD); Rahaim, John (CPC); Hui, Tom (DBI); 'andrew@tefarch.com'
Cc: Mccaffrey, Edward (ASR); Newman, Debra (BUD); Campbell, Severin (BUD); Loeza, Gabriela (BUD); Frye, Tim (CPC); Ionin, Jonas (CPC); Strawn, William (DBI); Jayin, Carolyn (DBI); Harris, Sonya (DBI); 'aaron.hyland.hpc@gmail.com'; 'karl@haszinc.com'; 'ellen.hpc@ellenjohnckconsulting.com'; 'RSEJohns@yahoo.com'; 'diane@johnburtonfoundation.org'; 'jonathan.pearlman.hpc@gmail.com'
Subject: REFERRAL FYI (151065) Mills Act Historical Property Contract - 722 Steiner Street
Attachments: 151065 FYI.pdf

Greetings:

This matter is being forwarded to your department for informational purposes. If you have any comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

Thank you.

Erica Major

Assistant Committee Clerk


Board of Supervisors

1 Dr. Carlton B. Goodlett Place, City Hall, Room 244

San Francisco, CA 94102

Phone: (415) 554-4441 | Fax: (415) 554-5163

Erica.Major@sfgov.org | www.sfbos.org

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SAN FRANCISCO PLANNING DEPARTMENT

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
OCT 13 11:23:39

AK

October 9, 2015

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

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

**Re: Transmittal of Planning Department Case Number:
2015-006442MLS
Mills Act Historical Property Contract Application for the following address:
722 Steiner Street (Contributor to the Alamo Square Landmark District)
BOS File No: _____ (pending)
Historic Preservation Commission Recommendation: Approval**

Dear Ms. Calvillo,

On October 7, 2015 the San Francisco Historic Preservation Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Mills Act Historical Property Contract Application. **At the October 7, 2015 hearing, the Commission voted to recommend approval.**

The Resolution recommends the Board of Supervisors approve the Mills Act Historical Property Contracts, rehabilitation programs and maintenance plans for the property located at 722 Steiner Street, a contributor to the Alamo Square Landmark District.

Please note that the Project Sponsor submitted the Mills Act application on May 1, 2014. 722 Steiner Street 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 submitted 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 Exhibit E).

The Contract involves a proposed rehabilitation and maintenance plan that outlines a cycle of annual inspections and maintenance. Please refer to the attached exhibits for specific work to be completed for the property.

The Project Sponsor 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,

**Transmittal Materials CASE NO. 2015-006442MLS;
Mills Act Historical Property Contract**

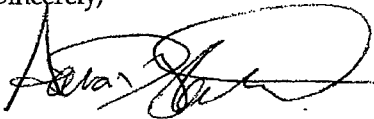
stairs and handrail at north side of property; repair to dry rot on front door; repaint wood trim and siding; and replace asphalt/composition shingles. The proposed Maintenance Plan includes: annual inspection of windows, exterior doors, wood siding and trim, downspouts and roof with in-kind repair of any deteriorated elements as necessary. Any needed repairs will avoid altering, removing or obscuring character-defining features of the building.

The attached draft historical property contract will help the Project Sponsor mitigate these expenditures and will enable the Project Sponsor to maintain the property in excellent condition in the future.

As detailed in the Mills Act application, the Project Sponsor has committed to a maintenance plan that will include both annual inspections. Furthermore, the Planning Department will administer an inspection program to monitor the provisions of the contract. This program will involve a yearly affidavit issued by the property owner verifying compliance with the approved maintenance and rehabilitation plans as well as a cyclical 5-year site inspection.

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

Sincerely,



Aaron D Starr
Manager of Legislative Affairs

Attachments:

Historic Preservation Commission Resolution No. 753
Mills Act Contract Case Report, dated October 7, 2015
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

CC:

Alisa Somera, Assistant Clerk
Derek Evans, Assistant Clerk
John Carroll, Legislative Clerk
Conor Johnston, Aide to Supervisor London Breed
Andrea Ruiz-Esquide, Deputy City Attorney



SAN FRANCISCO PLANNING DEPARTMENT

Historic Preservation Commission Resolution No. 753 HEARING DATE OCTOBER 7, 2013

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Hearing Date: October 7, 2015
Filing Dates: 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
Staff Contact: Shannon Ferguson – (415) 575-9074
shannon.ferguson@sfgov.org
Reviewed By: Tim Frye – (415) 575-6822
tim.frye@sfgov.org

ADOPTING FINDINGS RECOMMENDING TO THE BOARD OF SUPERVISORS APPROVAL OF THE MILLS ACT HISTORICAL PROPERTY CONTRACT, REHABILITATION PROGRAM, AND MAINTENANCE PLAN FOR 722 STEINER STREET:

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

WHEREAS, the Mills Act authorizes local governments to enter into contracts with owners of private historical property who assure the rehabilitation, restoration, preservation and maintenance of a qualified historical property; and

WHEREAS, Ordinance No. 191-96 amended the San Francisco Administrative Code by adding Chapter 71 to implement California Mills Act, California Government Code Sections 50280 *et seq.*; and

WHEREAS, The Planning Department has determined that the actions contemplated in this Resolution are categorically exempt from with the California Environmental Quality Act (California Public Resources Code Sections 21000 *et seq.*) under section 15331; and

WHEREAS, the existing building located at 722 Steiner Street and listed under Article 10 of the San Francisco Planning Code Planning Code as a contributor to the Alamo Square Landmark District and thus qualifies as a historic property; and

WHEREAS, the Planning Department has reviewed the Mills Act application, historical property contract, rehabilitation program, and maintenance plan for 722 Steiner Street, which are located in Case Docket No. 2015-006442MLS. The Planning Department recommends approval of the Mills Act historical property contract, rehabilitation program, and maintenance plan; and

WHEREAS, the Historic Preservation Commission (HPC) recognizes the historic building at 722 Steiner Street as an historical resource and believes the rehabilitation program and maintenance plan are appropriate for the property; and

WHEREAS, at a duly noticed public hearing held on October 7, 2014, the Historic Preservation Commission reviewed documents, correspondence and heard oral testimony on the Mills Act application, historical property contract, rehabilitation program, and maintenance plan for 722 Steiner Street, which are located in Case Docket No. 2015-006442MLS.

THEREFORE BE IT RESOLVED that the Historic Preservation Commission hereby recommends that the Board of Supervisors approve the Mills Act historical property contract, rehabilitation program, and maintenance plan for the historic building located at 722 Steiner Street.

BE IT FURTHER RESOLVED that the Historic Preservation Commission hereby directs its Commission Secretary to transmit this Resolution, the Mills Act historical property contract, rehabilitation program, and maintenance plan for 722 Steiner Street, and other pertinent materials in the case file 2015-006442MLS to the Board of Supervisors.

I hereby certify that the foregoing Resolution was **ADOPTED** by the Historic Preservation Commission on October 7, 2015.

Jonas P. Ionin
Commissions Secretary

AYES: A. Wolfram, A. Hyland, K. Hasz, E. Johnck, D. Matsuda

NOES: 0

ABSENT: R. Johns, J. Pearlman

ADOPTED: October 7, 2015



SAN FRANCISCO PLANNING DEPARTMENT

Mills Act Contracts Case Report

Hearing Date: October 7, 2015

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

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

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 9th 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

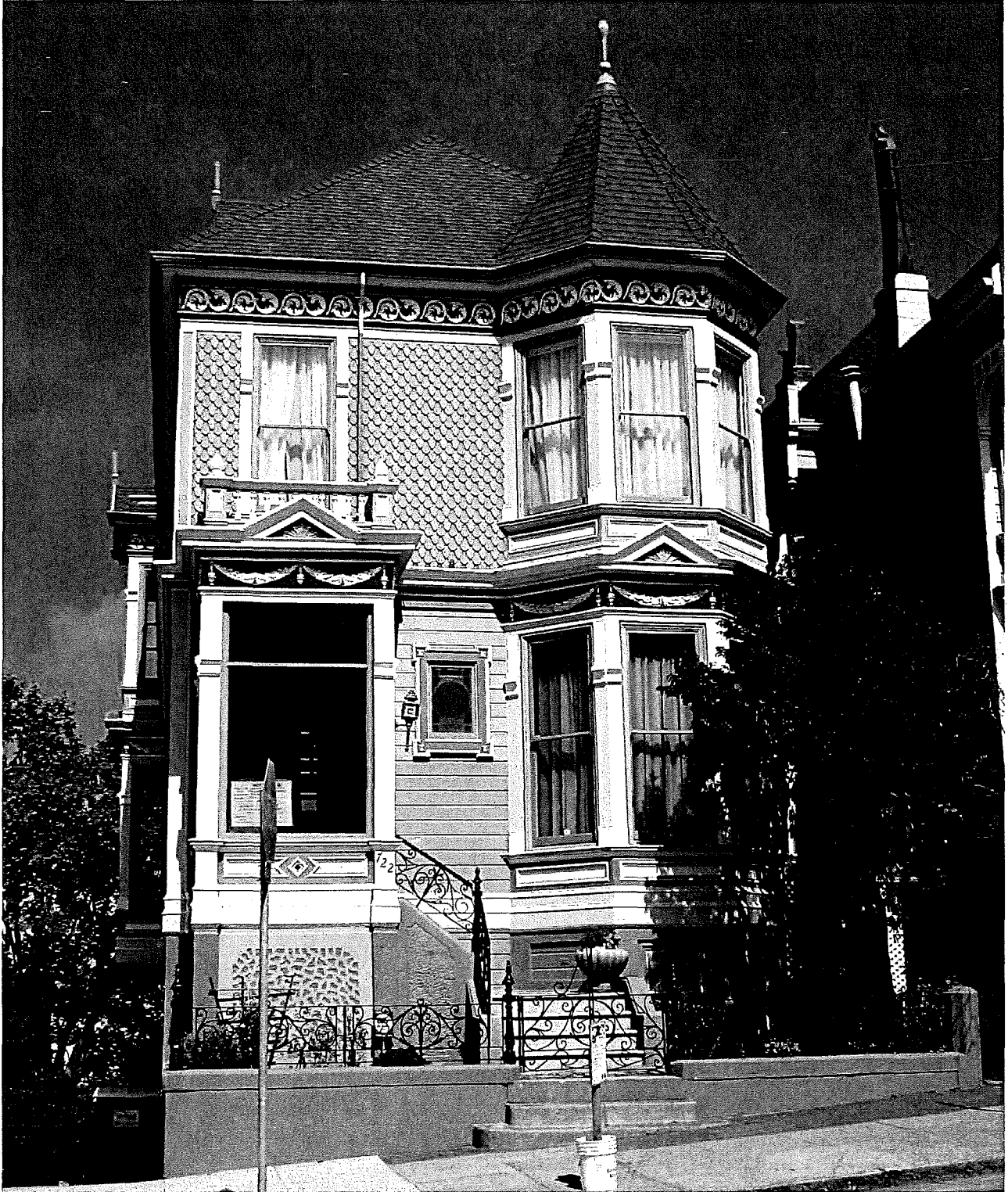
Mill Act Applications
October 7, 2015

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

Exhibit D: Mills Act Application

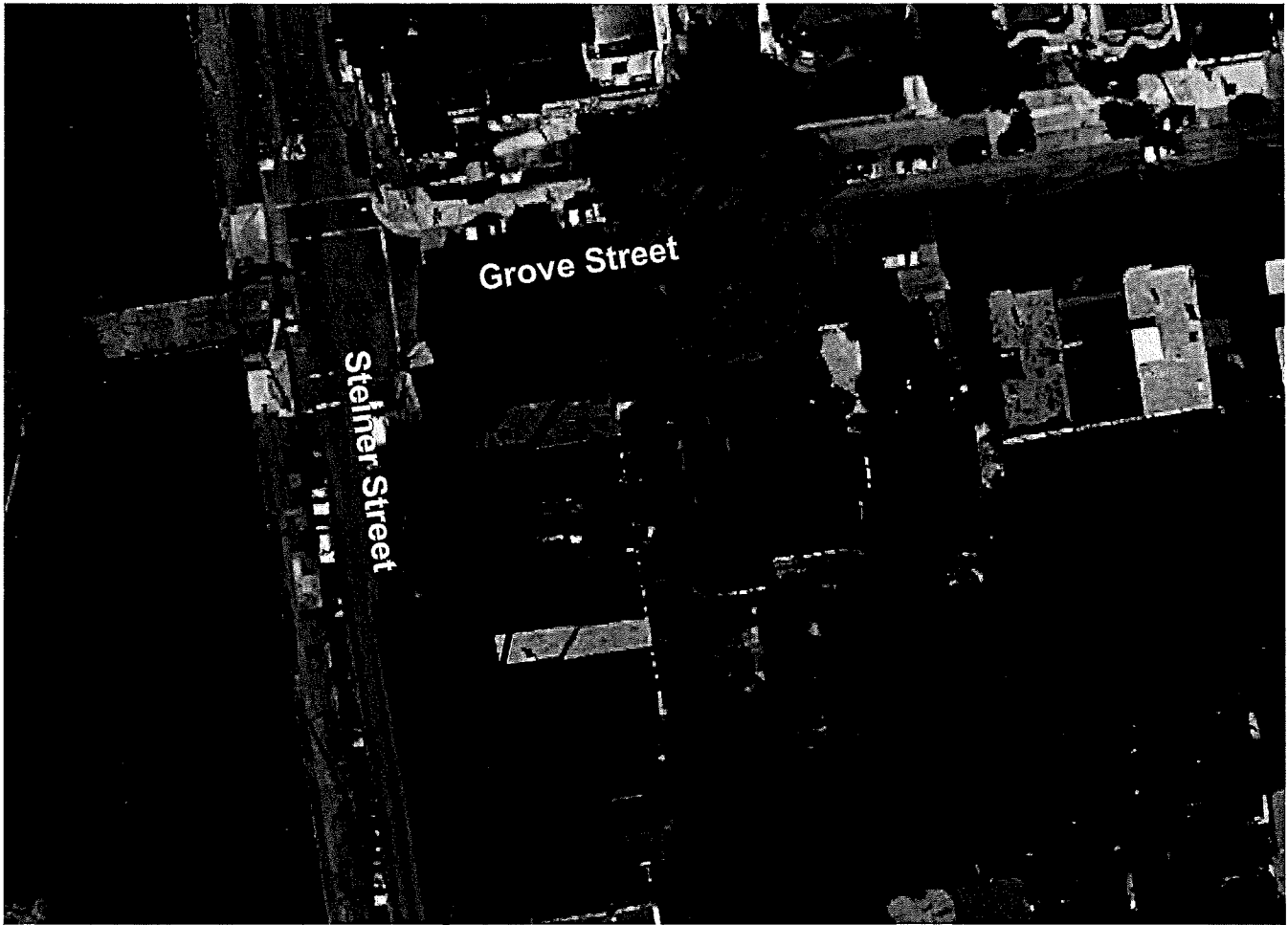
722 STEINER STREET

Site Photo



Mills Act Historical Property Contract
Case Number 2015-006430MLS
722 Steiner Street

Aerial Photo



SUBJECT PROPERTY



Mills Act Historical Property Contract
Case Number 2015-006430MLS
722 Steiner 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
722 Steiner 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 The Trust of Come Lague and Charlene Li ("Owner(s)").

