

BOARD of SUPERVISORS



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MEMORANDUM

TO: Joaquín Torres, Assessor Recorder, Office of the Assessor-Recorder

FROM: Stephanie Cabrera, Assistant Clerk, Government Audit and Oversight Committee, Board of Supervisors

DATE: September 20, 2022

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Supervisor Peskin on September 13, 2022:

File No. 220925

Resolution regarding non-renewal of a Mills Act historical property contract with Claude Zellweger and Renee Zellweger, the owners of 621 Waller Street, Assessor's Parcel Block No. 0864, Lot No. 023, under Chapter 71 of the San Francisco Administrative Code; notifying the Assessor-Recorder's Office of such non-renewal; and authorizing the Planning Director to send notice of the nonrenewal of the historical property contract to the owner and record a notice of non-renewal.

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

Stephanie.Cabrera@sfgov.org.

cc: Kurt Fuchs, Office of the Assessor-Recorder
Holly Lung, Office of the Assessor-Recorder

1 [Non-Renewal of a Mills Act Historical Property Contract - 621 Waller Street]

2

3 **Resolution regarding non-renewal of a Mills Act historical property contract with**
4 **Claude Zellweger and Renee Zellweger, the owners of 621 Waller Street, Assessor's**
5 **Parcel Block No. 0864, Lot No. 023, under Chapter 71 of the San Francisco**
6 **Administrative Code; notifying the Assessor Recorder's Office of such non-renewal;**
7 **and authorizing the Planning Director to send notice of the non-renewal of the**
8 **historical property contract to the owner and record a notice of non-renewal.**

9

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

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

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

20 WHEREAS, A Mills Act application for an historical property contract was submitted by
21 Claude Zellweger and Renee Zellweger, the owners of 621 Waller Street Assessor's Parcel
22 Block No. 0864, Lot No. 023, detailing rehabilitation work and proposing a maintenance plan
23 for the property; and

24 WHEREAS, At a public hearing on November 25, 2014, in Resolution No. 440-14, and
25 after reviewing the Historic Preservation Commission's recommendation and the information

1 provided by the Assessor’s Office, the Board of Supervisors approved the historical property
2 contract between Claude Zellweger and Renee Zellweger, the owners of 621 Waller Street,
3 and the City and County of San Francisco; and

4 WHEREAS, When it considered the approval of the historical property contract, the
5 Board of Supervisors balanced the benefits of the Mills Act to the owner of 621 Waller Street
6 with the cost to the City of providing the property tax reductions authorized by the Mills Act, as
7 well as the historical value of 621 Market Street and the resultant property tax reductions, and
8 determined that it was in the public interest to enter into a historical property contract with the
9 applicants; and

10 WHEREAS, The historical property contract for 621 Waller Street was recorded at the
11 Assessor Recorder Office on December 19, 2014, which is the anniversary date of the
12 contract; and

13 WHEREAS, The Mills Act Historical Property Contract and Rehabilitation Plan for 621
14 Waller Street included six specific scopes of work scheduled for completion between 2014
15 and 2020; and

16 WHEREAS, To date, the property owner has not legally completed any of the
17 Rehabilitation scope items as required under the Mills Act contract; specifically, the property
18 owner completed or partially completed four scope items without benefit of permits, partially
19 completed one scope item that does not require a permit (painting), and has not begun work
20 on one scope item; and

21 WHEREAS, On September 9, 2020, Planning Department Enforcement Staff opened
22 Enforcement Case No. 2020-008528ENF to legalize work performed without benefit of a
23 permit as outlined in Planning Case No. 2020-006466PRJ/COA and Building Permit
24 Application No. 202010035800; and

25

1 WHEREAS, The property owner’s failure to timely comply with its obligations under the
2 Mills Act contract for this property has deprived the City of benefits to which it is entitled under
3 the contract, specifically the legal completion of specified preservation and rehabilitation work
4 on this historic property between 2014 and 2020; and

5 WHEREAS, At a public hearing on March 16, 2022, for the legalization of work
6 performed without benefit of a permit under Planning Case No. 2020-006466PRJ/COA, the
7 Historic Preservation Commission expressed concern that the property owner has not acted in
8 a good faith to complete scope of work items in a timely manner in accordance with the Mills
9 Act contract for 621 Waller Street; and

10 WHEREAS, At a public hearing on July 20, 2022, in Resolution No. 1255, the Historic
11 Preservation Commission recommended that the Board of Supervisors non-renewal of the
12 Mills Act Historical Property Contract for 621 Waller (Assessor’s Parcel Block No. 0864, Lot
13 No. 023); now, therefore, be it

14 RESOLVED, That the Board of Supervisors hereby elects not to renew the historical
15 property contract for 621 Waller Street Assessor’s Parcel Block No. 0864, Lot No. 023; and,
16 be it

17 FURTHER RESOLVED, That the Board of Supervisors hereby notifies the Assessor
18 Recorder of the non-renewal of the historical property contract for 621 Waller Street; and, be it

19 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the Planning
20 Director to send notice at least 60 days prior to the anniversary date to the current owners of
21 621 Waller Street, informing them that the historical property contract will not be renewed;
22 and, be it

23 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the Planning
24 Director to cause a notice of the non-renewal of the contract to be recorded in the City
25 Recorder’s office.