



SAN FRANCISCO PLANNING DEPARTMENT

December 4, 2013

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 Numbers
2013.1261U; 2013.1230U; 2013.1260U; 2013.1258U; 2013.1254U;
2013.1259U; 2013.1257U
Seven Individual Mills Act Historical Property Contract Applications for the
following addresses:
50 Carmelita St.; 66 Carmelita St.; 70 Carmelita St.; 56 Pierce St., 64 Pierce St.;
56 Potomac St.; 66 Potomac St. (Contributors to the Duboce Park Landmark
District)
BOS File Nos: _____ (pending)
Historic Preservation Commission Recommendation: Approval

Dear Ms. Calvillo,

On December 4, 2013 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 December 4, 2013 hearing, the Historic Preservation Commission voted to approve the proposed Resolutions.

The Resolutions recommend that the Board of Supervisors approve the Mills Act Historical Property Contracts, rehabilitation programs and maintenance plans for each of the properties located at 50 Carmelita St.; 66 Carmelita St.; 70 Carmelita St.; 56 Pierce St., 64 Pierce St.; 56 Potomac St.; 66 Potomac St. : all contributors to the Duboce Park Landmark District.

Please note that the Project Sponsors submitted the Mills Act applications on September 3, 2013.

Each contract involves a proposed rehabilitation and maintenance plan. Please refer to the attached exhibits for specific work to be completed for each property.

Each contract involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. It addresses the following components:

- wood siding,
- windows/glazing,
- roof,
- millwork and ornamentation;



SAN FRANCISCO PLANNING DEPARTMENT

Historic Preservation Commission Draft Resolution

HEARING DATE DECEMBER 4, 2013

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Hearing Date: December 4, 2013
Filing Dates: September 3, 2013
Case No.: 2013.1261U
Project Address: **50 Carmelita St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential - House, Two Family)
40-X Height and Bulk District
Block/Lot: 0864/011
Applicant: Adam Spiegel & Guillemette Broulliat-Spiegel
50 Carmelita St.
San Francisco, CA 94117
Staff Contact: Susan Parks – (415) 575-9101
susan.parks@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 50 CARMELITA 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 existing building located at 50 Carmelita Street and is listed under Article 10 of the San Francisco Planning Code Planning Code as a contributor to the Duboce Park 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 50 Carmelita Street, which are located in Case

Docket No. 2013.1261U. 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 50 Carmelita 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 December 4, 2013, 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 50 Carmelita Street, which are located in Case Docket No. 2013.1261U. The Historic Preservation Commission recommends approval of the Mills Act historical property contract, rehabilitation program, and maintenance plan.

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 50 Carmelita 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 50 Carmelita Street, and other pertinent materials in the case file 2013.1261U to the Board of Supervisors.

I hereby certify that the foregoing Resolution was ADOPTED by the Historic Preservation Commission on December 4, 2013.

Jonas P. Ionin
Commissions Secretary

AYES: Hasz, Wolfram, Hyland, Johnck, Johns, Mastuda, Pearlman

NOES:

ABSENT:

ADOPTED: 7-0



SAN FRANCISCO PLANNING DEPARTMENT

Mills Act Contracts Case Report

Hearing Date: December 4, 2013

- a. *Filing Dates:* September 3, 2013
Case No.: 2013.1261U
Project Address: **50 Carmelita St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential - House, Two Family)
40-X Height and Bulk District
Block/Lot: 0864/011
Applicant: Adam Speigel & Guillemette Broulliat-Speigel
50 Carmelita St.
San Francisco, CA 94117
- b. *Filing Date:* September 3, 2013
Case No.: 2013.1230U
Project Address: **66 Carmelita St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential House, Two Family)
40-X Height and Bulk District
Block/Lot: 0864/015
Applicant: Amy Hockman & Brian Bone
66 Carmelita St.
San Francisco, CA 94117
- c. *Filing Date:* September 3, 2013
Case No.: 2013.1260U
Project Address: **70 Carmelita St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential House, Two Family)
40-X Height and Bulk District
Block/Lot: 0864/016
Applicant: Elise Sommerville
70 Carmelita St.
San Francisco, CA 94117
- d. *Filing Date:* September 3, 2013
Case No.: 2013.1258U
Project Address: **56 Pierce St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential House, Two Family)
40-X Height and Bulk District
Block/Lot: 0865/013

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December 4, 2013

50 Carmelita St.; 66 Carmelita St.; 70 Carmelita St.; 56 Pierce St.; 64 Pierce St.; 64 Pierce St.;

56 Potomac St.; 66 Potomac St.; 1772 Vallejo St.

56 Potomac St.
San Francisco, CA 94117

1772 Vallejo St.
San Francisco, CA 94123

Staff Contact: Susan Parks – (415) 575-9101
susan.parks@sfgov.org
Reviewed By: Tim Frye – (415) 575-6822
tim.frye@sfgov.org

PROPERTY DESCRIPTION

- a. **50 Carmelita St.:** The subject property is located on the east side of Carmelita Street between Waller and Duboce Streets, the lot is adjacent to Duboce Park. Assessor's Block 0864, Lot 011. It is located in a RH-2 (Residential House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 2 1/2 story frame house was built in 1899 in a combination of the Queen Anne and Shingle styles.
- b. **66 Carmelita St.:** The subject property is located on the east side of Carmelita Street between Waller and Duboce Streets. Assessor's Block 0864, Lot 015. It is located in a RH-2 (Residential-House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 1 1/2 story-over-basement frame house was built in 1900 by master builder Fernando Nelson in the Queen Anne style.
- c. **70 Carmelita St.:** The subject property is located on the east side of Carmelita Street between Waller and Duboce Streets. Assessor's Block 0864, Lot 016. It is located in a RH-2 (Residential-House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 1 1/2 story-over-basement frame house was built in 1900 by master builder Fernando Nelson in the Queen Anne style.
- d. **56 Pierce St.:** The subject property is located on the east side of Pierce Street between Waller and Duboce Streets. Assessor's Block 0865, Lot 013. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 2 1/2 story-over-basement frame house was built c. 1905 by master builder Fernando Nelson in the Queen Anne style and features applied stick work reminiscent of the Tudor style.
- e. **64 Pierce St.:** The subject property is located on the east side of Pierce Street between Waller and Duboce Streets. Assessor's Block 0865, Lot 015. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 2 1/2 story-over-basement frame house was built c. 1905 by master builder Fernando Nelson in the Queen Anne style and features applied stick work reminiscent of the Tudor style.

- f. 56 Potomac St.:** The subject property is located on the east side of Potomac Street between Waller and Duboce Streets. Assessor's Block 0866, Lot 012. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 1 1/2 story-over-basement frame house was built in 1899 by neighborhood builders George Moore & Charles Olinger in the Queen Anne style. This property was the informal sales office and home of George Moore and his family.
- g. 66 Potomac St.:** The subject property is located on the east side of Potomac Street between Waller and Duboce Streets. Assessor's Block 0866, Lot 015. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 1 1/2 story-over-basement frame house was built in 1899 by neighborhood builders George Moore & Charles Olinger in the Queen Anne style.
- h. 1772 Vallejo St.:** The subject property is located on the north side of Vallejo Street between Gough and Franklin Streets. Assessor's Block 0522, Lot 029. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as City Landmark #31. It is also listed in Here Today (page 22) and the Planning Department 1976 Architectural Survey. The three-story-over-basement house was designed primarily in the Italianate style with French Second Empire influences.

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 and recommendation on the historical property contract, proposed rehabilitation program, and proposed maintenance plan. The Historic Preservation Commission shall conduct a public hearing on the Mills Act application and contract 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's Office to execute the historical property contract.