RECITALS

Owners are the owners of the property located at 722 Steiner Street, in San Francisco, California (Block 0803, Lot 023). The building located at 722 Steiner Street is designated as as a contributor to the Alamo Square Landmark District under Article 10 of the Planning Code ("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 Hundred Twenty Two Thousand and Three Hundred Thirty Five Dollars (\$222,335). (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 Eight Thousand Eight Hundred Dollar (\$ 8,800 s) annually (See Maintenance Plan, Exhibit B).

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

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

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

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

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

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

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

cancellation fee set forth in Paragraph 14 of this Agreement. Upon such termination, the City shall assess the full value of the Historic Property without regard to any restriction imposed upon the Historic Property by this Agreement and Owners shall pay property taxes to the City based upon the valuation of the Historic Property as of the date of termination.

5. Insurance. Owners shall secure adequate property insurance to meet Owners' repair and replacement obligations under this Agreement and shall submit evidence of such insurance to the City upon request.

6. Inspections. Owners shall permit periodic examination of the exterior and interior of the Historic Property by representatives of the Historic Preservation Commission, the City's Assessor, the Department of Building Inspection, the Planning Department, the Office of Historic Preservation of the California Department of Parks and Recreation, and the State Board of Equalization, upon seventy-two (72) hours advance notice, to monitor Owners' compliance with the terms of this Agreement. Owners shall provide all reasonable information and documentation about the Historic Property demonstrating compliance with this Agreement as requested by any of the above-referenced representatives.

7. Term. This Agreement shall be effective upon the date of its recordation and shall be in effect for a term of ten years from such date ("Initial Term"). As provided in Government Code section 50282, one year shall be added automatically to the Initial Term, on each anniversary date of this Agreement, unless notice of nonrenewal is given as set forth in Paragraph 10 herein.

8. Valuation. Pursuant to Section 439.4 of the California Revenue and Taxation Code, as amended from time to time, this Agreement must have been signed, accepted and recorded on or before the lien date (January 1) for a fiscal year (the following July 1-June 30) for the Historic Property to be valued under the taxation provisions of the Mills Act for that fiscal year.

9. Termination. In the event Owners terminates this Agreement during the Initial Term, Owners shall pay the Cancellation Fee as set forth in Paragraph 15 herein. In addition, the City Assessor shall determine the fair market value of the Historic Property without regard to any restriction imposed on the Historic Property by this Agreement and shall reassess the property taxes payable for the fair market value of the Historic Property as of the date of Termination without regard to any restrictions imposed on the Historic Property by this Agreement. Such reassessment of the property taxes for the Historic Property shall be effective and payable six (6) months from the date of Termination.

10. Notice of Nonrenewal. If in any year after the Initial Term of this Agreement has expired either the Owners or the City desires not to renew this Agreement that party shall serve written notice on the other party in advance of the annual renewal date. Unless the Owners serves written notice to the City at least ninety (90) days prior to the date of renewal or the City serves written notice to the Owners sixty (60) days prior to the date of renewal, one year shall be automatically added to the term of the Agreement. The Board of Supervisors shall make the City's determination that this Agreement shall not be renewed and shall send a notice of nonrenewal to the Owners. Upon receipt by the Owners of a notice of nonrenewal from the City, Owners may make a written protest. At any time prior to the renewal date, City may withdraw its notice of nonrenewal. If in any year after the expiration of the Initial Term of the Agreement, either party serves notice of nonrenewal of this Agreement, this Agreement shall remain in effect for the balance of the period remaining since the execution of the last renewal of the Agreement.

11. Payment of Fees. Within one month of the execution of this Agreement, City shall tender to Owners a written accounting of its reasonable costs related to the preparation and approval of the Agreement as provided for in Government Code Section 50281.1 and San Francisco

Administrative Code Section 71.6. Owners shall promptly pay the requested amount within forty-five (45) days of receipt.

12. Default. An event of default under this Agreement may be any one of the following:

(a) Owners' failure to timely complete the rehabilitation work set forth in Exhibit A in accordance with the standards set forth in Paragraph 2 herein;

(b) Owners' failure to maintain the Historic Property in accordance with the requirements of Paragraph 3 herein;

(c) Owners' failure to repair any damage to the Historic Property in a timely manner as provided in Paragraph 4 herein;

(d) Owners' failure to allow any inspections as provided in Paragraph 6 herein;

(e) Owners' termination of this Agreement during the Initial Term;

(f) Owners' failure to pay any fees requested by the City as provided in Paragraph 11 herein;

(g) Owners' failure to maintain adequate insurance for the replacement cost of the Historic Property; or

(h) Owners' failure to comply with any other provision of this Agreement.

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

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

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

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

action necessary to enforce the obligations of the Owners set forth in this Agreement. The City does not waive any claim of default by the Owners if it does not enforce or cancel this Agreement.

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

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

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

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

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

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

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

23. No Implied Waiver. No failure by the City to insist on the strict performance of any obligation of the Owners under this Agreement or to exercise any right, power, or remedy arising

out of a breach hereof shall constitute a waiver of such breach or of the City's right to demand strict compliance with any terms of this Agreement.

24. Authority. If the Owners sign as a corporation or a partnership, each of the persons executing this Agreement on behalf of the Owners does hereby covenant and warrant that such entity is a duly authorized and existing entity, that such entity has and is qualified to do business in California, that the Owner has full right and authority to enter into this Agreement, and that each and all of the persons signing on behalf of the Owners are authorized to do so.

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

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

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

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

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

CITY AND COUNTY OF SAN FRANCISCO:

By: _____
Carmen Chu
Assessor-Recorder

DATE: _____

By: _____
John Rahaim
Director of Planning

DATE: _____

APPROVED AS TO FORM:
DENNIS J. HERRERA
CITY ATTORNEY

By: _____
[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

722 Steiner Rehabilitation and Maintenance Plan

SCOPE #1	BUILDING FEATURE: STRUCTURAL
Rehab/Restoration <input checked="" type="checkbox"/> Completed <input checked="" type="checkbox"/>	
Contract Year Work Completion: 2015	
Total Cost (rounded to the nearest dollar): \$100,000	
Description of Work	
<p>Seismic Upgrades.</p> <p>A steel moment frame was added to the kitchen/family room area on the second floor ceiling with posts anchored into newly poured footings on the first floor. Shear walls were added north/south and east/west in various locations of the second and third floors with hold downs at the first floor foundation. Framing was rebuilt and reinforced on the second and third floors.</p> <p>The repairs were designed to avoid altering, removing or obscuring character-defining features of the property and to reinforce the structural integrity of the house.</p> <p>Work was done in accordance with the National Park Service's Preservation Brief #47: <i>Maintaining the Exterior of Small and Medium Size Historic Buildings</i>.</p>	

SCOPE #2	BUILDING FEATURE: WOOD SIDING
Rehab/Restoration <input checked="" type="checkbox"/> Proposed <input checked="" type="checkbox"/>	
Contract Year Work Completion: 2016	
Total Cost (rounded to the nearest dollar): \$3,500	
Description of Work	
<p>Removal of planter deck/abutment above walkway and connected to 720 Steiner house.</p> <p>A planter deck extension was previously installed above the walkway between 722 and 720 Steiner and is currently attached to 720 Steiner which is not permitted and shows signs of deterioration. The structure will be removed, wood siding repaired and repainted.</p> <p>The needed repairs will avoid altering, removing or obscuring character-defining features of the building. Any siding replacements will be made in kind with new wood elements to match the historic building material.</p> <p>Work will be done in accordance with the National Park Service's <i>Preservation Brief #10: Exterior Paint Problems on Historic Woodwork</i> and <i>Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings</i>.</p>	

SCOPE #3	BUILDING FEATURE: DOWNSPOUT
Rehab/Restoration <input checked="" type="checkbox"/> Proposed <input checked="" type="checkbox"/>	
Contract Year Work Completion: 2016	
Total Cost (rounded to the nearest dollar): \$1,500	
Description of Work	
<p>Repair to downspout.</p> <p>The downspout at the north west corner of the house facing Grove St is corroded and damaged. It will be repaired to prevent damage to the Grove St. façade and water leakage on the sidewalk. The repair will be designed to avoid altering, removing or obscuring character-defining features of the property.</p> <p>Work will be done in accordance with the National Park Service's Preservation Brief #47: <i>Maintaining the Exterior of Small and Medium Size Historic Buildings.</i></p>	

SCOPE #4	BUILDING FEATURE: ROOF
Rehab/Restoration <input checked="" type="checkbox"/> Proposed <input checked="" type="checkbox"/>	
Contract Year Work Completion: 2017	
Total Cost (rounded to the nearest dollar): \$5,000	
Description of Work	
<p>Repair leak to roof above turret.</p> <p>The roof was replaced in 2005 with asphalt/composition shingles. We have discovered a leak at the south west turret spindle. The area will be inspected while scaffolding is up for painting and the leak repaired.</p> <p>Repairs to the roof will avoid altering, removing or obscuring character-defining features of the building, including decorative elements, as well as eave trim and moldings. Repairs and maintenance will be performed in accordance with guidance outlined in the National Park Service's <i>Preservation Brief 47: Maintaining the Exterior of Small and Medium Size Historic Buildings.</i></p>	

SCOPE #5	BUILDING FEATURE: RETAINING WALL
Rehab/Restoration <input checked="" type="checkbox"/> Proposed <input checked="" type="checkbox"/>	
Contract Year Work Completion: 2019	
Total Cost (rounded to the nearest dollar): \$50,000	
Description of Work	
<p>Repair to rear retaining wall, stairs and handrail.</p> <p>The rear retaining wall has significant cracking and displacement. The riser heights/tread depths on the concrete stairs are inconsistent in height and variance. The safety handrail does not extend the full length of the stairway.</p> <p>A project is underway at 981 Grove Street immediately at the rear of the house to further excavate their garage, which will impact the common retaining wall. The retaining wall will be replaced, stairs and handrail repaired or removed at the same time that work is undertaken. These repairs will be designed to avoid altering, removing or obscuring character-defining features of the property.</p> <p>Work will be will be done in accordance with the National Park Service's Preservation Brief #47: <i>Maintaining the Exterior of Small and Medium Size Historic Buildings.</i></p>	

SCOPE #6	BUILDING FEATURE: DOOR
Rehab/Restoration <input checked="" type="checkbox"/> Proposed <input checked="" type="checkbox"/>	
Contract Year Work Completion: 2020	
Total Cost (rounded to the nearest dollar): \$1,900	
Description of Work	
<p>Repair dry rot on front door.</p> <p>The front entrance door has signs of dry rot and will be repaired according to best practices or replaced in kind as necessary.</p> <p>Work will be will be done in accordance with the National Park Service's Preservation Brief #47: <i>Maintaining the Exterior of Small and Medium Size Historic Buildings.</i></p>	

SCOPE #7	BUILDING FEATURE: EXTERIOR/PAINT
Rehab/Restoration <input checked="" type="checkbox"/> Proposed <input checked="" type="checkbox"/>	
Contract Year Work Completion: 2020	
Total Cost (rounded to the nearest dollar): \$60,435	
Description of Work	
<p>Repaint exterior.</p> <p>Prior to painting, any loose and flaking paint will be thoroughly removed. The new exterior paint will be applied using a primer coat where needed on new wood and 2 finish coats to ensure the greatest longevity of the finished surfaces.</p> <p>If any damage or deterioration is found, the extent and nature of the damage will be assessed. Any needed repairs will avoid altering, removing or obscuring character-defining features of the building. If any elements are determined to be damaged or deteriorated beyond repair, replacements will be made in kind with new wood elements to match the historic building material.</p> <p>Painting and maintenance of painted exterior elements will be undertaken in accordance with the National Park Service's <i>Preservation Brief #10: Exterior Paint Problems on Historic Woodwork</i> and <i>Preservation Brief #47: Maintaining the Exterior of Small and Medium Size Historic Buildings</i>.</p>	

SCOPE #8	BUILDING FEATURE: WINDOWS AND DOORS
Maintenance <input checked="" type="checkbox"/> Proposed <input checked="" type="checkbox"/>	
Contract Year Work Completion: Ongoing	
Total Cost (rounded to the nearest dollar): Estimated \$2,000/annum	
Description of Work	
<p>Perform annual inspections of the windows and exterior doors. If any damage or deterioration is found, the extent and nature of the damage will be assessed. Any needed repairs will avoid altering, removing or obscuring character-defining features of the building. If any elements are determined to be damaged or deteriorated beyond repair, replacements will be made in kind (e.g., wood for wood).</p> <p>This maintenance routine will be informed by the guidance outlined in the National Park Service's <i>Preservation Brief 47: Maintaining the Exterior of Small and Medium Size Historic Buildings</i>.</p>	

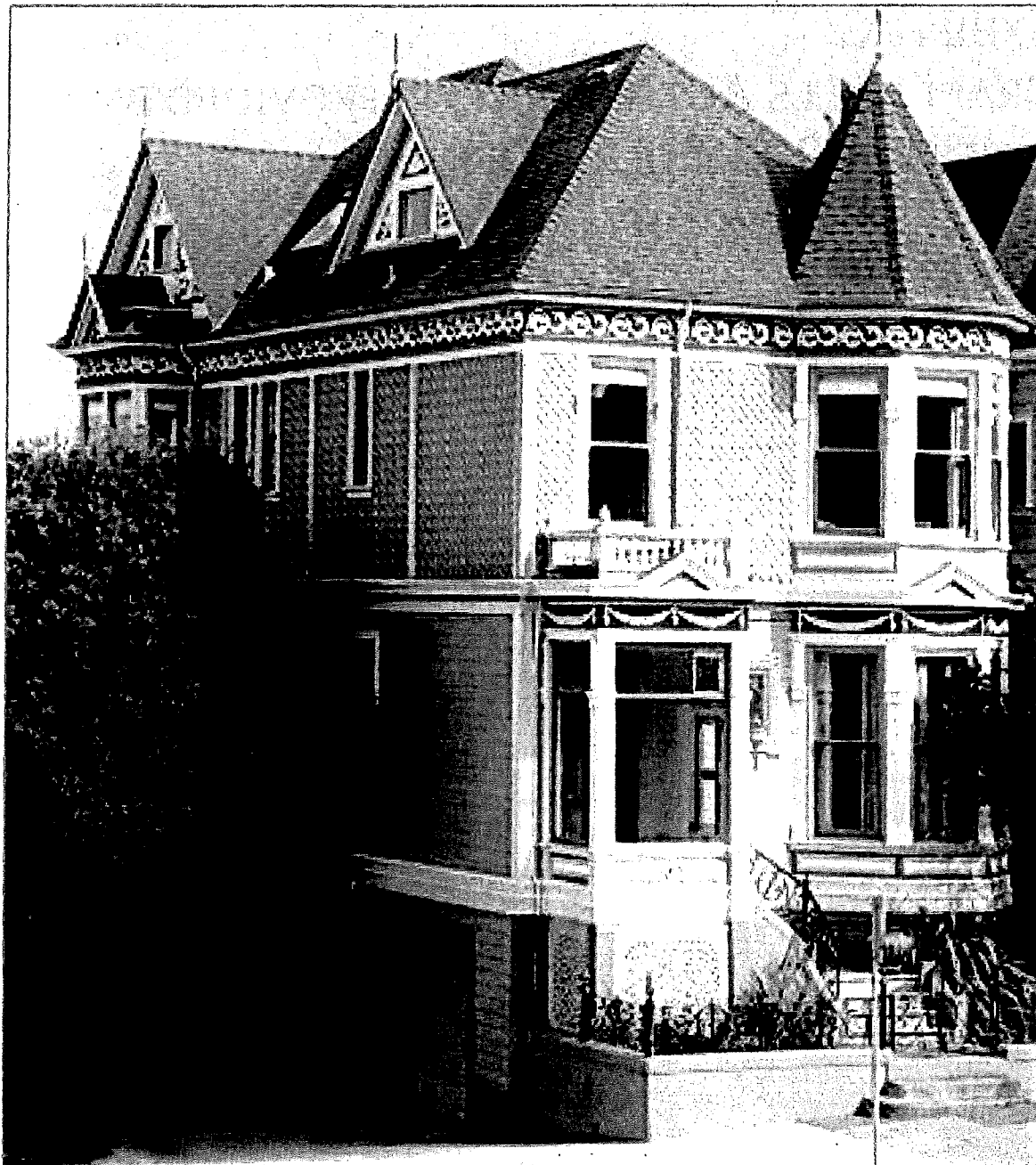
SCOPE #9	BUILDING FEATURE: DOWNSPOUTS
Maintenance <input checked="" type="checkbox"/> Proposed <input checked="" type="checkbox"/>	
Contract Year Work Completion: Ongoing	
Total Cost (rounded to the nearest dollar): Estimated \$500/annum	
Description of Work	
<p>Perform annual inspections of the downspouts. If any damage or deterioration is found, the extent and nature of the damage will be assessed. Any needed repairs will avoid altering, removing or obscuring character-defining features of the building. If any elements are determined to be damaged or deteriorated beyond repair, replacements will be made in kind (e.g., wood for wood).</p> <p>This maintenance routine will be informed by the guidance outlined in the National Park Service's <i>Preservation Brief 47: Maintaining the Exterior of Small and Medium Size Historic Buildings</i>.</p>	

