

BOARD of SUPERVISORS



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MEMORANDUM

Date: October 27, 2023
To: Lisa Gibson, Environmental Review Officer, Planning Department
From: Stephanie Cabrera, Assistant Clerk
Subject: Board of Supervisors Legislation Referral - File No. 231058 Mills Act Historical Property Contract - 988 Market Street

- ☒ California Environmental Quality Act (CEQA) Determination
(*California Public Resources Code, Sections 21000 et seq.*)
 - ☒ Resolution
 - ☐ Ballot Measure
- ☐ Amendment to the Planning Code, including the following Findings:
(*Planning Code, Section 302(b): 90 days for Planning Commission review*)
 - ☐ General Plan ☐ Planning Code, Section 101.1 ☐ Planning Code, Section 302
- ☐ Amendment to the Administrative Code, involving Land Use/Planning
(*Board Rule 3.23: 30 days for possible Planning Department review*)
- ☐ General Plan Referral for Non-Planning Code Amendments
(*Charter, Section 4.105, and Administrative Code, Section 2A.53*)
(Required for legislation concerning the acquisition, vacation, sale, or change in use of City property; subdivision of land; construction, improvement, extension, widening, narrowing, removal, or relocation of public ways, transportation routes, ground, open space, buildings, or structures; plans for public housing and publicly-assisted private housing; redevelopment plans; development agreements; the annual capital expenditure plan and six-year capital improvement program; and any capital improvement project or long-term financing proposal such as general obligation or revenue bonds.)
- ☐ Historic Preservation Commission
 - ☐ Landmark (*Planning Code, Section 1004.3*)
 - ☐ Cultural Districts (*Charter, Section 4.135 & Board Rule 3.23*)
 - ☐ Mills Act Contract (*Government Code, Section 50280*)
 - ☐ Designation for Significant/Contributory Buildings (*Planning Code, Article 11*)

Planning Department
October 27, 2023

Please send the Planning Department determination to Stephanie Cabrera at Stephanie.Cabrera@sfgov.org

CC:

Devyani Jain, Planning Department
Joy Navarrete, Planning Department

1 [Mills Act Historical Property Contract - 988 Market Street]

2
3 **Resolution approving a historical property contract between 140 Partners, L.P., a**
4 **California Limited Partnership and Marlin Cove, Inc., a California corporation, the**
5 **owners of 988 Market Street, and the City and County of San Francisco, under**
6 **Administrative Code, Chapter 71; and authorizing the Planning Director and the**
7 **Assessor-Recorder to execute and record the historical property contract.**
8

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

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

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

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

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

24 WHEREAS, 988 Market Street is a Category I - Significant Building under Article 11 of
25 the Planning Code and a Contributor to the Market Street Theater and Lofts National Register

1 Historic District, and thus qualifies as an historical property as defined in Administrative Code,
2 Section 71.2; and

3 WHEREAS, A Mills Act application for an historical property contract has been
4 submitted by 140 Partners, L.P., a California Limited Partnership and Marlin Cove, Inc., a
5 California Corporation, the owners of 988 Market Street, detailing rehabilitation work and
6 proposing a maintenance plan for the property; and

7 WHEREAS, As required by Administrative Code Section 71.4(a), the application for the
8 historical property contract for 988 Market Street was reviewed by the Office of the Assessor-
9 Recorder and the Historic Preservation Commission; and

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

16 WHEREAS, The Historic Preservation Commission recommended approval of the
17 historical property contract in its Resolution No. _____, including approval of the
18 Rehabilitation Program and Maintenance Plan, attached to said Resolution, which is on file
19 with the Clerk of the Board of Supervisors in File No. _____ and is hereby declared
20 to be a part of this Resolution as if set forth fully herein; and

21 WHEREAS, The draft historical property contract between 140 Partners, L.P., a
22 California Limited Partnership and Marlin Cove, Inc., a California Corporation, the owners of
23 988 Market Street, and the City and County of San Francisco is on file with the Clerk of the
24 Board of Supervisors in File No. _____ and is hereby declared to be a part of this
25 Resolution as if set forth fully herein; and

1 WHEREAS, The Board of Supervisors has conducted a public hearing pursuant to
2 Administrative Code, Section 71.4(d), to review the Historic Preservation Commission's
3 recommendation and the information provided by the Assessor's Office in order to determine
4 whether the City should execute the historical property contract for 988 Market Street; and

5 WHEREAS, The Board of Supervisors has balanced the benefits of the Mills Act to the
6 owner of 988 Market Street with the cost to the City of providing the property tax reductions
7 authorized by the Mills Act, as well as the historical value of 988 Market Street and the
8 resultant property tax reductions, and has determined that it is in the public interest to enter
9 into a historical property contract with the applicants; now, therefore, be it

10 RESOLVED, That the Board of Supervisors hereby approves the historical property
11 contract between 140 Partners, L.P., a California Limited Partnership and Marlin Cove, Inc., a
12 California Corporation, the owners of 988 Market Street, and the City and County of San
13 Francisco; and, be it

14 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the Planning
15 Director and the Assessor-Recorder to execute the historical property contract and record the
16 historical property contract.