MILLS ACT REVIEW PROCEDURES

The Historic Preservation Commission is requested to review each and make to recommendation 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 program 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 as to whether to recommend to the Board of Supervisors if the valuation exemption shall 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 Project Sponsor, Planning Department Staff, and the Office of the City Attorney have negotiated the attached draft historical property contracts, which include a draft maintenance plan for the historic building. Department staff believes that the draft historical property contracts and maintenance plans are adequate.

- a. 50 Carmelita St.:** As detailed in the Mills Act application, the Project Sponsor proposes to 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 and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The property was fully rehabilitated at the time of purchase two years ago. The Project Sponsors have developed a thorough maintenance plan that involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan includes; painting and repairing the historic shingled siding and wood trim as needed; inspecting the roof, flashing and vents regularly and replacing elements or the entire roof when needed; inspection of the gutters, downspouts, grading to ensure there is no damage to the foundation; maintenance of the exterior doors, stairways, balustrades, and decking for dry rot; and routine inspections of the historic wood windows and non-historic skylights checking for dry rot, damage, or leaks, and repairing any damage found according to best practices. No changes to the use are proposed. Please refer to the attached Rehabilitation 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. 66 Carmelita St.:** As detailed in the Mills Act application, the Project Sponsor proposes to continue rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves in-kind custom replacement of historic elements including rotted entry stairs, balustrades and porch decking; repainting of the stairs and porch; repair (or replace, if needed) non-functional double hung windows at the front bay on main floor and rear parlor; replacing the roof; and replacing deteriorated non-historic skylights and resealing others; repair and repainting of historic siding; and completing repairs based on structural engineers inspection to the brick foundation (previous repairs were undertaken in sections by different homeowners). No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; and the foundation. 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. 70 Carmelita St.:** As detailed in the Mills Act application, the Project Sponsor proposes to continue rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves historic wood siding and millwork; reroofing and installing a Dutch gutter on the south side of roof (shared with 66 Carmelita St.; and installing a trench drain to remediate water run-off that is flooding the basement and damaging foundation, and walls. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; and the foundation. 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.

- d. 56 Pierce St.:** As detailed in the Mills Act application, the Project Sponsor proposes to begin maintenance efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The property was fully rehabilitated prior to the Mills Act Application. No changes to the use are proposed.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses the repair, maintenance and repainting of the wood siding, windows/glazing, roof, millwork, stairs and ornamentation; gutters, downspouts and drainage; and the foundation and sheer walls. 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.

- e. 64 Pierce St.:** As detailed in the Mills Act application, the Project Sponsor proposes to continue rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves repairing and painting historic wood siding; repaired and replaced, as needed, historic millwork; including wood trim and corbels; repair of the leaded glass windows and transoms; repair of the historic front door; repair all windows that could be repaired and replaced in kind those that were beyond repair (23 windows total) at the front of the house, restored the front entry, including flooring, lighting and removing non-historic

detailing; replaced railings at the front entry stairs to be code compliant and historically accurate encased the deteriorated brick foundation in concrete, added structural steel beams, comment frames, sheer walls and steel framing throughout the house to meet seismic standards; leveled the house to improve drainage at grade; removed concrete slabs at front yard and replaced with planter areas and borders (to improve the property); remediated water pooling at the exterior of house by re-grading and installing trench drain repaired existing roof drains; installed new roof drains to correct drainage issues from neighboring houses. Please refer to the attached Rehabilitation Plan for a full description of the proposed work. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; and the foundation. 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.

- f. 56 Potomac St.:** As detailed in the Mills Act application, the Project Sponsor proposes to begin rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves reconstruction and structural repairs to the historic front stairs and porch based on historic photographs. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; attic and the foundation. 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.

- g. 66 Potomac St.:** As detailed in the Mills Act application, the Project Sponsor proposes to continue rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves repairing and painting the historic wood siding and worked with color consultant for historically accuracy; repaired and replaced, as needed, the historic millwork; including the decorative shingles at the front pediment, existing dentils and corbeling; reroof and install moisture and thermal protection; install all new wood windows at the rear of the house; repair all windows at the front of the house, rebuilding all sashes, as needed; replaced the entire compromised brick foundation with a concrete foundation to meet seismic standards, added structural steel and leveled the house to improve drainage at grade; patched and repaired stucco at front façade; rebuilt decks; railings and balconies. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork, stairs and ornamentation; gutters, downspouts and drainage; and the foundation. 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.

h. 1772 Vallejo St.: As detailed in the Mills Act application, the Project Sponsor proposes to begin rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with Secretary of Interior's Standards for Rehabilitation and for Restoration.

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 City Landmark until Article 10 of the Planning Code. A Historic Structures 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, 1772 Vallejo St., Exhibit B)

The rehabilitation program involves structural evaluation of unreinforced masonry foundation; removing interior unreinforced chimney (not visible from street); Improve the landscape drainage to redirect water flow from the house; work to rehabilitate the historic garden setting; feasibility study for upgrading the unreinforced foundation of the rear cottage, repair the historic windows at the cottage, repair and reinforced the fireplace and chimney, replace the roofing, and any damaged rafters as needed; study feasibility of demolish non historic garage to restore the historic character of the property; repair and replace historic wood windows as necessary; repair deteriorated wood siding and millwork in-kind; repaint exterior using a color consultant to determine historic paint colors; and replace roofing. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses care of the garden; wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; attic and the foundation

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

PLANNING DEPARTMENT RECOMMENDATION

The Planning Department recommends that the Historic Preservation Commission adopt a resolution recommending approval of these Mills Act Historical Property Contracts, rehabilitation and maintenance plans to the Board of Supervisors.

ISSUES AND OTHER CONSIDERATIONS

The Assessor and Records Office has provided initial review. The Planning Department is continuing to working with the Assessor and Recorder's Office to finalize the final property tax valuations and savings.

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 and the City and County of San Francisco;
2. Approving the proposed Mills Act rehabilitation and maintenance plan for each property.

Attachments:

a. 50 Carmelita St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

b. 66 Carmelita St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

c. 70 Carmelita St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

d. 56 Pierce St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

e. 64 Pierce St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

f. 56 Potomac St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

g. 66 Potomac St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

h. 1772 Vallejo St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Historic Structures Report