SCOPE #10	BUILDING FEATURE: WOOD SIDING & TRIM
Maintenance <input checked="" type="checkbox"/> Proposed <input checked="" type="checkbox"/>	
Contract Year Work Completion: Ongoing	
Total Cost (rounded to the nearest dollar): Estimated \$2,500/annum	
Description of Work	
<p>Perform annual inspections of the wood siding and decorative trim. If any damage or deterioration is found, the extent and nature of the damage will be assessed. Any needed repairs will avoid altering, removing or obscuring character-defining features of the building. If any elements are determined to be damaged or deteriorated beyond repair, replacements will be made in kind (e.g., wood for wood).</p> <p>This maintenance routine will be informed by the guidance outlined in the National Park Service's <i>Preservation Brief 47: Maintaining the Exterior of Small and Medium Size Historic Buildings</i>.</p>	

SCOPE #11	BUILDING FEATURE: ROOF
Maintenance <input checked="" type="checkbox"/> Proposed <input checked="" type="checkbox"/>	
Contract Year Work Completion: Ongoing	
Total Cost (rounded to the nearest dollar): \$38,000 to Replace Roof	
Description of Work	
<p>Approximately every 5 years, the roof will be re-inspected by a licensed roof contractor. If any damage or deterioration is found, the extent and nature of the deterioration will be assessed. If the roof requires replacement, a new asphalt/composition shingle roof will be installed.</p> <p>Replacement of the roof will avoid altering, removing or obscuring character-defining features of the building, including decorative elements, as well as eave trim and moldings. Repairs and maintenance will be performed in accordance with guidance outlined in the National Park Service's <i>Preservation Brief 47: Maintaining the Exterior of Small and Medium Size Historic Buildings</i>.</p>	

EXHIBIT C:

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



722 Steiner Street
06-0803-023
2015 Mills Act Valuation



APN: 06-0803-023 SF Landmark: N/A
 Property Location: 722 Steiner Street Date of Mills Act Application: 4/28/2015
 Applicant's Name: Come Lague Property Type: SFR w/In-Law Unit
 Agt./Tax Rep./Atty: None Date of Sale: 6/3/2014
 Applicant supplied appraisal? No Sale Price: \$3,100,000

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	\$2,213,356	Land	\$912,000	Land	\$2,040,000
Imps	\$963,581	Imps	\$608,000	Imps	\$1,360,000
Total	\$3,176,937	Total	\$1,520,000	Total	\$3,400,000

PROPERTY CHARACTERISTICS

Present Use: SFR Neighborhood: Alamo Square Number of Stories: 3
 Number of Units: 1 w/In-Law Unit Year Built: 1898 Land Area (SF): 2,286
 Owner Occupied: Yes Building Area: 4,255 Zoning: RH-2

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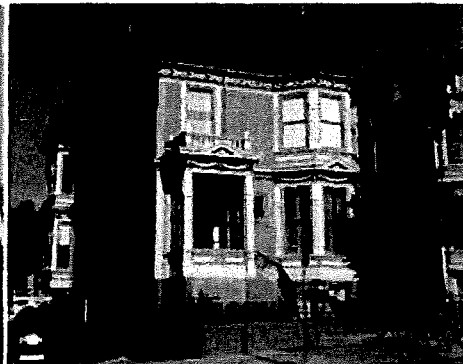
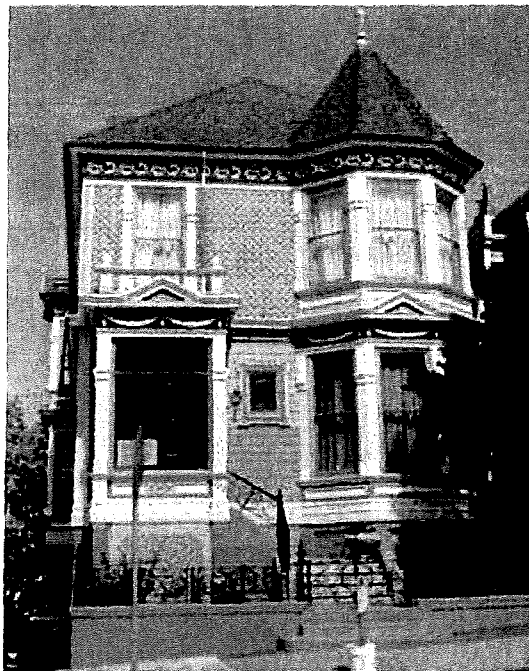
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Sales Comparison Valuation	Page 6
Map of Comparable Sales	Page 7

CONCLUSION AND RECOMMENDATIONS

Based on the three-way value comparison, the lowest of the three values is the restricted Mills Act value.
 The taxable Mills Act value on: July 1, 2015 is \$1,520,000

Appraiser: Bryan Bibby Date: 08/13/15
 Principal Appraiser: Greg Wong

Subject Photo Page
722 Steiner Street
06-0803-023



RESTRICTED INCOME APPROACH

06-0803-023
722 Steiner Street
Restricted Mills Act Value
Lien Date: July 1, 2015

Owner Occupied

	GLA (SF)	x	Annual Rent / SF	=	
Potential Gross Income*	4,255		\$43.70		\$185,944
Less Vacancy & Collection Loss			3%		<u>(\$5,578)</u>
Effective Gross Income					\$180,365
Less Anticipated Operating Expenses**			15%		<u>(\$27,055)</u>
Net Operating Income (before property tax)					\$153,310

Restricted Capitalization Rate Components:

Rate Components:

2015 Interest Rate per SBE		4.2500%
Risk rate (4% owner occupied / 2% all other property types)		4.0000%
Property tax rate (2014)		1.1743%
Amortization rate for the Improvements:		
Remaining Economic Life:	60	
Amortization per Year (reciprocal)	0.0167	<u>1.6667%</u>

Overall Rates:

Land	9.4243%
Improvements	11.0910%

Weighted Capitalization Rate

Land	60%	5.65%
Improvements	40%	<u>4.44%</u>
Total		10.09%

RESTRICTED VALUE

\$1,519,284

ROUNDED TO

\$1,520,000

Footnotes:

*Topline rent potential concluded to be approximately \$15,495 per month, or \$43.70 per foot annually. Rental listing amounts ranged from \$43/sf to \$49/sf. The owner projected the rent at about \$10,000 per month. The appraiser placed an added premium on the dwelling due to the attached In-Law Apartment & determined that the additional rent projected above accounted for the overall building feature components. According to the owner, the In-Law Unit was not rented out & no plans were currently in place to rent this area to a tenant. Further, as reported on the Mills Act Historical Property Contract Application, Rental Income Information (Item #9), this information was reported as "No" & a remark of "N/A" was inserted as well. Lastly, the entire property including the In-Law Unit was noted as owner-occupied in the marketing listing history for the prior owner. In taking the preceding items into account, the appraiser considered the entire structure as owner-occupied with multiple levels of living areas.

**Annual Operating Expenses include PG&E, water service, refuse collection, insurance, maintenance and property management, typically estimated at 15% of effective gross income. TP estimates projected annual operating annual operating expenses of the subject property at \$8,800. This amount is less than typical. Default to 15%.

Rental Comps

Rental Comp #1-E: Hayes Valley



Listing Agent:
Address:
Cross Streets:
SF:
Layout:
Monthly Rent
Rent/Foot/Mo
Annual Rent/Foot:
Availability Date:

Not Provided
815 Haight Street
Scott Street
2,700
4/3.5, 2 car parking
\$10,900
\$4.04
\$48.44
Summer, 2015

Rental Comp #2-F: Haight Ashbury



Not Provided
221 Central Avenue
Oak Street
1,090
3/1.5, 2 car parking
\$4,250
\$3.90
\$48.79
Summer, 2015

Rental Comp #3-G: Corona Heights



Not Provided
56 Mars Street
17th Street
1,850
3/3, no off-street parking
\$7,000
\$3.78
\$45.41
Summer, 2015

Rental Comp #4-H: Buena Vista/Ashbury Heights



Not Provided
1559 Masonic Avenue
Piedmont Street
2,200
4/2, 1 car parking
\$8,000
\$3.84
\$43.64
Summer, 2015





Comp #5-I: Lower Pacific Heights



Listing Agent:
Address:
Cross Streets:
SF:
Layout:
Monthly Rent
Rent/Foot/Mo
Annual Rent/Foot:
Availability Date:

Paseo Properties
2721 Pine Street
Divisadero Street
1,346
2/2, 2 car parking
\$5,200
\$3.88
\$46.38
Summer, 2015

SINGLE FAMILY MARKET ANALYSIS

	Subject-A	Sale 1-B	Sale 2-C	Sale 3-D			
APN	0803-023	1125-006	0865-012	1198-036			
Photograph							
Address	722 Steiner Street	1125 Broderick Street	52 Pierce Street	1631 Grove Street			
Sales Price	\$3,100,000	\$3,500,000	\$3,450,000	\$3,300,000			
Sales Price / Square Foot	\$729	\$852	\$1,327	\$955			
Item	Description	Description	Adjust.	Description	Adjust.	Description	Adjust.
Date of Sale	06/03/14	07/09/15		12/02/14		08/03/15	
Neighborhood	Alamo Square	Anza Vista		Hayes Valley		North Panhandle	
Proximity to Subject	-	0.70 miles		0.50 miles		0.70 miles	
Land Area	2,286	2,495	(\$8,000)	2,278	0	3,436	(\$46,000)
View Type	City Lights	City Lights		Neighborhood	\$69,000	Neighborhood	\$66,000
Year Built	1898	1907		1900		1910	
Condition Type	Good	Good/Updates	(\$175,000)	Good/Updates	(\$173,000)	Good/Updates	(\$165,000)
Traffic	Non-Busy Street	Non-Busy Street		Dead End Street	(\$104,000)	Non-Busy Street	
Building Area	4,255	4,110	51,000	2,600	579,000	3,455	280,000
Total Number of Rooms	13	18		7		9	
Bedroom Count	5	6		5		4	
Bath Count	5.5	3.5	\$80,000	2.5	\$120,000	3.5	\$80,000
Number of Stoires	3	3		3		2	
Parking Type/Count	1 Car Garage	2 Car Garage	(\$50,000)	2 Car Garage	(\$50,000)	2 Car Garage	(\$50,000)
Bonus Living Area	Included in GLA/in Law Unit	Similar To Subject		Au Pair Unit	(\$300,000)	Incl. In GLA	
Other Amenities	None	None		None		None	
Net Adjustments			(\$102,000)		\$141,000		\$165,000
Indicated Value	\$3,400,000	\$3,398,000		\$3,591,000		\$3,465,000	
Adjust. \$ Per Sq. Ft.	\$799		\$799		\$844		\$814

Value Range:	Low	High			
	\$3,398,000	\$3,591,000		VALUE CONCLUSION:	\$3,400,000
Adjust. \$ Per Sq. Ft.	\$799	\$844			\$799

REMARKS: The subject's property features were based on assessment records, listing data & recent building plans/permits from DBI.

Adjustments are made to the comparables. (Rounded to the nearest \$1,000.)

*Lot Area adj. based on per square foot of	\$ 40	over a % variance of	0%
*GLA adjustment based on per square foot of	\$ 350	over a % variance of	0%
*Bathroom variance adjustment based on	\$ 40,000	per bath variance.	
*Garage parking space adjustment based on	\$ 50,000	per space variance.	

Other types of adjustments as noted below:

View adj. for Comps #2 and 3 warranted for their inferior view compared to the subject's superior city lights view. Adj. at 2% of the sales price.

Traffic adj. warranted for Comp #2's superior location attributes compared to the subject. Adj. at 3% of the sales price.

All comps featured newer updates to the dwelling compared to the subject. Comps #1, 2 & 3 were adj. at 5% of the sales price to account for these updates.

Bonus living area adj. for Comp #2's Au Pair Unit with kitchen not included in the main building area. Adj. at 300,000.

Although all comparables were given consideration in the value conclusion, Comp #1 was weighted more than the other comps due to its similar GLA range to the subject as well as its recent sale date to the valuation date.

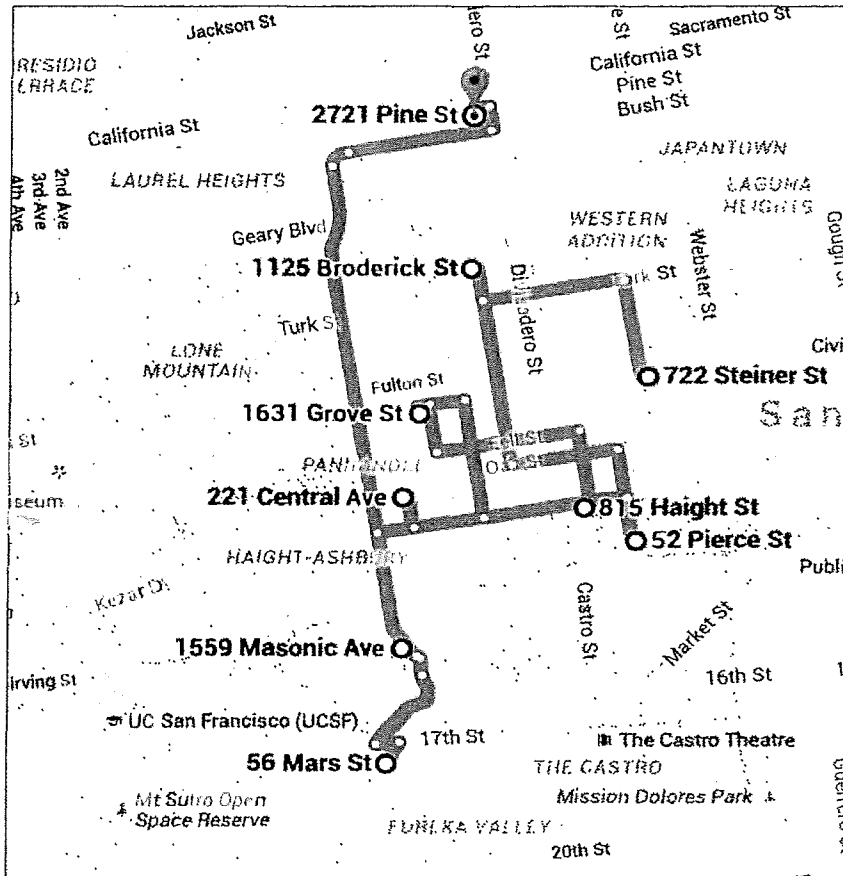
MARKET VALUE AS OF 7/1/2015:

LAND	\$2,040,000
IMPROVEMENTS	\$1,360,000
TOTAL	\$3,400,000
Market Value / Foot	\$799

ASSESSED VALUE

LAND	\$2,213,356
IMPROVEMENTS	\$963,581
TOTAL	\$3,176,937
Assessed Value / Foot	\$747

Map of Subject Property, Comparable Sales and Rental Comparable Listings



A	Subject Property	722 Steiner Street
B	Sale Comp #1	1125 Broderick Street
C	Sale Comp #2	52 Pierce Street
D	Sale Comp #3	1631 Grove Street
E	Rental Comp #1	815 Haight Street
F	Rental Comp #2	221 Central Avenue
G	Rental Comp #3	56 Mars Street
H	Rental Comp #4	1559 Masonic Avenue
I	Rental Comp #5	2721 Pine Street

EXHIBIT D: MILLS ACT APPLICATION

MILLS ACT HISTORICAL PROPERTY CONTRACT Application Checklist:

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

1 Mills Act Application	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Has each property owner signed? Has each signature been notarized?	
2 High Property Value Exemption Form & Historic Structure Report	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> N/A <input type="checkbox"/>
Required for Residential properties with an assessed value over \$3,000,000 and Commercial/Industrial properties with an assessed value over \$5,000,000. Have you included a copy of the Historic Structures Report completed by a qualified consultant?	
3 Draft Mills Act Historical Property Contract	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Are you using the Planning Department's standard "Historical Property Contract?" Have all owners signed and dated the contract? Have all signatures been notarized?	
4 Notary Acknowledgement Form	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Is the Acknowledgement Form complete? Do the signatures match the names and capacities of signers?	
5 Draft Rehabilitation/Restoration/Maintenance Plan	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Have you identified and completed the Rehabilitation, Restoration, and Maintenance Plan organized by contract year, including all supporting documentation related to the scopes of work?	
6 Photographic Documentation	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Have you provided both interior and exterior images (either digital, printed, or on a CD)? Are the images properly labeled?	
7 Site Plan	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Does your site plan show all buildings on the property including lot boundary lines, street name(s), north arrow and dimensions?	
8 Tax Bill	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Did you include a copy of your most recent tax bill?	
9 Rental Income Information	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> N/A
Did you include information regarding any rental income on the property, including anticipated annual expenses, such as utilities, garage, insurance, building maintenance, etc.?	
10 Payment	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Did you include a check payable to the San Francisco Planning Department? Current application fees can be found on the Planning Department Fee Schedule under Preservation Applications.	
11 Recordation Requirements	YES <input type="checkbox"/> NO <input type="checkbox"/>
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 www.sfassessor.org for an up-to-date fee schedule for property contracts. -- Preliminary Change of Ownership Report (PCOR). Please visit www.sfassessor.org for an up-to-date PCOR (see example on page 20).	

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: TRUST OF COME LAGUE AND CHARLENE LI	TELEPHONE: (650) 218 5207
PROPERTY OWNER 1 ADDRESS: 722 STEWART ST, SAN FRANCISCO, CA 94117	EMAIL: Come@Lague.net
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: 722 STEWART ST, SAN FRANCISCO, CA 94117	ZIP CODE: 94117
PROPERTY PURCHASE DATE: 6/3/14	ASSESSOR BLOCK/LOT(S): 0803/023
MOST RECENT ASSESSED VALUE: \$3,093,000	ZONING DISTRICT: RH-2

Are taxes on all property owned within the City and County of San Francisco paid to date?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Is the entire property owner-occupied? 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.	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Do you own other property in the City and County of San Francisco? If Yes, please list the addresses for all other property owned within the City of San Francisco on a separate sheet of paper.	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
Are there any outstanding enforcement cases on the property from the San Francisco Planning Department or the Department of Building Inspection? If Yes, all outstanding enforcement cases must be abated and closed for eligibility for the Mills Act.	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>

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: [Signature] TRUSTEE Date: 4/28/15

Owner Signature: [Signature] TRUSTEE Date: 4/28/15

Owner Signature: _____ Date: _____

3. Property Value Eligibility:

Choose one of the following options:

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

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

Application for Exemption from Property Tax Valuation

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

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

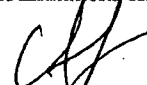
All property owners are required to attach a copy of their recent property tax bill.

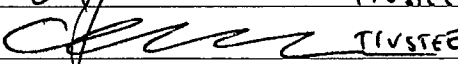
PROPERTY OWNER NAMES: TRUST OF COMELAGUE AND CHARLONE LI DATED 9/23/02
MOST RECENT ASSESSED PROPERTY VALUE: \$3,093,000
PROPERTY ADDRESS: 722 STEWART ST., SAN FRANCISCO, CA 94117

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:  TRUSTEE Date: 4/28/15

Owner Signature:  TRUSTEE Date: 4/28/15

Owner Signature: _____ Date: _____

5. Rehabilitation/Restoration & Maintenance Plan

A 10 Year Rehabilitation/Restoration Plan has been submitted detailing work to be performed on the subject property	YES <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 ATTACHED EXHIBIT A	

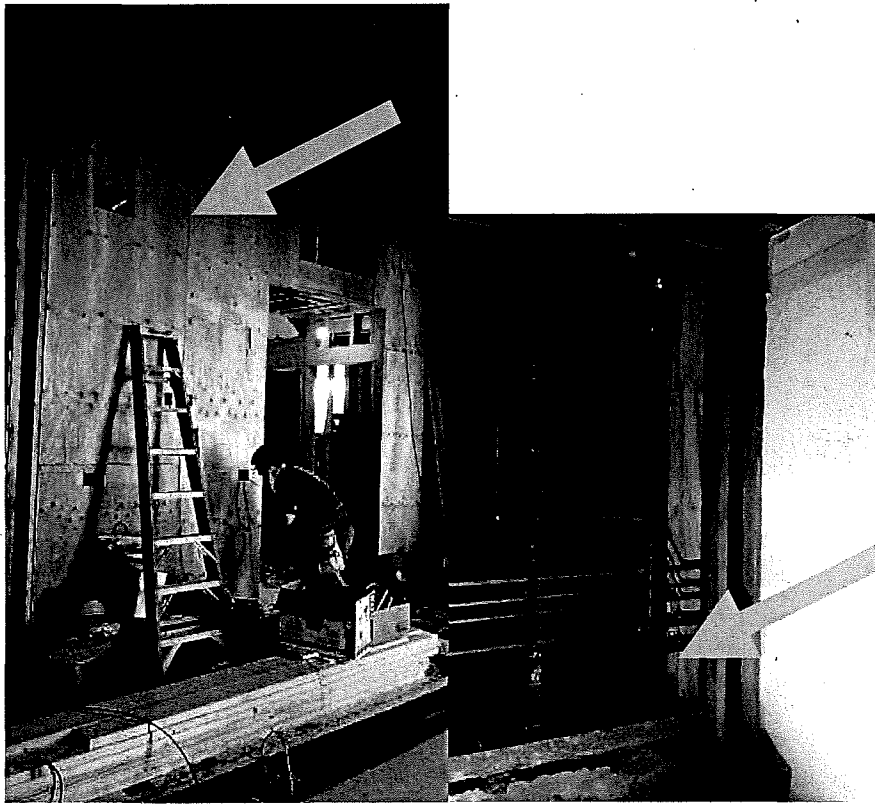
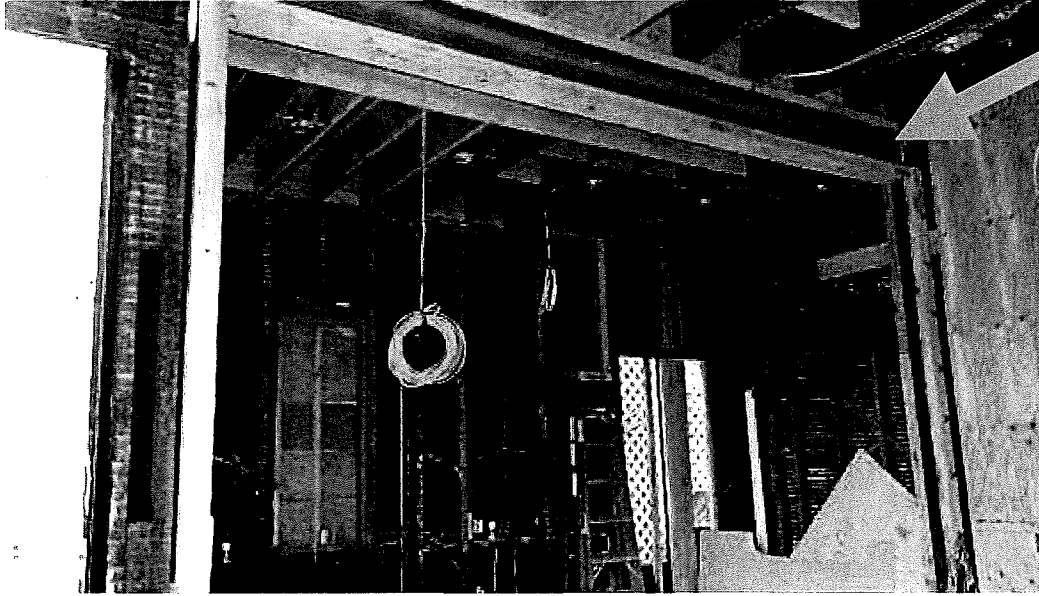
Draft Rehabilitation/Restoration/Maintenance Plan (Continued)

# ____ (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 WORK COMPLETION:	
TOTAL COST (rounded to nearest dollar):	
DESCRIPTION OF WORK:	

# ____ (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 WORK COMPLETION:	
TOTAL COST (rounded to nearest dollar):	
DESCRIPTION OF WORK:	

# ____ (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 WORK COMPLETION:	
TOTAL COST (rounded to nearest dollar):	
DESCRIPTION OF WORK:	

Scope #1:



Scope #2:



Scope #3:

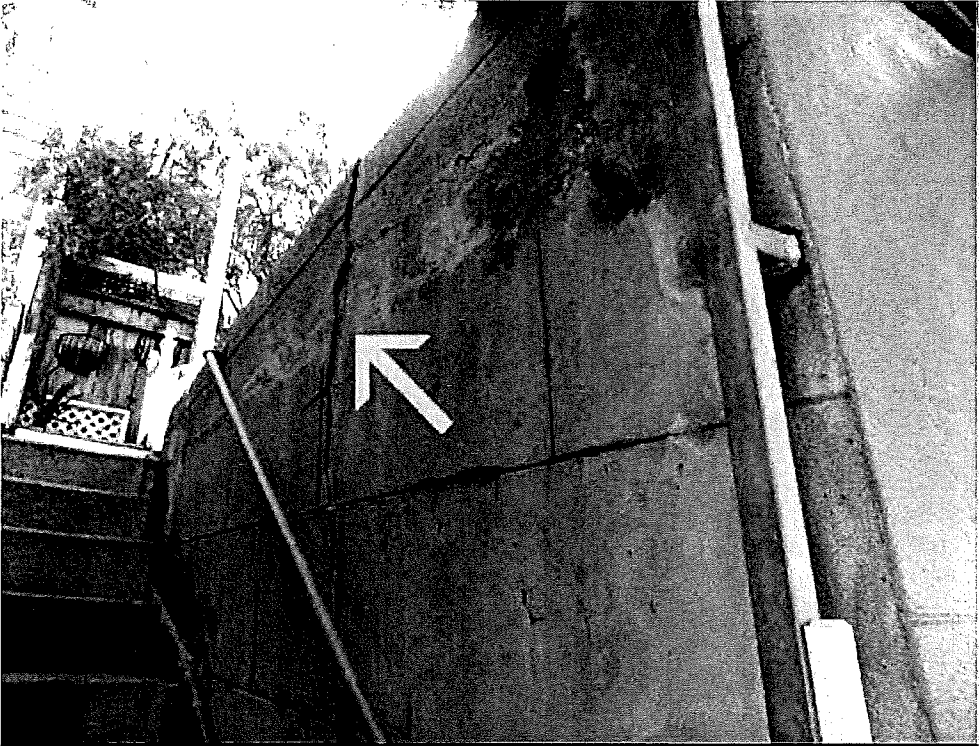


Corroded downspout

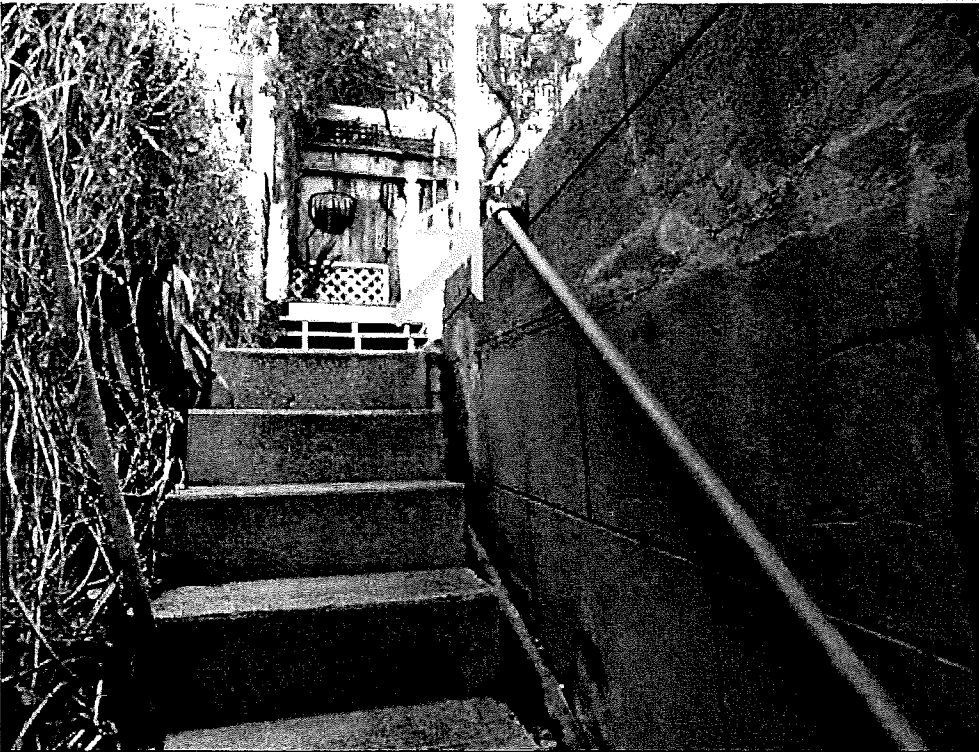
Scope #4:



Scope #5:



Cracked and leaning retaining wall



Handrail not full length of stairs

Scope #6:



Rehabilitation & Maintenance Plan - 722 Steiner St

Rehabilitation/Restoration

Scope #1 - Seismic Upgrades	\$ 100,000
Scope #2 - Remove Planter Deck & Repair Siding	\$ 3,500
Scope #3 - Repair to Downspout	\$ 1,500
Scope #4 - Roof repair turret spindle	\$ 5,000
Scope #5 - Repair to Retaining Wall	\$ 50,000
Scope #6 - Repair Front Door	\$ 1,900
Scope #7 - Exterior Paint	\$ 60,435
Total Above	<u>\$ 222,335</u>

Maintenance (Cost Over 10 Years)

Scope #8 - Maintain Windows and Doors @ \$2k/annum	\$ 20,000
Scope #9 - Maintain Downspouts @ \$500/annum	\$ 5,000
Scope #10 - Maintain Wood Siding & Trim @ \$2.5k/annum	\$ 25,000
Scope #11 - Replace Roof	\$ 38,000
Total Above	<u>\$ 88,000</u>
Annual Cost (/10)	\$ 8,800

7. Notary Acknowledgment Form

The notarized signature of the majority representative owner or owners, as established by deed or contract, of the subject property or properties is required for the filing of this application. (Additional sheets may be attached.)

State of California

County of: San Francisco


On: April 28, 2015 before me, Eric L. Peterson
DATE INSERT NAME OF THE OFFICER

NOTARY PUBLIC personally appeared: Charles Li and Come Laguna
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.



SIGNATURE



(PLACE NOTARY SEAL ABOVE)

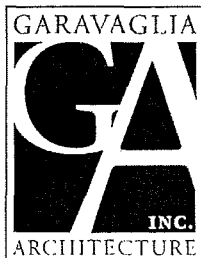
EXHIBIT E:

HISTORIC STRUCTURE REPORT



722 Steiner Street
San Francisco, CA
Historic Structure Report

Prepared for
Côme Lague
San Francisco, CA



Prepared by
Garavaglia Architecture, Inc
May 29, 2015

Innovating Tradition

EXECUTIVE SUMMARY

722 Steiner Street is an instantly recognizable part of San Francisco's historical and architectural heritage. As one of the "Seven Sisters" of Alamo Square, this house has been shown in countless motion pictures and television commercials and is as recognizable a symbol of the City of San Francisco as Alcatraz and the Golden Gate Bridge. Constructed in 1892 by builder Matthew Kavanagh, the house was a single-family residence for its first years. Eventually, as the neighborhood declined, multiple tenants rented the house for short amounts of time, leading to considerable deterioration. Fortunately, due to a commitment to preserving the area both by the city and area activists, the house was saved from demolition and cared for by conscientious stewards. Garavaglia Architecture, Inc. was retained to complete a Historic Structure Report (HSR) in support of a Mills Act application.

The property tax savings from the Mills Act contract will enable the property owners to preserve and rehabilitate the historic structure, which would otherwise be in danger of demolition, deterioration, or abandonment.

EXISTING CONDITIONS

The exterior is in good to fair condition. Much of the deterioration observed is related to the age of the building materials, some of which have reached, or even exceeded, their reasonable service life. The following condition items were observed:

- Isolated locations of wood rot at the ornamentation, windows, and doors
- Corroded and damaged downspout along north (Grove Street) elevation
- Cracking and displacement of retaining wall at rear (east) elevation
- Loose and flaking paint throughout
- Leak in roof at turret spindle

The interior of 722 Steiner was recently renovated and, as such, is in excellent condition. Much of the original historic fabric on the upper floors had been removed or damaged in previous years, resulting in a loss of integrity at those levels.

PROPOSED RECOMMENDATIONS

While 722 Steiner Street is in overall good condition, a number of recommendations are proposed for the exterior rehabilitation of the building, as well as to address concerns such as leaks. These recommendations will be completed in accordance with the *Secretary of the Interior's Standards for Rehabilitation*, as well as the relevant *Preservation Briefs*, as issued by the National Park Service.



Chapter 1

INTRODUCTION

PROJECT DESCRIPTION

Garavaglia Architecture, Inc. was contracted by Côme Lague (Client) in April of 2015 to prepare a Historic Structure Report (HSR) for the single-family residence located at 722 Steiner Street. This report has been requested in support of a Mills Act application for exterior restoration work at the building. 722 Steiner Street is eligible for the Mills Act Contract Program as a “qualified historic property” because it is a contributor to the Alamo Square Historic District, a City Landmark District designated pursuant to Article 10 of the Planning Code.

PROJECT LOCATION

The subject property (APN Number 0803-023) is located at the northeast corner of Steiner and Grove Streets, directly across from Alamo Square Park (see Figures 1 through 3). The area is often considered part of the Western Addition, Fillmore, Lower Haight, and Hayes Valley sections of San Francisco. The surrounding area is residential in nature. 722 Steiner Street is part of a row of seven Queen Anne and Victorian-style homes known as the “Seven Sisters” or, more popularly, the “Painted Ladies.” Beyond these homes are other single-family residences as well as multi-floor apartment buildings.

722 Steiner Street is located within an RH-2 (Residential House—Two Family) Zoning District, and a 40-X Height and Bulk District.

722 STEINER STREET, SAN FRANCISCO
Historic Structure Report



Figure 1. Aerial view of Alamo Square and vicinity, with 722 Steiner Street highlighted. (Image provided in Google Earth, 2015.)

722 STEINER STREET, SAN FRANCISCO
 Historic Structure Report

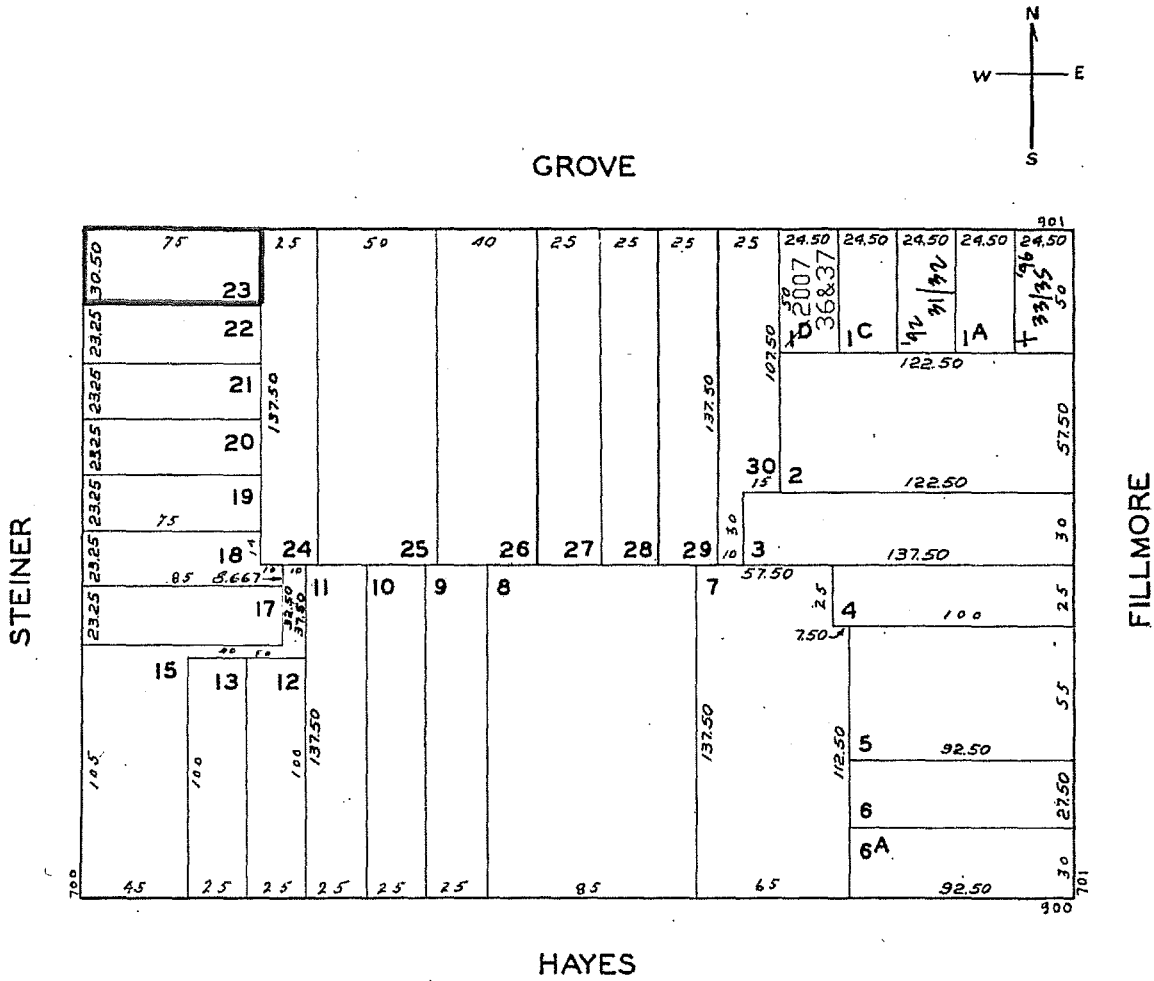


Figure 2. Assessor's Block Map for 722 Steiner Street. (Provided by San Francisco Planning Department.)

722 STEINER STREET, SAN FRANCISCO
 Historic Structure Report

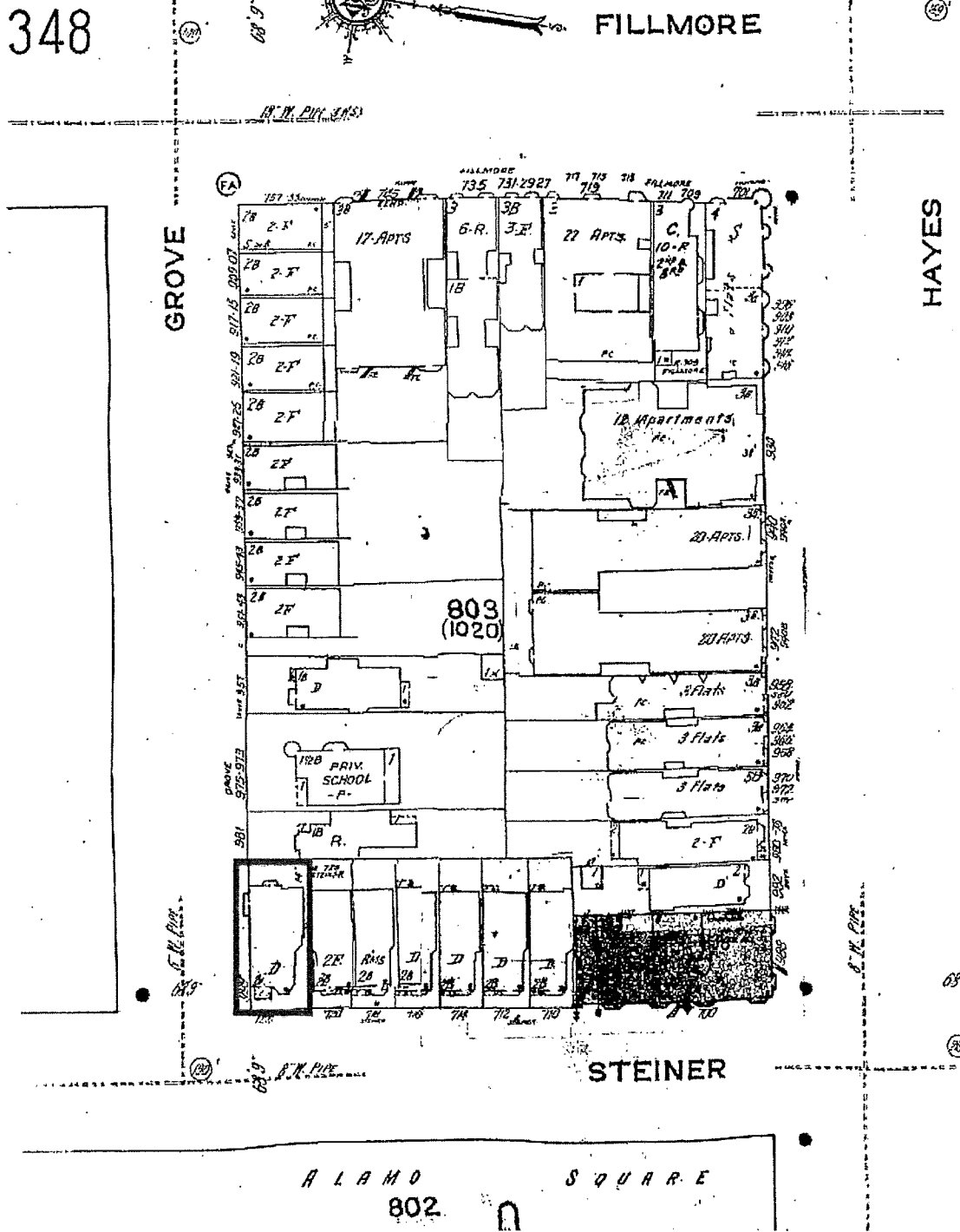


Figure 3. Sanborn Map, ca. 1995, with 722 Steiner Street highlighted. (Provided by San Francisco Planning Department.)

PROJECT APPROACH

Goals

The goals of this HSR are to review the historical significance of 722 Steiner Street, to assess the conditions of the building's exterior, including any age-based deterioration, and to provide recommendations for a program of maintenance and repair for the building, in compliance with the *Secretary of the Interior's Standards for Rehabilitation*.

Methodology

Garavaglia Architecture, Inc. staff conducted site visits on April 14 and April 23, 2015, to review existing conditions at the interior and exterior, and to identify character-defining features. During these visits, staff documented the building's configuration and architectural elements with photographs and field notes. The Client provided building plans for proposed construction, as well as additional documentation, prior to the initial site visit.