Exhibit C: Draft Rehabilitation & Maintenance Plan

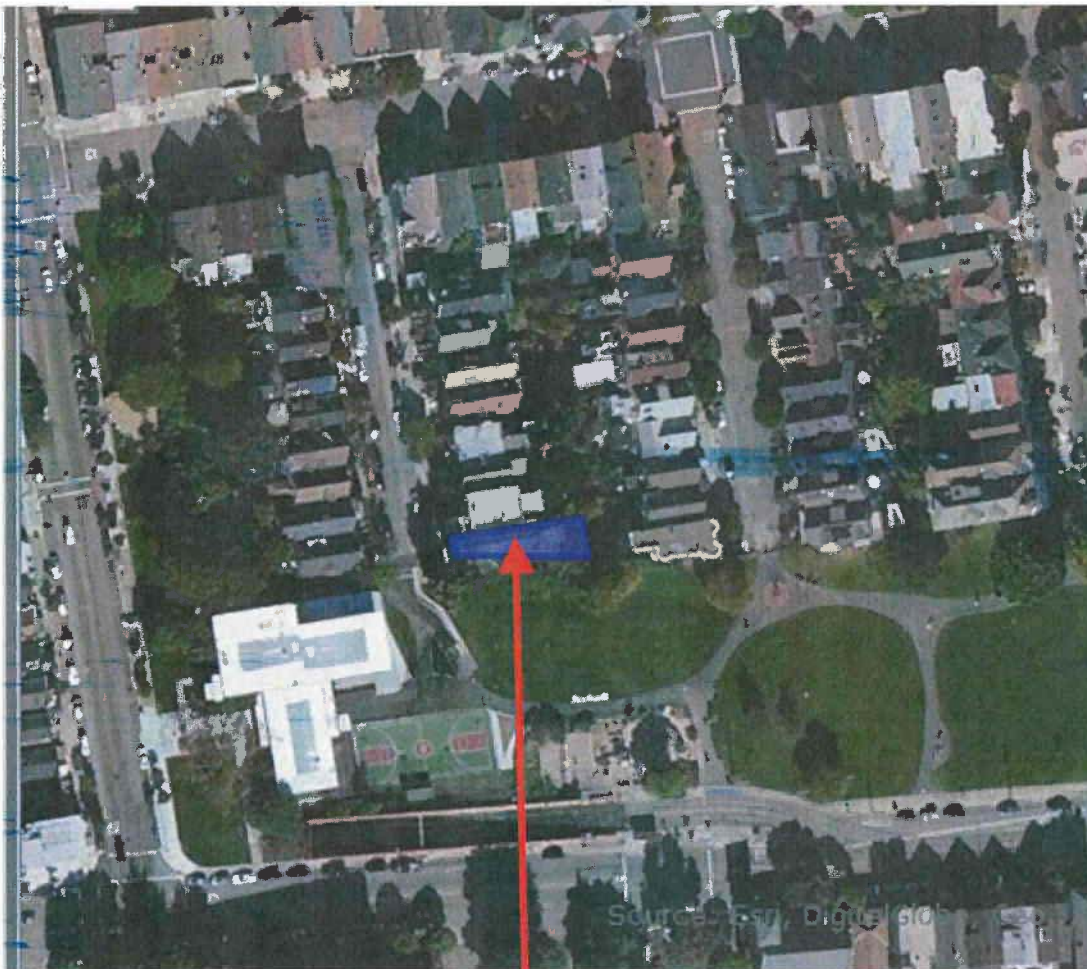
Exhibit D: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit E: Mills Act Application

Site Photo



Aerial Photo



SUBJECT PROPERTY



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
50 Carmelita Street
Patrick and Carolina Reedy House
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 Guillemette and Adam Spiegel Living Trust dated November 7, 2012 ("Owner(s)").

RECITALS

Owners are the owners of the property located at 50 Carmelita Street, in San Francisco, California (Block 0864, Lot 011). The building located at 50 Carmelita Street is designated as a City Landmark pursuant to Article 10 of the Planning Code and is also known as the "**Patrick and Carolina Reedy House**" ("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 NOT APPLICABLE Dollars (\$NOT APPLICABLE). (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 \$23,000 Dollar (\$ twenty-three thousand dollar 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: _____
Phil Ting
Assessor-Recorder

DATE: _____

By: _____
John Rahaim
Director of Planning

DATE: _____

APPROVED AS TO FORM:
DENNIS J. HERRERA
CITY ATTORNEY

By: _____
[NAME]
Deputy City Attorney

DATE: _____

OWNERS

By: _____
[NAME], Owner *Adam Spiegel, Trustee*

DATE: _____

~~[IF MORE THAN ONE OWNER, ADD ADDITIONAL SIGNATURE LINES. ALL OWNERS MUST SIGN AGREEMENT.]~~ *2*

OWNER(S)' SIGNATURE(S) MUST BE NOTARIZED.

~~ATTACH PUBLIC NOTARY FORMS HERE.~~

2

Guillemette Bravillat-Spiegel, Trustee

EXHIBIT B:

DRAFT REHABILITATION & MAINTENANCE PLAN

6. Rehabilitation/Restoration/Maintenance Plan

Use this form to outline your rehabilitation, restoration, and maintenance plan. Copy this page as necessary to include all items that apply to your property. Begin by listing recently completed work (if applicable) and continue with work you propose to complete within the next ten years arranging 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 requires 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.

Draft Rehabilitation/Restoration/Maintenance Scope

BUILDING FEATURE:			
Rehab/Restoration <input type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
CONTRACT YEAR WORK COMPLETION:			
TOTAL COST (rounded to nearest dollar):			
DESCRIPTION OF WORK:			
SEE ATTACHED			

BUILDING FEATURE:			
Rehab/Restoration <input type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
CONTRACT YEAR WORK COMPLETION:			
TOTAL COST (rounded to nearest dollar):			
DESCRIPTION OF WORK:			

THIS SECTION TO BE COMPLETED EXCLUSIVELY BY PLANNING DEPARTMENT STAFF

Property Address:	
Block / Lot:	
Board of Supervisors Ordinance Number:	

Draft Rehabilitation/Restoration/Maintenance Scope Continued

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:			

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:			

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:			

BUILDING FEATURE:
Rehab/Restoration <input type="checkbox"/> Maintenance <input checked="" type="checkbox"/> Completed <input type="checkbox"/> Proposed <input checked="" type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: 2014 and approximately every ten years, thereafter
TOTAL COST: \$45,000 - \$65,000
DESCRIPTION OF WORK:
Exterior painting: We will inspect the wood siding and trim approximately every ten years and repaint as needed. If damage or dry rot is found, the wood siding will be repaired according to best practices and if necessary, will be replaced in-kind to match historic siding and painted to match house. Work will be performed according to NPS Preservation Brief #10 Exterior Paint Problems.

BUILDING FEATURE:
Rehab/Restoration <input type="checkbox"/> Maintenance <input checked="" type="checkbox"/> Completed <input type="checkbox"/> Proposed <input checked="" type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: 2014 and approximately every five years, thereafter
TOTAL COST: \$25,000 - \$37,500
DESCRIPTION OF WORK:
Exterior painting: The south-facing façade gets significantly more sun and rain exposure than other façades. Given the dark paint colors, this façade will require more frequent maintenance than the other exposures. As of September 2013, there is a significant amount of paint damage to the lower water table and the siding on the second story of this façade. We will strip and repaint these areas in 2014. Going forward, we will inspect the wood siding and trim on this façade approximately every five years and, based upon the results of these inspections, repaint as needed. If damage or dry rot is found, the wood siding will be repaired according to best practices and if necessary, be replaced in-kind to match existing siding and painted to match house. Work will be performed according to NPS Preservation Brief #10 Exterior Paint Problems.

BUILDING FEATURE:
Rehab/Restoration <input type="checkbox"/> Maintenance <input checked="" type="checkbox"/> Completed <input type="checkbox"/> Proposed <input checked="" type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: Approximately every five years
TOTAL COST: \$1500 - \$6000
DESCRIPTION OF WORK:
Roof: The current roof is asphalt shingle, last replaced in approximately 2008. Beginning when a new roof has been in place for approximately eight years, we will conduct inspections of the roof, flashing and vents approximately every five years until total replacement is needed. Damaged asphalt shingles will be replaced in-kind. Seams and joints will be re-flashed if necessary.

BUILDING FEATURE:
Rehab/Restoration <input type="checkbox"/> Maintenance <input checked="" type="checkbox"/> Completed <input type="checkbox"/> Proposed <input checked="" type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: Approximately every 15 years as needed
TOTAL COST: \$50,000 – \$60,000
DESCRIPTION OF WORK:
Roof: Current roof was installed in approximately 2008. We will replace roof when necessary. We anticipate that the roof will require replacement approximately every 15 years.

BUILDING FEATURE:
Rehab/Restoration <input type="checkbox"/> Maintenance <input checked="" type="checkbox"/> Completed <input type="checkbox"/> Proposed <input checked="" type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: Approximately every other year
TOTAL COST: \$1000 - \$6000
DESCRIPTION OF WORK:
Gutters: We will service our gutters and down spouts approximately every other year, removing debris and inspecting for leaks. At such time, we will confirm that the downspouts direct water away from the house and that no water is infiltrating the foundation. If issues are found, we will repair or replace gutters and downspouts as necessary. Work will be performed according to NPS Preservation Brief #47: Maintaining the Exterior of Small and Medium Sized Historic Buildings.