Garavaglia Architecture, Inc. also conducted additional archival research on the subject property and surrounding area. The following repositories/collections were consulted to complete the research process (See References section for a complete list of resources):

- Sanborn Fire Insurance Maps
- San Francisco History Center, San Francisco Public Library
- Office of the Assessor-Recorder, City & County of San Francisco
- Department of Building Inspection, City & County of San Francisco
- The California Digital Newspaper Collection and Internet Archive
- Online Archive of California
- United States Census Bureau, 1910–1940 reports, via www.ancestry.com

SIGNIFICANCE SUMMARY

722 Steiner Street is a Historic Resource as determined by the City & County of San Francisco. It is located within the Alamo Square Historic District, as designated in 1984. Prior to the creation of the historic district, it was listed as part of the Painted Ladies of Alamo Square in *Here Today: San Francisco's Architectural Heritage* (1968), prepared by the Junior League of San Francisco. *The Board of Supervisors as an officially recognized architectural survey adopted Here Today*. In 1976, it was listed as a Category 4 building in the Department of City Planning *Architectural Survey*, indicating a high level of architectural significance (including design features, the urban design context, and overall environmental significance).

The building remains a significant contributor to the Alamo Square Historic District due to its high level of integrity relative to its period of significance (1892–1929). As one of the famed "Seven Sisters" designed and built by Matthew Kavanagh, 722 Steiner Street is an exceptional example of the Queen Anne style in San Francisco.

Chapter 2

CONTEXT AND CONSTRUCTION HISTORY

HISTORIC BACKGROUND

Alamo Square

The area that is now Alamo Square Park and the surrounding area was originally part of the Western Addition of San Francisco. The name refers to the area between the original surveyed boundaries of the city, which ended between Larkin and Van Ness Streets, and Divisadero Street. The Van Ness Ordinance of 1855 cleared title to the land (which had been owned by others), extended the standard grid pattern of streets, and set aside a number of parklets and squares.¹

The following year, the city set aside land for a public park bound by Hayes, Steiner, Folsom, and Scott Streets, naming it Alamo Square. Settlement began around 1869. Due to the views, weather, and accessibility from the newly constructed McAllister and Hayes Streets cable cars, more residents moved westward.² Most of these newcomers were professionals who had commissioned architects to design their own single-family residences. Eventually, the park and the surrounding neighborhood became a very desirable place to live for San Francisco's growing professional class.

The area was saved from destruction in the 1906 earthquake and fires, as it was just outside of the "burned district." A photograph taken the day after the earthquake shows 722 Steiner Street in the background as San Franciscans flee from the conflagrations that consumed downtown (see Figure 4). The area became much busier than it was before the earthquake, as Fillmore Street became the temporary commercial district. By the 1920s through World War II, many of the residents of Alamo Square were German-Americans, Italians, or Jewish families.³

¹ The Junior League of San Francisco, Inc., *Here Today: San Francisco's Architectural Heritage*. (San Francisco: Chronicle Books, 1973), 112.

² Anne Bloomfield, "Alamo Square Historic District: Prepared for the San Francisco Landmarks Preservation Advisory Board" (April 1984): 1.

³ Jeanne Alexander, "History of Alamo Square," San Francisco Neighborhood Park Council, Parks Report 42 (Fall 2007): 1.

In the 1950s, as much of San Francisco's professional class moved to the suburbs, many of the older homes were divided into smaller apartments and rooming houses. Absentee owners failed to maintain the homes, many of which fell into ruin. The demographics of the area changed, as African-Americans and others displaced by the redevelopment of the Fillmore district moved into the neighborhood. The late 1950s and early 1960s saw an increase in crime. A group of concerned citizens started the Alamo Square Neighborhood Association.⁴ This group urged city leaders to increase patrols in the area, and hosted park clean-ups.

By the 1970s, Alamo Square's fortunes began to change. Young professionals, some of whom were gay men, moved into the area, attracted to the large homes with their historic ornamentation still intact. This early gentrification led to an increased interest in the neighborhood, the park, and the surrounding historic homes. In 1984, the city, in part spurred by the work of the Alamo Square Neighborhood Association, designated Alamo Square a San Francisco Historic District.⁵ Today, Alamo Square and its associated neighborhoods—Hayes Valley, the Lower Haight, and the Western Addition—are some of San Francisco's most sought-after neighborhoods.



Figure 4. Alamo Square, view to the east and Steiner Street: This photo was taken on April 19, 1906, as the post-earthquake fires devastated the city. 722 Steiner is visible at the far left edge of the photo.

Matthew Kavanagh and the Painted Ladies

Matthew Kavanagh was a builder-carpenter of Irish ancestry. Born in 1845 in County Wexford, Ireland, he immigrated to San Francisco in 1869.⁶ He began work as a carpenter immediately upon his arrival. Eventually, he became prominent within the Irish immigrant community, often chairing and hosting events for Irish benevolent associations.⁷ He sold the home at Steiner Street in 1900. The details of the last years of his life are not well documented. Matthew

⁴ Ibid.

⁵ Ibid.

⁶ "Deaths," *San Francisco Call*, January 6, 1912.

⁷ "Irish Night," *San Francisco Call*, March 9, 1897. At least one of these events was hosted at the Kavanagh home on 722 Steiner Street.

Kavanagh died in San Francisco in 1912.⁸

Painted Ladies

While Matthew Kavanagh developed a number of lots in San Francisco, and even in the vicinity of Alamo Square, he is most known for the seven homes he designed on Steiner Street between Grove and Hayes Streets, immediately facing Alamo Square. The six homes to the south of 722 Steiner Street are identical in floor plan, and only minor alterations were made to each building's exterior to give them individuality.

For his own home just to the north of the six identical buildings, Kavanagh modified the Painted Ladies format somewhat: this house was originally larger than the others along Steiner Street. Whereas the six houses to the south are identical in floor plan, the home at the end of the block features an additional bay. This could have been intended to provide a walkway between 720 Steiner and the subject property. Alternately, it may have been intended to provide the Kavanagh family privacy that the other residents did not have.

SIGNIFICANCE STATEMENT

The statement of significance for the Alamo Square Historic District declares:

The Alamo Square Historic District is significant as a continuum of distinguished residential architecture by distinguished architects spanning the period from the 1870s to the 1920s. The towered Westerfeld House, the renowned "Postcard Row" with its background of the downtown skyline, and the neighboring streetscapes are as identified worldwide with San Francisco as the cable cars and Coit Tower. With a variety of architectural styles, the District is unified in its residential character, relatively small scale, construction type, materials (principally wood), intense ornamentation (especially at entry and cornice) and use of basements and retaining walls to adjust for hillside sites. Boundaries include the park, its edges, the nearby buildings rated highest on the city's architectural survey, and infill structures for rational planning. Most of the original owner-residents were designed by architects, including a virtual cross-section of the city's better professionals. The District has always housed a varied ethnic group. With a high degree of integrity to its original designs, the District clearly serves as a visual reminder of how businessmen lived two to four generations ago.⁹

The 1976 architectural survey undertaken by the Department of City Planning deemed the building as a four (on a scale of one to five, with five being the finest example of San Francisco Architecture).

Here Today, prepared by the Junior League of San Francisco, Inc., includes the entire block of Steiner Street between Hayes and Grove Streets, but focuses primarily on the six homes at 710-720 Steiner.

According to the San Francisco Planning Department, the period of significance for the district is 1870-1929. For 722 Steiner Street, the period of significance can be adjusted from 1892-1929, reflecting its year of construction.

⁸ "Deaths," *San Francisco Call*, January 6, 1912.

⁹ Bloomfield, "Alamo Square Historic District," 1.

As a mostly intact, notable example of the Queen Ann style, and as a part of Matthew Kavanagh's famous row of "Painted Ladies," 722 Steiner Street remains a strong contributor to the Alamo Square Historic District.

CONSTRUCTION CHRONOLOGY

The information within this construction chronology was developed from Department of Building Inspection (DBI) records for the property. Not all of the alterations were legally permitted and, as such, were not recorded.

Date	Event
1892	Initial construction of house
1922	Installation of garage, with door along Grove Street
1973	Legalization of basement apartment with code-compliant plumbing and electrical work
1976	Repairs to comply with property conservation report
1978	Electrical and plumbing work
1987	Installation of four new skylights at third-floor level
1990	Repair program consisting of repairs to bathroom, exterior gutters, cracked chimney, and broken windows, plastering of walls and ceilings
2001	Repainting of exterior: While this permit was issued in 2001, work did not begin until 2005.
2005	Installation of new composite shingle roofing system
2014–2015	Renovation of interior

OWNERSHIP HISTORY

The ownership history of 722 Steiner Street reflects the changing demographics and fortunes of Alamo Square. The original owner, Matthew Kavanagh, lived in the home for eight years after he constructed it. Little is known of Kavanagh's life within the house.

The following owner, the Klopper family, was a German-American family. Frederick Klopper, who was born in Germany, was a leather dealer.¹⁰ His wife, Anna, of German ancestry but born in Iowa, was a homemaker.¹¹ The Kloppers were active in the German-American community in San Francisco. Frederick often hosted meetings of the Germania Club at the house. Anna's obituary noted that she was an active member of "Christliche Muetter Vereia," an organization for Catholic German women.¹² Their four children owned the house after Anna's death in 1912 and Frederick's in 1916. Several of Frederick Klopper's adult children lived in the home, even as

¹⁰ *San Francisco City Directory*, 1898. Frederick Klopper's office was located at 209 Mason Street.

¹¹ United States Census Bureau, 1900 Census.

¹² "Deaths," *San Francisco Call*, March 28, 1912.

they had families of their own.¹³

Through most of the 1920s and 1930s, William and Florence Hall owned the home. Perhaps because of the rising popularity of the automobile, the garage along Grove Street was installed early in their ownership. It is evident that they had at least one boarder, Jacob Rosenthal, who was a Russian immigrant.¹⁴ It is possible that the Halls had additional tenants.

From 1938 until 1963, the ownership of 722 Steiner Street changed rapidly. Little is known about the owners during these years.¹⁵ Indeed, as no permitted work was completed at this time, little is known about the house during this time. According to an oral history of Michael Shannon (owner from 1973–2014), several of the previous landlords were African-American.¹⁶

In 1963, William W. Wolf and Fernando Zapien purchased the building. “Bill,” as Mr. Wolf was known, was active in the community. It was under his ownership that the stained glass window at the parlor and stained-glass skylight above the staircase were installed.¹⁷ Mr. Wolf and Mr. Zapien were part of the first wave of gentrification in Alamo Square. After they moved, the house was briefly owned by others, about whom little is known.

Michael Shannon and his partner, Jim Vogeney, purchased the house in 1976. According to Mr. Shannon, the house had stood vacant for a few years, which led to vandalism, including an attempt to remove the staircase from the house. Despite some neighbors’ protests against the “infiltration” of white gay men into what was known as an African-American community, Mr. Shannon persevered and restored the house.¹⁸ It was also under his ownership that the house became a set for several movies. A photograph taken of the house as part of the 1976–1978 survey that the Department of City Planning (as the Planning Department was known then) conducted on historic homes in San Francisco shows 722 Steiner Street. At that time, the house looked much as it does today (see Figure 5).

¹³ *San Francisco City Directory*, 1913.

¹⁴ 1930 Census.

¹⁵ *San Francisco City Directory*, 1933.

¹⁶ Peter Toscani, *The Role of Gay Men as Pioneer Gentrifiers in Alamo Square* (Submitted as Master’s Thesis in Geography, San Francisco State University, 1997), 228–232.

¹⁷ *Ibid.*

¹⁸ *Ibid.*

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Figure 5. 722 Steiner Street, ca. 1976. In this photo, the portico has been closed in, and the exterior appears similar to how it looks today. The gate spanning the walkway to the south appears to be constructed of horizontal wood siding. (Photograph from San Francisco Planning Department, April 2015.)

Date	Owner	Occupation
1892–1900	Matthew and Catherine Kavanagh	Carpenter, builder, developer
1900–1916	Frederick and Anna Klopper	Leather dealer/tanner
1916–1917	Estate of Frederick Klopper	
1917–1922	Marie Bette, Herman J. Klopper, Frederick M. Klopper (Jr.), Louisa Schnebel/Schnobel/Schnabel	
1922–1938	William L. and E. F. (Florence) Hall	William Hall was an accountant, and Florence was a public schoolteacher. They had a tenant, Jacob Rosenthal, who was also taught in the public schools.

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1938–1941	Helen E. Petrakis/ E. E. and J. K. (James) Petrakis	James Petrakis was a cook. He worked at several different restaurants during his time at 722 Steiner Street. It appears that their adult daughter Helen lived with them as well.
1941–1942	W. M. J. and Ethel Carrol	Unknown
1942–1952	W. J. Carrol	Unknown
1952–1957	Jewell H. Edwards	Mr. Edwards held multiple jobs during his time at 722 Steiner Street, including as a lab technician and a factory worker.
1957–1962	William C. and Lucy Calvillo	Plasterer
1962–1963	Joseph H. and Dorothy A. Flayer	Joseph was a shipping clerk, while Dorothy (nee Kintner) was a bank teller. They moved frequently.
1963–1971	William W. Wolf and R. Fernando Zapien	Mr. Wolf was an upholsterer; Mr. Zapien was a hairdresser.
1971–1973	Ruby M. Patton	Unknown
1973–1974	Robert L. Buckter and Guerino B. Iezza	Mr. Buckter was a painter. Mr. Iezza's job is not known.
1974–1976	Stanley E. O'Dell and Robert P. Anderson	Unknown
1976–2014	Michael Shannon and Jim Vogeney	Mr. Shannon was a furniture designer, while Dr. Vogeney was a dentist.
2014–present	Côme Lague and Charlene Li	Technology entrepreneurs

Chapter 3

ARCHITECTURAL EVALUATIONS

GENERAL DESCRIPTION

Site

722 Steiner Street sits on an eastward-sloping corner lot, at the intersection of Grove and Steiner Streets. There is a small front yard with a decorative wrought-iron gate fronting Steiner Street, and an elevated gated rear yard accessed via a concrete staircase at Grove Street. There is a small tree at the Steiner Street facade in the front yard and two small bushes in the rear yard. Entry to the house is via an L-shaped set of terrazzo steps along Steiner Street; access is available through the rear to a deck. A narrow pathway between 722 Steiner and 720 Steiner provides access to the rear of the house. The house is detached completely from its neighbors. There is a concrete retaining wall at the eastern lot line.

Exterior

The house is two stories tall, with a finished attic and raised basement, topped with a contemporary asphalt-composite shingle roof. The building sits on a concrete foundation, which has been stylized to resemble masonry along the Steiner Street elevation (see Figure 6). The fenestration consists primarily of one-over-one double-hung wood windows, with several historic stained-glass windows; some of the double-hung windows have the original wavy plate glass.

The wood siding along the first floor is horizontal clapboard siding. The second floor features imbricated (fish scale) shingles. The entire exterior, including the concrete foundation, is painted a pale moss green, with burgundy, cream, and gold accents. Immediately under the roof, the fascia around the perimeter of the building features a vine motif, and is topped by profiled projecting eaves. Profiled wood fascias painted cream delineate each floor level, with a simple band between the basement and first floor and more ornate projecting banding between the first and second floors (see Figure 7).