BUILDING FEATURE:
Rehab/Restoration <input type="checkbox"/> Maintenance <input checked="" type="checkbox"/> Completed <input type="checkbox"/> Proposed <input checked="" type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: Approximately every 5 years
TOTAL COST: \$2250 - \$7500
DESCRIPTION OF WORK:
Windows and Skylights: The property has 25 wood windows and 10 skylights. The vast majority of the windows are double-paned. We will inspect all windows and skylights approximately every five years, looking for and repairing any dry rot or water damage or infiltration. We will repair wood and patch using best practices. If replacement is necessary, windows will be replaced with wood windows to match appearance of current. All work will comply with the NPS Preservation Brief #9 for Wood Windows.

BUILDING FEATURE:
Rehab/Restoration <input type="checkbox"/> Maintenance <input checked="" type="checkbox"/> Completed <input type="checkbox"/> Proposed <input checked="" type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: Semi-annually
TOTAL COST: \$400 - \$5000
DESCRIPTION OF WORK:
Foundation: The foundation was substantially modified in the course of the 2007 -2009 renovation. Going forward, will inspect the foundation semi-annually to check for signs of water or other damage. If damage is found, the cause will be assessed and remediated and the damage will be repaired. Work will be performed according to NPS Preservation Brief #47: Maintaining the Exterior of Small and Medium Sized Historic Buildings.

50 Carmelita Street
Draft Rehabilitation/Restoration/Maintenance Plan

BUILDING FEATURE:
Rehab/Restoration <input type="checkbox"/> Maintenance <input checked="" type="checkbox"/> Completed <input type="checkbox"/> Proposed <input checked="" type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: Annually
TOTAL COST: \$0 - \$1000
DESCRIPTION OF WORK: Exterior Doors: The property has five wood frame / glass insert external doors. Going forward, we will inspect each exterior door annually, looking for signs of dry rot and to confirm that there are no opportunities for water ingress. If dry rot is discovered, exterior doors will be repaired according to best practices or replaced in kind as necessary. Work will be performed according to NPS Preservation Brief #47: Maintaining the Exterior of Small and Medium Sized Historic Buildings.

BUILDING FEATURE:
Rehab/Restoration <input type="checkbox"/> Maintenance <input checked="" type="checkbox"/> Completed <input type="checkbox"/> Proposed <input checked="" type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: Annually
TOTAL COST: \$0 - \$5000
DESCRIPTION OF WORK: Decking: The property has a tile deck over the garage. We will inspect this deck annually to evaluate whether any significant amount of water is collecting and pooling and whether any water run-off is affecting the historic façade of the house. If evidence of damage is found, we will work with a qualified contractor to repair any issues. Work will be performed according to NPS Preservation Brief #47: Maintaining the Exterior of Small and Medium Sized Historic Buildings.

BUILDING FEATURE:
Rehab/Restoration <input type="checkbox"/> Maintenance <input checked="" type="checkbox"/> Completed <input type="checkbox"/> Proposed <input checked="" type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: Approximately every five years
TOTAL COST\$: \$750 - \$5000
DESCRIPTION OF WORK: Exterior Millwork: We will inspect all exterior millwork, stair railings and stair treads for dry rot or water damage approximately every five years. If we find any damage found to the decorative trim or stair balusters at the front of the house, we will repair using best practices, or replace in kind with appropriate materials. Work will be performed according to NPS Preservation Brief #47: Maintaining the Exterior of Small and Medium Sized Historic Buildings

50 Carmelita Street
Draft Rehabilitation/Restoration/Maintenance Plan

BUILDING FEATURE:
Rehab/Restoration <input type="checkbox"/> Maintenance <input checked="" type="checkbox"/> Completed <input type="checkbox"/> Proposed <input checked="" type="checkbox"/>
CONTRACT YEAR WORK COMPLETION:
TOTAL COST:
DESCRIPTION OF WORK:

Patrick and Carolina Reedy House
Draft Maintenance Plan

BUILDING FEATURE:			
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: Annually			
TOTAL COST: \$0 - \$1000			
DESCRIPTION OF WORK: Exterior Doors: The property has five wood frame / glass insert external doors. Going forward, we will inspect each exterior door annually, looking for signs of dry rot and to confirm that there are no opportunities for water ingress. If dry rot is discovered, exterior doors will be repaired according to best practices or replaced in kind as necessary. Work will be performed according to NPS Preservation Brief #47: Maintaining the Exterior of Small and Medium Sized Historic Buildings.			

BUILDING FEATURE:			
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: Annually			
TOTAL COST: \$0 - \$5000			
DESCRIPTION OF WORK: Decking: The property has a tile deck over the garage. We will inspect this deck annually to evaluate whether any significant amount of water is collecting and pooling and whether any water run-off is affecting the historic façade of the house. If evidence of damage is found, we will work with a qualified contractor to repair any issues. Work will be performed according to NPS Preservation Brief #47: Maintaining the Exterior of Small and Medium Sized Historic Buildings.			

BUILDING FEATURE:			
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: Approximately every five years			
TOTAL COST\$: \$750 - \$5000			
DESCRIPTION OF WORK: Exterior Millwork: We will inspect all exterior millwork, stair railings and stair treads for dry rot or water damage approximately every five years. If we find any damage found to the decorative trim or stair balusters at the front of the house, we will repair using best practices, or replace in kind with appropriate materials. Work will be performed according to NPS Preservation Brief #47: Maintaining the Exterior of Small and Medium Sized Historic Buildings.			

Patrick and Carolina Reedy House
Site Plan

Site Plan

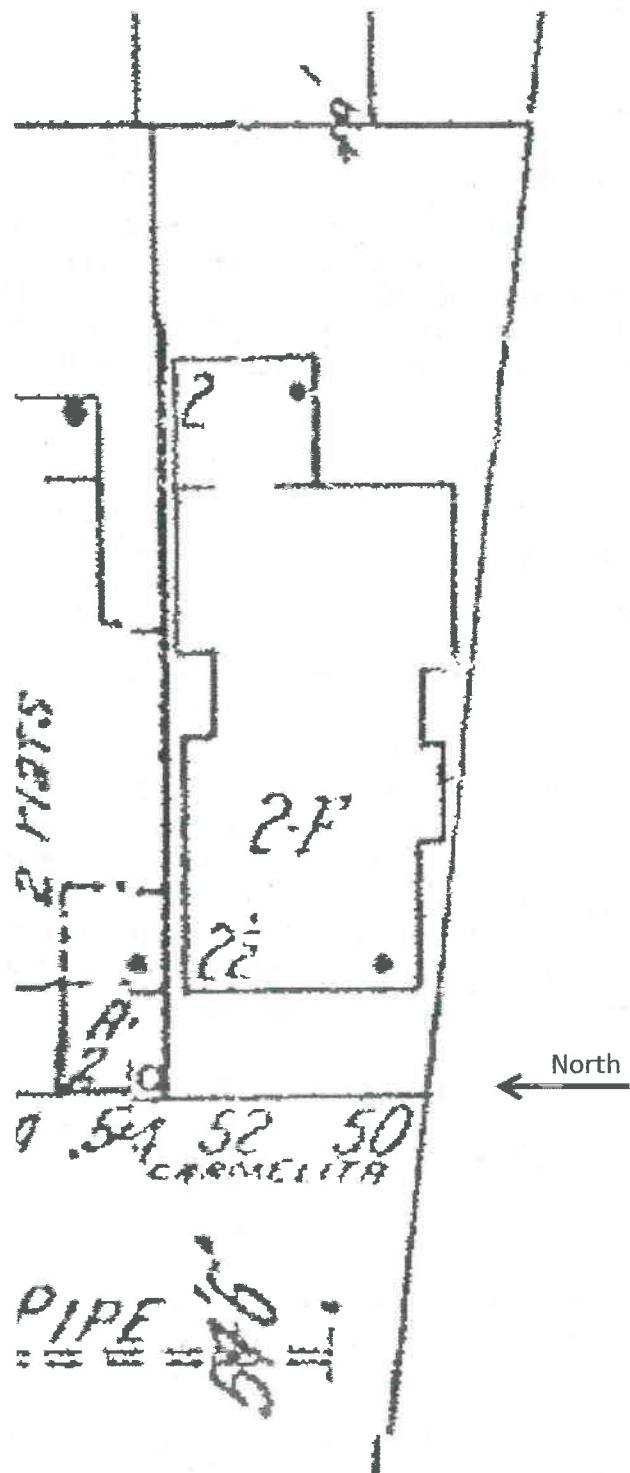


EXHIBIT C:

**DRAFT MARKET ANALYSIS & INCOME APPROACH
PROVIDED BY THE ASSESSOR'S OFFICE**



50 Carmelita Street
APN 06-0864-011

MILLS ACT VALUATION



APN: 06-0864-011 SF Landmark: _____
Property Location: 50 Carmelia St Date of Mills Act Application: 9/3/2013
Applicant's Name: Adam Spiegel Property Type: Single Family Dwelling
Agt./Tax Rep./Atty: _____ Date of Sale: 2/26/2010
Applicant supplied appraisal? No Sale Price: \$2,500,000

DATE OF MILLS ACT VALUATION: September 3, 2013

TAXABLE VALUE - THREE WAY VALUE COMPARISON					
FACTORED BASE YEAR VALUE		RESTRICTED MILLS ACT VALUE		CURRENT MARKET VALUE	
Land	\$ 1,834,408	Land	\$ 580,000	Land	\$1,560,000
Imps	\$ 786,174	Imps	\$ 390,000	Imps	\$1,040,000
Total	\$ 2,620,582	Total	\$ 970,000	Total	\$2,600,000

PROPERTY CHARACTERISTICS					
Present Use:	SFR	Neighborhood:	Hayes Valley	Number of Stories:	2
Number of Units	1	Year Built:	1900	Land Area (SF):	2,731
Owner Occupied:		Building Area:	3,571	Zoning:	RH2

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Comparable Rents	Page 5
Sales Comparison Valuation	Page 6
Map of Comparable Sales	Page 7

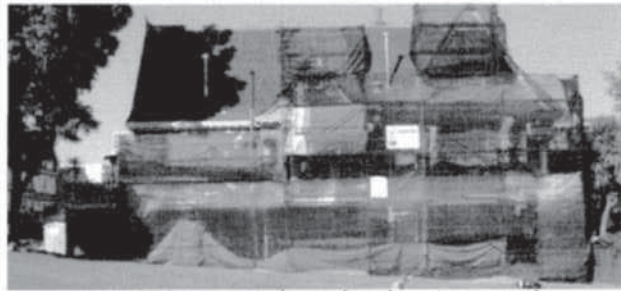
CONCLUSION AND RECOMMENDATIONS

Based on the three-way value comparison, the lowest of the three values is the restricted Mills Act value.

The taxable Mills Act value on: September 3, 2013 is \$970,000

Appraiser: Timothy Landregan Date: 11/26/13
Principal Appraiser: Cathleen Hoffman

0864-011 Photos



Picture taken November 1, evidence of ongoing maintenance underway



RESTRICTED INCOME APPROACH

APN 06-0864-011
50 Carmelita Street
Restricted Mills Act Value
Lien Date: September 3, 2013

Owner Occupied

Potential Gross Income:

	GLA (SF)		Annual Rent / SF		
Potential Gross Income	3,571	x	\$32.93	=	\$117,600
Less Vacancy & Collection Loss			2%		<u>(\$2,352)</u>
Effective Gross Income					\$115,248
Less Anticipated Operating Expenses*			19%		<u>(\$21,897)</u>
Net Operating Income (before property tax)					\$93,351

Restricted Capitalization Rate Components:

Rate Components:

2013 Interest Rate per SBE		3.7500%
Risk rate (4% owner occupied / 2% all other property types)		4.0000%
Property tax rate (2012)		1.1691%
Amortization rate for the Improvements:		
Remaining Economic Life:	60	
Amortization per Year (reciprocal)	0.0167	<u>1.6667%</u>

Overall Rates:

Land	8.9191%
Improvements	10.5858%

Weighted Capitalization Rate

Land	60%	5.35%
Improvements	40%	<u>4.23%</u>
Total		9.59%

RESTRICTED VALUE

\$973,850

ROUNDED TO

\$970,000

Footnotes:

Top line rent concluded to be \$9,800 per month, based on rental comps #1 and #8, or just under \$33 per foot annually

*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 actual annual operating expenses of the subject property are \$21,850 (19% of EGI). Difference due to rounding.

Rental Comps

Comp #1: Parnassus Hts



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

Sofieby's
Not provided
Clayton at Parnassus
2,400
4/2.5, 2 car parking
\$7,700
\$3.21
\$38.50

Comp #2: Cow Hollow



Bay Property Group
2546 Greenwich St
Between Scott and Divisadero
4,350
4/6, 3 car parking
\$13,495
\$3.10
\$37.23

Comp #3: Marina



J Wavro Associates
Not Provided
Scott at Bay
3,000
4/3, 2 car parking
\$8,950
\$2.98
\$35.80

Comp #4: Twin Peaks



By Owner
106 Midcrest Way (Midtown Terrace)
West side of the peaks (Twin Peaks Blvd)
1,950
2/2, 1 car parking
\$4,750
\$2.44
\$29.23

Comp #5: Eureka Valley



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

By Owner
1 Seward Street
Seward at Douglass (Kite Hill)
1,700
2/2, No parking
\$6,900
\$4.06
\$48.71

Comp #6: Twin Peaks



Golden Gate Properties
26 Portola Drive
Portola and Market
1,350
3/1.5, 2 car parking
\$4,300
\$3.19
\$38.22

Comp #7: Twin Peaks







REMax/Westlake Properties
441 Delbrook (@ Panorama)
Panorama @ Clarendon
1,127
3/2, 2 car parking
\$4,200
\$3.73
\$44.72

Comp #8: Eureka Valley



Donnelly Enterprises
Not Provided
Noe Street at Liberty Street
2,600
3/2.5, 2 tandem parking
\$8,200
\$3.15
\$37.85

SINGLE FAMILY MARKET ANALYSIS

APN	Subject 0864-011	Sale 1 0823-015	Sale 2 0869-034	Sale 3 0864-008			
							
Address	50 Carmelita St	1021 Hayes	251 Waller St	55 Pierce St			
		\$2,550,000	\$2,730,000	\$2,250,000			
Sale Price / Square Foot		\$670	\$1,083	\$900			
	Description	Description	Adjust.	Description	Adjust.	Description	Adjust.
Date of Valuation/Sale	09/03/13	03/28/13	\$63,750	9/19/2012	\$163,800	05/22/13	\$33,750
Location	Hayes Valley	Alamo Square		Hayes Valley		Hayes Valley	
Lot Size	2,731	2,060	\$33,550	3,337	(\$30,300)	2,374	\$17,850
View	Neighborhood/Open Space	City	(\$50,000)			Neighborhood	
Year Blt/Year Renovated	1900	1900		1900		1900	
Condition	Good/Remodeled	Good/Remodeled				Good/Remodeled	
Construction Quality	Good	Good				Good	
Gross Living Area	3,571	3,804		2,520	\$210,200	2,500	\$214,200
Total Rooms	9	10		8		6	
Bedrooms	4	5				3	
Bathrooms	4.5	5	(\$15,000)	2	\$65,000	3	\$40,000
Stories	3	3		3		3	
Garage	2 car	No	\$80,000	2 car		2 car	
Net Adjustments			\$112,300		\$408,700		\$305,800
Indicated Value	\$2,600,000		\$2,662,300		\$3,138,700		\$2,555,800
Adjust. \$ Per Sq. Ft.	\$728		\$746		\$879		\$716

VALUE RANGE: \$700 to \$800 per Sq Ft GLA

VALUE CONCLUSION: **\$2,600,000 \$728/FOOT**

Adjustments Lot size adjustment: \$50/foot; Adjustment for view: \$50,000. GLA adjustment: \$200/foot; Adjustment for bath counts: \$25,000 for full bath, \$15,000 for partial bath. Adjustment for garage parking: \$40,000 per space. Market conditions adjustment: 5 to 10% increase in values from 2012 to 2013 (.5% per month).

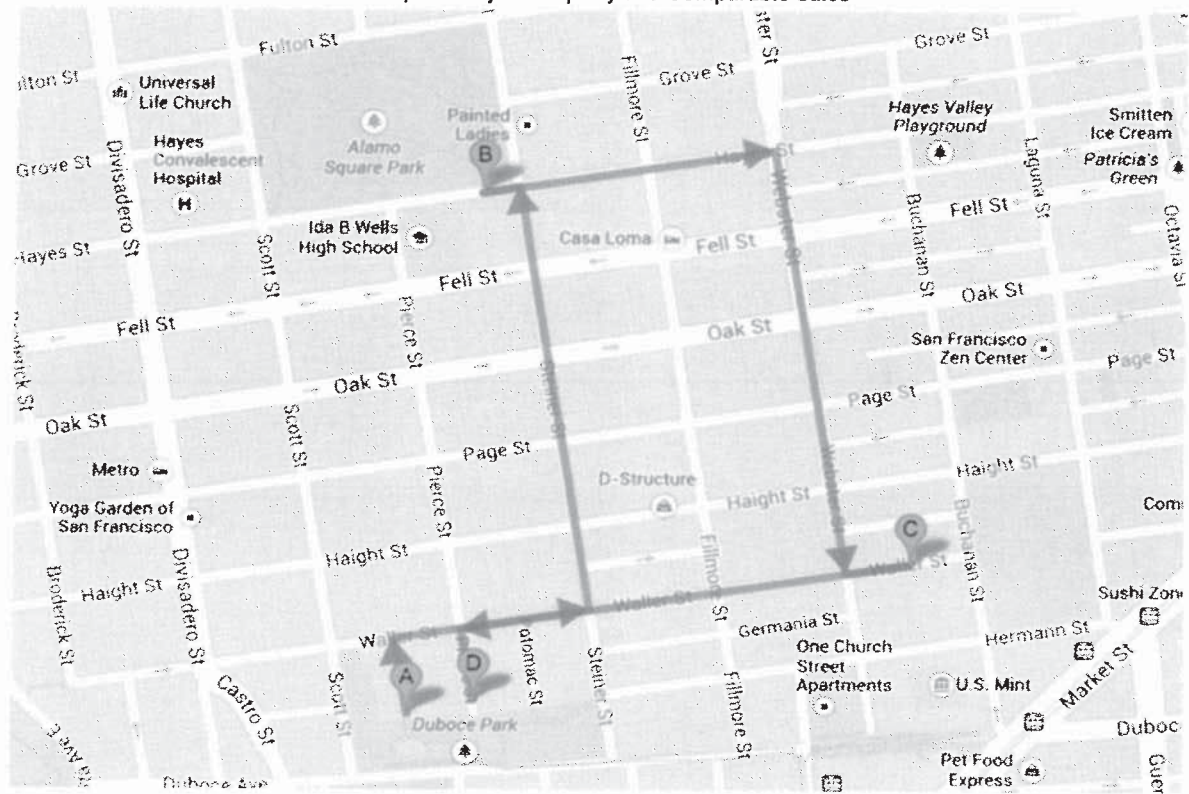
MARKET VALUE

LAND	\$1,560,000
IMPROVEMENTS	\$1,040,000
TOTAL	\$2,600,000
Market Value / Foot	\$728

ASSESSED VALUE

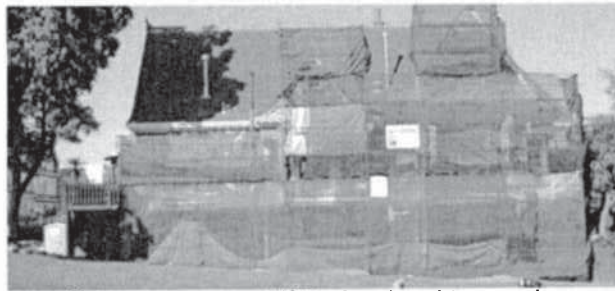
LAND	\$1,834,408
IMPROVEMENTS	\$786,174
TOTAL	\$2,620,582
Assessed Value / Foot	\$734

Map of Subject Property and Comparable Sales



A	Subject Property	50 Carmelita St
B	Comp #1	1021 Hayes St
C	Comp #2	251 Waller St
D	Comp #3	55 Pierce St

0864-011 Photos



Picture taken November 1, evidence of ongoing maintenance underway



RESTRICTED INCOME APPROACH

APN 06-0864-011
50 Carmelita Street
Restricted Mills Act Value
Lien Date: September 3, 2013

Owner Occupied

Potential Gross Income:

	GLA (SF)		Annual Rent / SF		
	3,571	x	\$37.50	=	\$133,913
Less Vacancy & Collection Loss			2%		<u>(\$2,678)</u>
Effective Gross Income					\$131,234
Less Anticipated Operating Expenses*			17%		<u>(\$22,310)</u>
Net Operating Income (before property tax)					\$108,924

Restricted Capitalization Rate Components:

Rate Components:

2013 Interest Rate per SBR		3.7500%
Risk rate (4% owner occupied / 2% all other property types)		4.0000%
Property tax rate (2012)		1.1691%
Amortization rate for the Improvements:		
Remaining Economic Life:	60	
Amortization per Year (reciprocal)	0.0167	<u>1.6667%</u>

Overall Rates:

Land	8.9191%
Improvements	10.5858%

Weighted Capitalization Rate

Land	60%	5.35%
Improvements	40%	<u>4.23%</u>
Total		9.59%

RESTRICTED VALUE

\$1,136,314

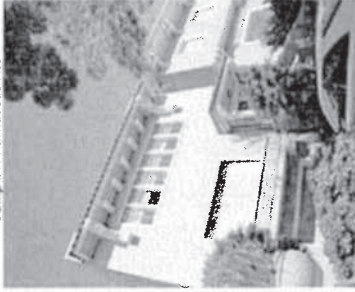
ROUNDED TO

\$1,140,000

*Annual Operating Expenses include Water Service, Refuse Collection, Insurance, Maintenance and Property Management, typically estimated at 15% of effective gross income. TP estimates actual annual operating expenses of the subject property are \$21,850 (16.65% of EGI).