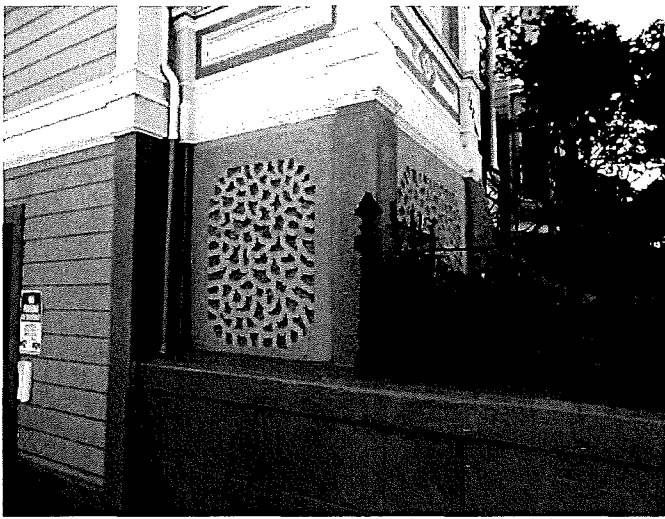


Figure 6. Detail of northwest corner of 722 Steiner Street. (Photograph by Garavaglia Architecture, Inc., April 2015.)



Figure 7. Detail of northwest corner of house at second floor: Note the fishscale shingles and fascia featuring vine motif and articulated eaves. (Photograph by Garavaglia Architecture, Inc., April 2015.)

West (Steiner Street) Facade

The west (Steiner Street) elevation is accessed via an L-shaped stairway to the entrance portico entrance. The portico has been enclosed (see Figures 8 and 9). The portico features fixed single-lite wood windows with single-lite transoms, and a multi-lite stained-glass entrance door with a stained-glass transom with the building's address number. The staircase leading up to the portico has been finished with terrazzo, and features a wrought-iron railing. A decorative wood balustrade sits over the portico, and can be accessed via a second-floor window. The entrance portico and the first-floor portion of the five-sided bay are topped with carved swag paneling, each with a sunburst pediment (see Figure 10).



Figure 8. Overall view of west (Steiner Street) elevation. (Photograph by Garavaglia Architecture, Inc., April 2015.)

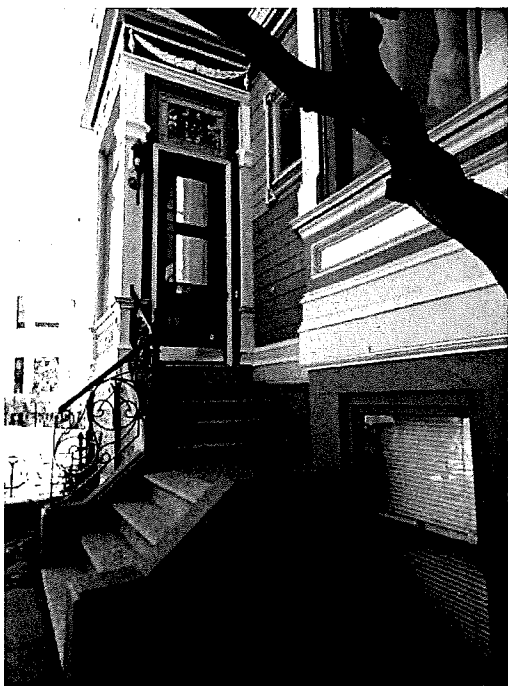


Figure 9. Detail of main entry along Steiner Street, with detail of steps and entrance portico. (Photograph by Garavaglia Architecture, Inc., April 2015.)

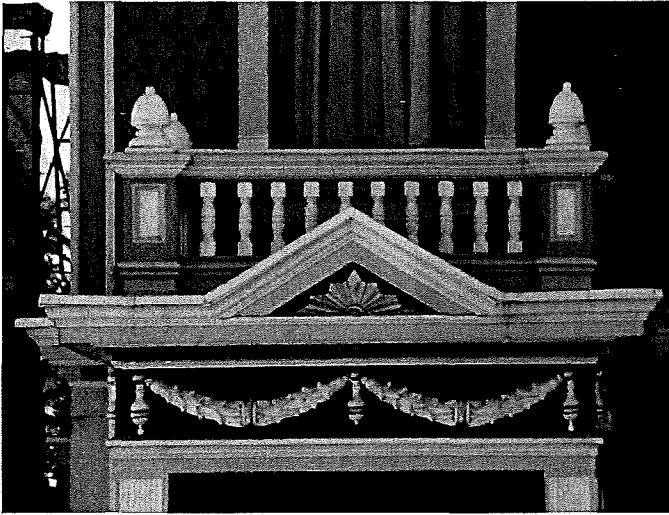


Figure 10. Detail of balustrade over entrance portico. (Photograph by Garavaglia Architecture, Inc., April 2015.)

A rectangular stained-glass window is located between the front entrance and the bay on the first floor, and is framed by decorative trim. All other windows at this facade are one-over-one wood double-hung assemblies. The windows along this elevation are framed by cream-colored wood colonnettes on either side, with carved rectangular panels below.

North (Grove Street) Facade

The north elevation features a garage with a non-historic retractable door at the basement level. A squared bay at the first and second floors at the east end of this facade is topped by a front-facing gable with a spindle. The windows at this bay are framed by cream-colored wood colonnettes on either side, with carved rectangular panels below. The first floor of the bay is topped with carved swag paneling. The roof level features two front-facing gabled dormers, each with a window framed by decorative paneling (see Figure 11).



Figure 11. View of north (Grove Street) elevation, showing gabled dormers and fenestration. (Photograph by Garavaglia Architecture, Inc., May 2015.)

Fenestration along Grove Street consists of two stained-glass windows at the first and second floors, four single-lite non-historic casement windows (two at the attic level and two at the basement), and one window/skylight integrated into the roof. The remaining windows at this elevation are one-over-one wood double-hung assemblies.

East Facade

The east elevation is fronted by the rear yard, which is accessible via a non-historic entrance gate at the northeast corner of the lot (see Figure 12). The entry leads up a flight of non-historic concrete stairs to the rear yard. The east elevation is also accessible via a pathway between 722 and 720 Steiner Street. The basement, first, and second floors along this elevation are clad with horizontal wood siding (see Figure 13).



Figure 12. View of entrance gate and stairs to rear (east) elevation. (Photograph by Garavaglia Architecture, Inc., April 2015.)



Figure 13. Partial view of the east (rear) elevation. (Photograph by Garavaglia Architecture, Inc., May 2015.)

This facade features a squared bay at the second floor, which is supported by carved wood brackets. The windows in the squared bay are framed by cream-colored wood colonnettes on

either side, with carved rectangular panels below. The windows along this elevation are all one-over-one wood double-hung units, with the exception of a non-historic fixed single-lite window at the basement level, which is flanked by two non-historic single-lite casement windows at the north end of the facade, as well as two single-lite skylights in line with the roof. A NanaWall paneled glazing system is located at the first floor at the south portion of the facade.

South Facade

The south facade, which is separated from 720 Steiner Street by a narrow pathway, is the least visible elevation.

Roof

The roof is a complex gable/hip/turret design, which is typical of Queen Anne architecture. The entire roof is clad with dark gray asphalt-composite shingles, which were installed in 2006. The turret roof at Steiner Street and the two gabled dormers at the Grove Street elevation are topped with wood spindles (see Figure 14). Two brick chimneys, featuring profiled sheet metal caps, top the south-facing portion of the roof (see Figure 15).

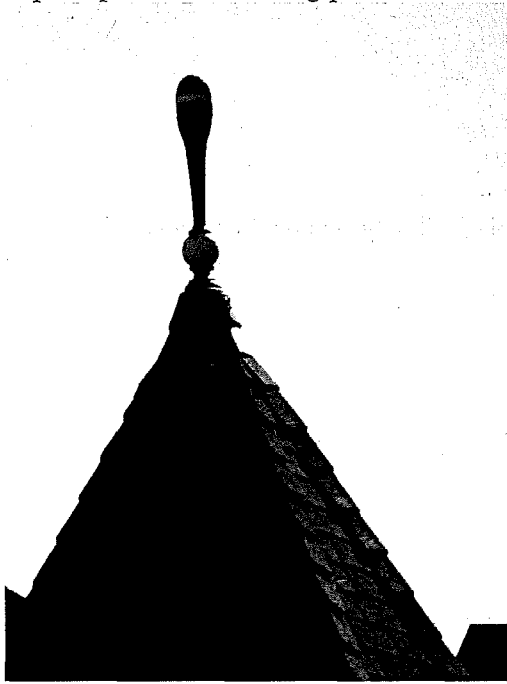


Figure 14. Detail of turret roof and spindle. (Photograph by Garavaglia Architecture, Inc., April 2015.)



Figure 15. Detail of chimneys at south end of roof. (Photograph by Garavaglia Architecture, Inc., April 2015.)

ASSESSMENT OF EXTERIOR FEATURES

Evaluation of Integrity

Integrity is the measure by which properties are evaluated. To retain integrity, a property must have most of the seven aspects of integrity as defined by the National Register Criteria for Evaluation. The seven aspects of integrity are quoted as follows:

- Location—Location is the place where the historic property was constructed or the place where the historic event occurred.
- Design—Design is the combination of elements that create the form, plan, space, structure, and style of a property.
- Setting—Setting is the physical environment of the historic property.
- Materials—Materials are the physical elements that were combined or deposited during a particular period of time and in a particular pattern or configuration form a historic property.
- Workmanship—Workmanship is the physical evidence of the crafts of a particular culture or people during any given period in history or prehistory.

- Feeling—Feeling is a property's expression of the aesthetic or historic sense of a particular period of time.
- Association—Association is the direct link between an important historic event or person and a historic property.

According to the Office of Historic Preservation's Technical Assistance Series Bulletin #6:

Integrity is the authenticity of an historical resource's physical identity evidenced by the survival of characteristics that existed during the resource's period of significance. Historical resources eligible for listing in the California Register must meet one of the criteria of significance described above and retain enough of their historic character or appearance to be recognizable as historical resources and to convey the reasons for their significance. It is possible that historical resources may not retain sufficient integrity to meet the criteria for listing in the National Register, but they may still be eligible for listing in the California Register.¹⁹

In general, the exterior of 722 Steiner Street retains a very high degree of integrity relative to its period of significance (1892–1929) in the following areas:

- Location—722 Steiner Street remains on its original site and maintains the same relationship with its immediate context (Alamo Square Park and surrounding buildings).
- Design—The exterior has remained mostly intact, with the exception of the removal of the original stained-glass doors during the 1970s, as well as the enclosing of the entrance portico. This is important, as other buildings in Alamo Square had their exteriors altered by landlords unwilling to maintain such ornamented façades.
- Setting—The setting around 722 Steiner Street remains today as it has for the last century. The house's relationship with neighboring buildings and proximity to Alamo Square Park remains virtually unaltered since the end of the period of significance.
- Materials—The materials used at 722 Steiner Street's exterior appear to be original to the building. Some, such as the roof, were changed due to deterioration. Some, such as the closing in of the portico, may be unoriginal to the building, but are period-appropriate. In general, most of the materials along the exterior date to the period of significance.
- Feeling—From the exterior, the building appears almost exactly as it did shortly after it was constructed in 1892.
- Workmanship—The quality of construction and quality of materials are evident in the overall good condition of the building in spite of its many owners and periods of vacancy and disrepair.

¹⁹ Office of Historic Preservation, Department of Parks and Recreation, *California Register and National Register: A Comparison*, Technical Assistance Series No. 6, ohp.parks.ca.gov/pages/1069/files/technical_assistance_bulletin_6_2011_update.pdf, last accessed May 27, 2015.

- Association—722 Steiner remains associated with its period of significance from both an architectural and historical level.

CHARACTER-DEFINING FEATURES AND FINISHES

Assessment of various features is done according to a prioritized evaluation system. Once the character defining features have been identified, each is assigned a priority rating to create a sense of the relative historical importance of these spaces and features. A rating scale of “Premier-Important-Contributing-Non-Contributing” is used. In general, this system allows for the analysis of the structure as a whole to guide what types of work should be done, and where such work could be completed with the least damage to the historic integrity of the resource.

The character-defining features of the entire Alamo Square Historic District, as determined by the San Francisco Planning Department, are as follows:

- Small-scale residences with typical building heights of two to three stories
- Principally wood buildings
- Intense ornamentation (especially at entry and cornice)
- The use of basements and retaining walls to adjust for hillside sites

General Description of Character-Defining Features

Premier

A premier rating is given to those features that are directly associated with the identified period or periods of significance and whose contribution to the interpretation and communication of a historic resource is of primary importance. If these features are removed, the historic integrity of the resource is highly compromised. Depending on the size, scale, and relationship of these items with the period of significance, historic integrity could be lost altogether. For these reasons, when developing mitigation plans for project-related work, all elements labeled, “premier” should not be altered in any fashion and should be protected to the highest degree whenever possible. Failing to do so could result in significant impacts to the resource.

Premier Features

- Original exterior stained-glass windows at the Grove Street (north) facade
- Double-hung wood windows with ogee lugs
- Queen Anne-style facade ornamentation
- Bay windows along Steiner, Grove, and rear elevations
- Roof profile, with dormers and turret roof

Important

Features given a rating of important are also directly associated with the identified period or periods of significance and they also inform the interpretation and communication of the historic resource. These elements differ from premier elements because they embody, to a lesser degree, historic aspects of the resource. Sometimes they are secondary decorative elements, which if removed or altered would affect the space, but still allow the historic nature of the space to be discerned, even if in a more limited way. Other times they are associated with lesser aspects of the period of significance or are not documented to the original construction.

Important Features

- Chimneys
- Fish scale shingles at second floor

Contributing

Contributing elements augment the interpretation of historic significance but do not hold a high level of historic value themselves. They could be items that have been previously compromised, modern replacements for original items, been installed after the period of significance but are still of a high artistic or cultural value, still available for replacement in kind, or simply related to the period of significance but not of primary historic importance. The loss of contributing elements lessens the overall level of integrity of the historic resource but not to a level where its interpretation of significance or historical importance is severely compromised.

Contributing Features

- Non-original exterior doors and windows

Non-Contributing

These elements are typically from outside the period of significance, are of poor quality, are still commercially available or are not related to the period of significance or any figures or events associated with the historic interpretation of the resource. When possible, all alterations and modifications should be undertaken with designs that only effect non-contributing elements, or that limit their disruptions to mostly non-contributing elements. Such designs will retain the maximum level of historic integrity and result in the least amount of damage and disruption to the resource as a whole.

Non-Contributing Features

- Composite shingle roof
- Skylights at attic level
- Terrazzo flooring at exterior steps and porch
- Glassed-in sections of porch
- Garage along Grove Street
- Rear deck
- Gate at south walkway

Chapter 4

EXISTING CONDITIONS

SITE

The rear retaining wall exhibits significant cracking and displacement (see Figure 16). The riser heights/tread depths on the concrete stairs are inconsistent in height and variance. The safety handrail does not extend the full length of the stairway (see Figure 17).