Rental Comps

Comp #1: Parnassus Hts



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

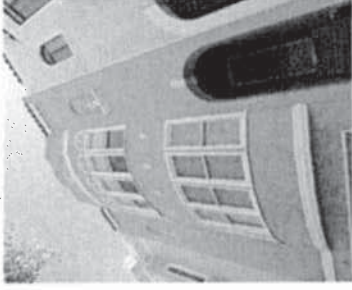
Sotheby's
 Not provided
 Clayton at Parnassus
 2,400
 4/2.5, 2 car parking
 \$7,700
 \$3.21
 \$38.50

Comp #2: Cow Hollow



Bay Property Group
 2546 Greenwich St
 Between Scott and Divisadero
 4,350
 4/6, 3 car parking
 \$13,495
 \$3.10
 \$37.23

Comp #3: Marina



J Wavro Associates
 Not Provided
 Scott at Bay
 3,000
 4/3, 2 car parking
 \$8,950
 \$2.96
 \$35.80

Comp #4: Twin Peaks



By Owner
 106 Madcrest Way (Madtown Terrace)
 West side of the peaks (Twin Peaks Blvd)
 1,950
 2/2, 1 car parking
 \$4,750
 \$2.44
 \$29.23

Comp #5: Eureka Valley



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

By Owner
 1 Seward Street
 Seward at Douglass (Kite Hill)
 1,700
 2/2, No parking
 \$6,900
 \$4.06
 \$48.71

Comp #6: Twin Peaks



Golden Gate Properties
 26 Potola Drive
 Potola and Market
 1,350
 3/1.5, 2 car parking
 \$4,300
 \$3.19
 \$38.22

Comp #7: Twin Peaks







REMax/Westlake Properties
 441 Delbrook (@ Panorama)
 Panorama @ Clarendon
 1,127
 3/2, 2 car parking
 \$4,200
 \$3.73
 \$44.72

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Donnelly Enterprises
 Not Provided
 Nee Street at Liberty Street
 2,600
 3/2.5, 2 tandem parking
 \$8,200
 \$3.15
 \$37.85

SINGLE FAMILY MARKET ANALYSIS

	Subject	Sale 1		Sale 2		Sale 3	
APN	0864-011	0823-015		0869-034		0864-008	
							
Address	50 Carmelita St	1021 Hayes		251 Waller St		55 Pierce St	
		\$2,550,000		\$2,730,000		\$2,250,000	
Sale Price / Square Foot		\$670		\$1,083		\$900	
	Description	Description	Adjust.	Description	Adjust.	Description	Adjust.
Date of Valuation/Sale	09/03/13	03/28/13	\$63,750	9/19/2012	\$163,800	05/22/13	\$33,750
Location	Hayes Valley	Alamo Square		Hayes Valley		Hayes Valley	
Lot Size	2,731	2,060	\$33,550	3,337	(\$30,300)	2,374	\$17,850
View	Neighborhood/Open Space	City	(\$50,000)			Neighborhood	
Year Blt/Year Renovated	1900	1900		1900		1900	
Condition	Good/Remodeled	Good/Remodeled				Good/Remodeled	
Construction Quality	Good	Good				Good	
Gross Living Area	3,571	3,804		2,520	\$210,200	2,500	\$214,200
Total Rooms	9	10		8		6	
Bedrooms	4	5				3	
Bathrooms	4.5	5	(\$15,000)	2	\$65,000	3	\$40,000
Stories	3	3		3		3	
Garage	2 car	No	\$80,000	2 car		2 car	
Net Adjustments			\$112,300		\$408,700		\$305,800
Indicated Value	\$2,600,000		\$2,662,300		\$3,138,700		\$2,555,800
Adjust. \$ Per Sq. Ft.	\$728		\$746		\$879		\$716

VALUE RANGE: \$700 to \$800 per Sq Ft GLA

VALUE CONCLUSION: \$2,600,000 \$728/FOOT

Adjustments Lot size adjustment: \$50/foot; Adjustment for view: \$50,000; GLA adjustment: \$200/foot; Adjustment for bath counts: \$25,000 for full bath, \$15,000 for partial bath. Adjustment for garage parking: \$40,000 per space. Market conditions adjustment: 5 to 10% increase in values from 2012 to 2013 (.5% per month).

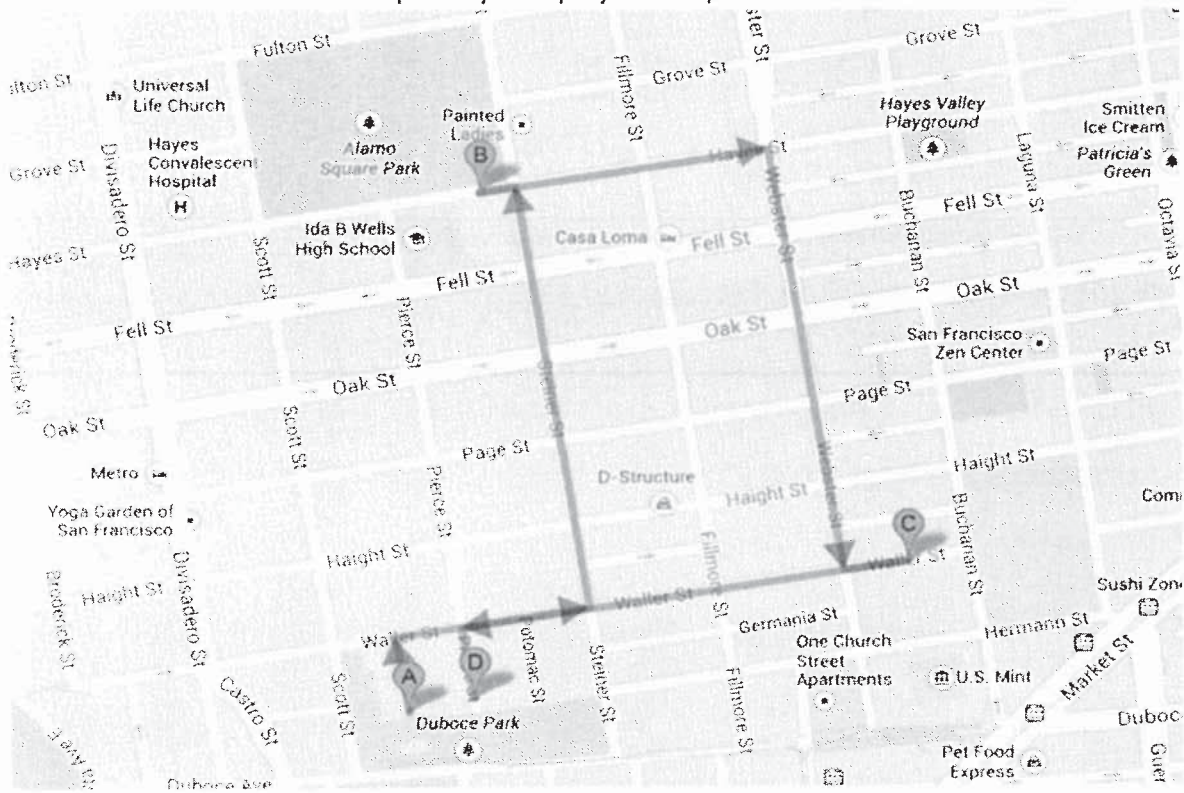
MARKET VALUE

LAND	\$1,560,000
IMPROVEMENTS	\$1,040,000
TOTAL	\$2,600,000
Market Value / Foot	\$728

ASSESSED VALUE

LAND	\$1,834,408
IMPROVEMENTS	\$786,174
TOTAL	\$2,620,582
Assessed Value / Foot	\$734

Map of Subject Property and Comparable Sales



A	Subject Property	50 Carmelita St
B	Comp #1	1021 Hayes St
C	Comp #2	251 Waller St
D	Comp #3	55 Pierce St

EXHIBIT D:

MILLS ACT APPLICATION

APPLICATION FOR Mills Act Historical Property Contract

1. Owner/Applicant Information

PROPERTY OWNER 1 NAME: Guillemette & Adam Spiegel Living Trust Dated November 7, 2012	TELEPHONE: (415) 515-5396
PROPERTY OWNER 1 ADDRESS: 50 Carmelita St., San Francisco, CA 94117	EMAIL: adam.spiegel@gmail.com

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: 50 Carmelita St., San Francisco, CA		ZIP CODE: 94117
PROPERTY PURCHASE DATE: February 26, 2010	ASSESSOR BLOCK/LOT(S): Block 0864 Lot 011	
MOST RECENT ASSESSED VALUE: \$2.596 m	ZONING DISTRICT: RH2	

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"/>
Do you own other property in the City and County of San Francisco? <i>If Yes, please list the addresses for all other property owned within the City of San Francisco on a separate sheet.</i>	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
Property is designated as a City Landmark under Article 10 of the Planning Code	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?	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.