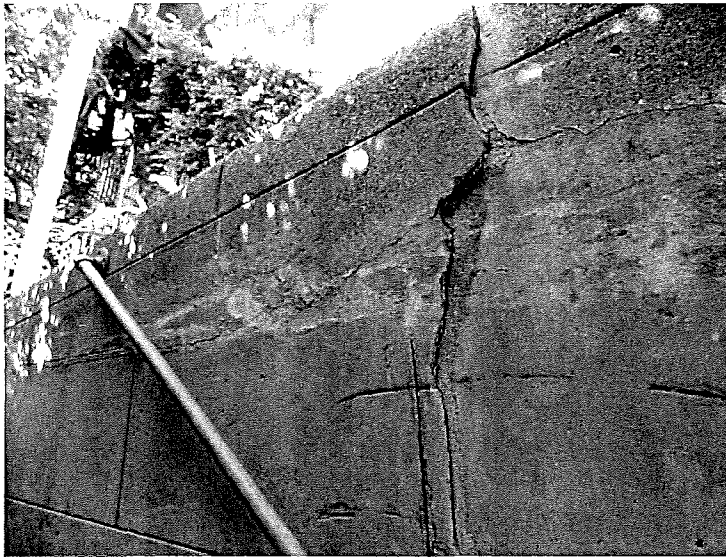


Figure 16. Cracked retaining wall along east property line. (Photograph by Garavaglia Architecture, Inc., April 2015.)



Figure 17. Detail of handrail. (Photograph provided by Côme Lague, April 2015.)

EXTERIOR

Building Envelope

The exterior paint is peeling in some locations, which is typical of painted wood buildings of this age. At isolated locations, splitting wood was observed (see Figures 18 through 20).



Figure 18. Peeling paint at perimeter fascia. (Photograph by Garavaglia Architecture, Inc., April 2015.)



Figure 19. Peeling paint at basement level. (Photograph by Garavaglia Architecture, Inc., April 2015.)

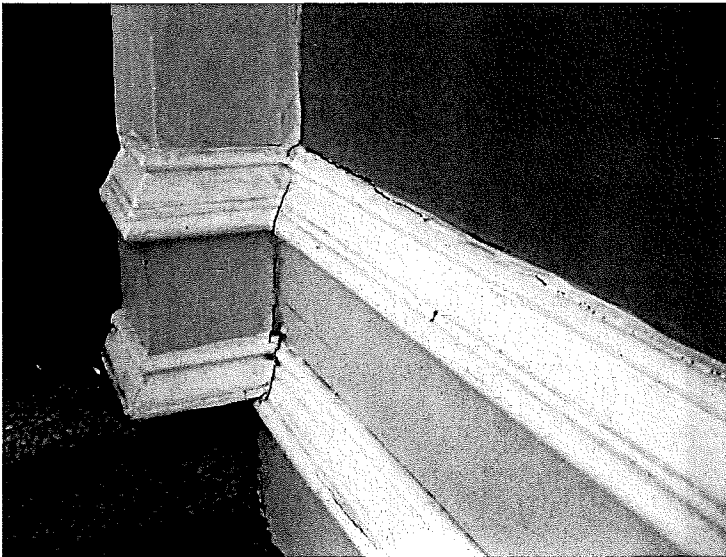


Figure 20. Peeling paint and splitting wood at west elevation. (Photograph by Garavaglia Architecture, Inc., April 2015.)

Roofs and Drainage

At the time of the site visits, the condition of the roof was not fully ascertained; from initial reviews, however, the roof appears to be in good to fair condition. The current roof was installed in 2005. A leak has been reported at the turret roof, near the southwest turret spindle (see Figure 21).

The downspout at the northwest corner of the house (facing Grove Street) is corroded and damaged (see Figure 22).



Figure 21. Peeling paint at perimeter fascia. (Photograph by Garavaglia Architecture, Inc., April 2015.)

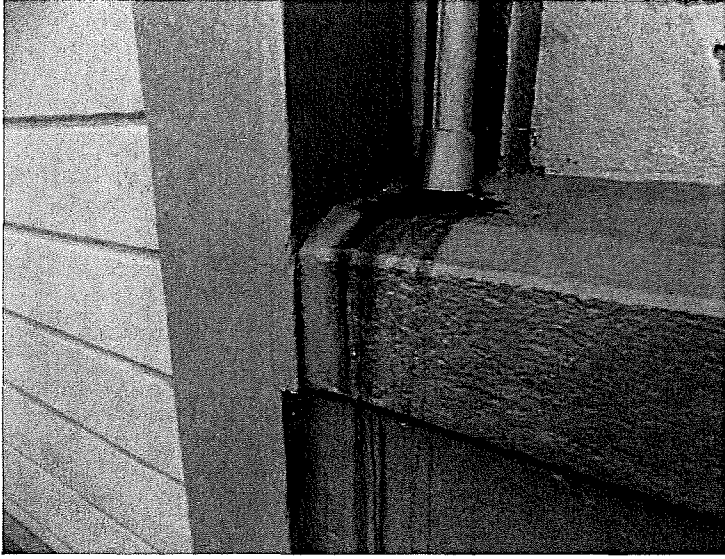


Figure 22. Corroded downspout along north elevation. (Photograph by Garavaglia Architecture, Inc., April 2015.)

Windows & Doors

The original double-hung windows at the upper floors appear to be in good working condition, and were recently refurbished. One window at the basement level appears to exhibit rotting at the wood (see Figure 23).

The stained glass door at the entrance portico exhibits a small section of dry rot (see Figure 24).



Figure 23. Rotted wood at basement window. (Photograph by Garavaglia Architecture, Inc., April 2015.)



Figure 24. Rotted wood at entrance portico door. (Photograph provided by Côme Lague, April 2015.)

TREATMENT SELECTION

According to the National Park Service, the Secretary of the Interior's Standards are neither technical nor prescriptive, but are intended to promote responsible preservation practices that help protect our irreplaceable cultural resources. They cannot, in and of themselves, be used to make essential decisions about which features of the historic building should be saved and which can be changed. However, once a treatment is selected, the Standards provide philosophical consistency to the work.²⁰

The four treatment approaches are Preservation, Rehabilitation, Restoration, and Reconstruction, outlined below in hierarchical order and explained:

The first treatment, *Preservation*, places a high premium on the retention of all historic fabric through conservation, maintenance and repair. It reflects a building's continuum over time, through successive occupancies, and the respectful changes and alterations that are made.

Rehabilitation, the second treatment, emphasizes the retention and repair of historic materials, but more latitude is provided for replacement because it is assumed the property is more deteriorated prior to work. (Both Preservation and Rehabilitation standards focus attention on the preservation of those materials, features, finishes, spaces, and spatial relationships that, together, give a property its historic character.)

Restoration, the third treatment, focuses on the retention of materials from the most significant time in a property's history, while permitting the removal of materials from other periods.

²⁰ National Park Service, "The Treatment of Historic Properties," NPS Technical Preservation Services website, <http://www.nps.gov/tps/standards.htm>, last accessed May 26, 2015.

Reconstruction, the fourth treatment, establishes limited opportunities to re-create a non-surviving site, landscape, building, structure, or object in all new materials.²¹

Rehabilitation is the recommended treatment for the exterior repair program at 722 Steiner Street. The recommendations described below will be completed in compliance with these regulations.

Rehabilitation

Rehabilitation is defined as the act or process of making possible a compatible use for a property through repair, alterations, and additions while preserving those portions or features which convey its historical, cultural, or architectural values.

As stated in the definition, the treatment "rehabilitation" assumes that at least some repair or alteration of the historic building will be needed in order to provide for an efficient contemporary use; however, these repairs and alterations must not damage or destroy materials, features, or finishes that are important in defining the building's historic character.

The following are the Secretary of the Interior's Standards for Rehabilitation.²²

1. A property will be used as it was historically or be given a new use that requires minimal change to its distinctive materials, features, spaces, and spatial relationships.
2. The historic character of a property will be retained and preserved. The removal of distinctive materials or alteration of features, spaces, and spatial relationships that characterize a property will be avoided.
3. Each property will be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or elements from other historic properties, will not be undertaken.
4. Changes to a property that have acquired historic significance in their own right will be retained and preserved.
5. Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a property will be preserved.
6. Deteriorated historic features will be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature will match the old in design, color, texture, and, where possible, materials. Replacement of missing features will be substantiated by documentary and physical evidence.
7. Chemical or physical treatments, if appropriate, will be undertaken using the gentlest means possible. Treatments that cause damage to historic materials will not be used.

²¹ Ibid.

²² This section is quoted from National Park Service, "Rehabilitation as a Treatment," NPS Technical Preservation Services website, <http://www.nps.gov/tps/standards/four-treatments/treatment-rehabilitation.htm>, last accessed March 6, 2015.

8. Archeological resources will be protected and preserved in place. If such resources must be disturbed, mitigation measures will be undertaken.
9. New additions, exterior alterations, or related new construction will not destroy historic materials, features, and spatial relationships that characterize the property. The new work will be differentiated from the old and will be compatible with the historic materials, features, size, scale and proportion, and massing to protect the integrity of the property and its environment.
10. New additions and adjacent or related new construction will be undertaken in such a manner that, if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

PRIORITIZED RECOMMENDATIONS

Site

A project is underway at 981 Grove Street immediately at the rear of the house to further excavate the garage, which will impact the common retaining wall at the northeast corner of 722 Steiner Street. During that work, the retaining wall should be replaced. The stairs and handrail should also be replaced or removed, with access to the rear still possible via the walkway between 722 and 720 Steiner Street, or the first-floor door to the deck.

Seismic Upgrades

A steel moment frame was recently added to the kitchen/family room area on the second-floor ceiling, with posts anchored into newly poured footings on the first floor. Shear walls were added at various locations on the second and third floors with hold downs at the first floor foundation. Framing was rebuilt and reinforced on the second and third floors. These upgrades were designed to avoid altering, removing or obscuring character-defining features of the property and to reinforce the structural integrity of the house.

Building Envelope

Wooden Shingles & Siding

Any deteriorated or rotted segments of the exterior, including shingles, sidings, or decorative elements, should be repaired or replaced. Damaged siding should be removed and replaced in kind with the same wood species. Composite materials should be avoided since they inherently have either a highly smooth finish or a very artificial, repetitive grain that will be incompatible with the existing materials.

Painting

Preparation for new paint is very important. Loose paint should be removed to allow for proper adhesion of the new finish. For wood surfaces, gentle scraping and sanding with non-metallic tools is appropriate. Chemical removal systems such as gel-based "Peel Away" allow removal of multiple layers at a time without creating dust or loose debris. Loose paint can be removed with a soft bristle brush, however more complete paint removal requires testing by a trained professional to determine a safe and effective means for removing paint. Pressure washing is not appropriate and may cause more damage to the historic materials than necessary.

Once the paint is removed down to a sound base layer, prepare the remaining paint surface for the application of an appropriate paint system as per the manufacturer's recommendations. The type of paint used should be compatible with that already existing on the building. Many modern paints will not adhere properly to older paint binders. Testing should be done prior to wholesale paint application.

When undertaking paint application, do not touch up limited areas, as this can cause a spotty appearance. Repaint the entire wall surface to a change of material direction or other obvious edge. Window frames and sashes may need more frequent attention, as the type of wood used is often not as resistant to the actions of wind, water, and sunlight. When painting windows, care should be taken to paint the glazing putty with minimal overlap onto the glass.

Roof and Drainage

The existing composition shingles and seal around the turret spindle should be inspected pursuant to the roofing manufacturer's warranty, and any such repairs required should be completed. At this time, the remainder of the roof should be inspected.

The corroded downspout at the northwest corner of the building should be repaired to prevent damage to the Grove Street facade and water leakage on the sidewalk. The repair should be designed to avoid altering, removing, or obscuring character-defining features of the property.

Doors and Windows

The front entrance door has signs of dry rot and should be repaired according to best practices or replaced in kind as necessary.

PRIORITIZATION OF REPAIRS

Short-term (next 6–36 months)

- Perform annual inspections of the windows, rain gutters, siding and shingles, paint, and trim. If any damage or deterioration is found, the extent and nature of the damage should be assessed. Any needed repairs should avoid altering, removing, or obscuring character-defining features of the building. If any elements are determined to be damaged or deteriorated beyond repair, replacements will be made in kind (e.g., wood for wood).

Long-term (5+ years)

- Every five years, the wooden elements of the facade should be inspected, and repainted as necessary. If any damage or deterioration is found, the extent and nature of the damage will be assessed. Any needed repairs must avoid altering, removing, or obscuring previously determined character-defining features of the building. If any elements are determined to be damaged or deteriorated beyond repair, then replacement shall be made in-kind, with new wood elements to match the historic building material.
- Every five years, a licensed roofing contractor should inspect the roof, pursuant to the roofing manufacturer's warranty. Any repairs to the roof, or changes to the materials, should be performed in compliance with the *Secretary of the Interior's Standards for Rehabilitation*.

Chapter 7

SUMMARY

722 Steiner Street is a significant building in the context of the development of San Francisco's western neighborhoods in the late nineteenth and early twentieth centuries. In support of a Mills Act application for the exterior repair of the property, this project was charged with creating a better understanding of the building. The goals of this HSR are:

- To provide a history of the house and its historical context
- To assess the conditions of the building's exterior, including any age-based deterioration
- To develop a list of recommendations for the repair of this historic home

The property tax savings from the Mills Act contract will enable the property owners to preserve and rehabilitate the historic structure, which would otherwise be in danger of demolition, deterioration, or abandonment.

The building remains a significant contributor to the Alamo Square Historic District due to its high level of integrity relative to its period of significance (1892–1929). As one of the famed "Seven Sisters" designed and built by Matthew Kavanagh, 722 Steiner Street is an exceptional example of the Queen Anne style in San Francisco.

HISTORICAL SUMMARY

The neighborhood surrounding Alamo Square became a destination for San Francisco's growing professional class at the turn of the century. These people were drawn to what was then the western edge of the city by clement weather, views, and access to public transportation. Eventually, as urban decline crept across the city, 722 Steiner Street suffered the same ill effects of absentee landlords and disinvestment as other buildings. Fortunately, due to devoted community activists and passionate owners who were willing and able to restore their homes, the Painted Ladies of Steiner Street have been returned to their original glory.

CONDITIONS SUMMARY

722 Steiner Street was constructed almost 125 years ago. During the twentieth century, it

underwent a variety of alterations—not all of which were appropriate. Today, the interior is in excellent condition owing to a recent renovation. The exterior looks mostly as it did in 1892, with only modifications such as a garage along Grove Street and the enclosing of the entrance portico. The Queen Anne design details are intact. That said, however, much of the wood detailing has met or exceeded its reasonable service life. Wood rot was observed, as well as splitting of wood and peeling of paint. Leaks have been reported at the roof level. Deterioration to site features, such as the retaining wall at the rear of the building, was also observed.

RECOMMENDATIONS SUMMARY

An exterior repair program at 722 Steiner Street is necessary to not only address the waterproofing issues at the roof, but also material degradation related to the age of the building. The building is in good condition overall, but requires such repairs as limited wood repair/ replacement, repainting, and repairs to the site. With the recommended repair program, 722 Steiner Street can thrive for another 125 years.

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