Owner Signature: Adam Spiegel Trustee
 Owner Signature: Guillemette Bruller-Spiegel Trustee
 Owner Signature: _____

Date: Sept 3, 2013
 Date: Sept 3, 2013
 Date: _____

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: September 3, 2013 before me, Jason Whipple,
DATE INSERT NAME OF THE OFFICER

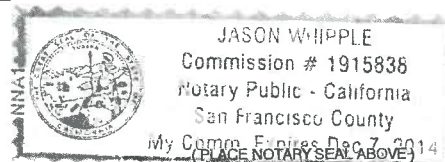
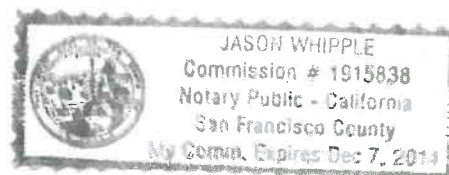
NOTARY PUBLIC personally appeared: Adam Spiegel and
Guillemette Brouillat-Spiegel
NAME(S) OF SIGNER(S)
Guillemette Brouillat-Spiegel

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 



APPLICATION FOR Mills Act Historical Property Contract

1. Owner/Applicant Information

PROPERTY OWNER 1 NAME: Guillemette & Adam Spiegel Living Trust Dated November 7, 2012	TELEPHONE: (415) 515-5396
PROPERTY OWNER 1 ADDRESS: 50 Carmelita St., San Francisco, CA 94117	EMAIL: adam.spiegel@gmail.com
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: 50 Carmelita St., San Francisco, CA		ZIP CODE: 94117
PROPERTY PURCHASE DATE: February 26, 2010	ASSESSOR BLOCK/LOT(S): Block 0864 Lot 011	
MOST RECENT ASSESSED VALUE: \$2.596 m	ZONING DISTRICT: RH2	

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"/>
Do you own other property in the City and County of San Francisco? <i>If Yes, please list the addresses for all other property owned within the City of San Francisco on a separate sheet.</i>	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
Property is designated as a City Landmark under Article 10 of the Planning Code	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?	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.

Owner Signature: Adam Spiegel, Trustee Date: 9/3/13
 Owner Signature: Guillemette Spiegel, Trustee Date: 9/3/13
 Owner Signature: _____ Date: _____

3. Program Priority Criteria

The following criteria are used to rank applications. Please check the appropriate categories as they apply to your building. Use a separate sheet to explain why your building should be considered a priority when awarding a Mills Act Historical Property Contract. Buildings that qualify in three of the five categories are given priority consideration.

1. Property meets one of the six criteria for a qualified historic property:

Property is individually listed in the National Register of Historic Places	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
Property is listed as a contributor to an historic district included on the National Register of Historic Places	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
Property is designated as a City Landmark under Article 10 of the Planning Code	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
Property is designated as a contributory building to an historic district designated under Article 10 of the Planning Code	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Property is designated as a Category I or II (significant) to a conservation district under Article 11 of the Planning Code	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
Property is designated as a Category III or IV (contributory) to a conservation district under Article 11 of the Planning Code	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>

2. Property falls under the following Property Tax Value Assessments:

Residential Buildings: \$3,000,000	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Commercial, Industrial or Mixed Use Buildings: \$5,000,000	YES <input type="checkbox"/> NO <input type="checkbox"/>

**If property value exceeds these values please complete Part 4: Application of Exemption*

3. Rehabilitation/Restoration/Maintenance Plan:

A 10 Year Rehabilitation/Restoration/Maintenance Plan will be submitted detailing work to be performed on the subject property	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
--	---

4. Required Standards:

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"/>
---	---

**Detail how the proposed work meets the Secretary of Interior Standards on a separate sheet or include as part of Rehabilitation/Restoration/Maintenance Plan.*

5. Mills Act Tax Savings:

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"/>
--	---

4. Application for Exemption from Property Tax Valuation

If answered "no" to either question under No. 2 "Property fall under the following Property Tax Value Assessments" in the Program Priority Criteria Checklist, on a separate sheet of paper, explain how the property meets the following criteria and should be exempt from the property tax valuations. Also attach a copy of the most recent property tax bill.

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 by a qualified consultant must be submitted to demonstrate meeting this requirement).

NAMES:
TAX ASSESSED VALUE:
PROPERTY ADDRESS:

By signing below, I/we acknowledge that I/we am/are the owner(s) of the structure referenced above and by applying for exemption from the limitations certify, under the penalty of perjury, that the information attached and provided is accurate.

Owner Signature: _____

Date: _____

Owner Signature: _____

Date: _____

Owner Signature: _____

Date: _____

Planning Department Staff Evaluation

THIS SECTION TO BE COMPLETED EXCLUSIVELY BY PLANNING DEPARTMENT STAFF

Exceptional Structure?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
Specific threat to resource?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
Complete HSR submitted?	YES <input type="checkbox"/>	NO <input type="checkbox"/>

Percent above value limit: _____

No. of criteria satisfied: _____

Planner's Initial: _____

5. Draft Mills Act Historical Agreement

Please use the Planning Department's standard form "Historical Property Contract" located on the Planning Department's Forms page at www.sfplanning.org. Any modifications to the City's standard form contract made by the applicant or the submittal of an independently prepared contract shall be subject to approval by the City Attorney prior to consideration by the Historic Preservation Commission and the Board of Supervisors and may result in additional processing time.

8. Historical Property Tax Adjustment Worksheet Calculation

The following is an example showing the possible tax benefits to the historical property owner of an owner-occupied single-family dwelling. This form is a guideline only. Your reduced property tax under a Mills Act contract is not guaranteed to match this calculation.

Determine Annual Income and Annual Operating Expenses

An \$120,000 potential gross income less a vacancy and collection loss of \$2,400 and less \$17,640 annual expenses for maintenance, repairs, insurance, and utilities yields a net annual income of \$99,960. (Mortgage payments and property taxes are not considered expenses). Estimated vacancy and collection loss is based upon what is typically happening in the marketplace. It can be different for different properties (i.e. - residential properties generally have a lower vacancy and collection loss than commercial properties). The theory is that when estimating a property's value using the income approach (the approach required for Mills Act valuations) it is reasonable to assume some rent loss due to vacancy and inability to collect rents.

Determine Capitalization Rate

Add the following together to determine the Capitalization Rate:

- The Interest Component is determined by the Federal Housing Finance Board and is based on conventional mortgages. While this component will vary from year to year, the State Board of Equalization has set this at 4.75% for 2012.
- The Historical Property Risk Component of 4% (as prescribed in Sec. 439.2 of the State Revenue and Tax Code) applies to owner-occupied single-family dwellings. A 2% risk component applies to all other Properties.
- The Property Tax Component (Post-Prop. 13) of .01 times the assessment ratio of 100% (1%).
- The Amortization Component is a percentage equal to the reciprocal of the remaining life of the structure and is set at the discretion of the County Assessor for each individual property. In this example the remaining life of the building is 60 years and the improvements represent 45% of the total property value. The amortization component is calculated thus: $1/60 = .0167 \times .45 = .0075$.

Calculate New Assessed Value and Estimated Tax Reduction

The new assessed value is determined by dividing the annual net income (\$99,960) by the capitalization rate .1067 (10.67%) to arrive at the new assessed value of \$936,832.

Lastly, determine the amount of taxes to be paid by taking the current tax rate of 1.167 (1%) of the assessed value \$26,652. Compare this with the current property tax rate for land and improvements only (be sure not to include voter indebtedness, direct assessments, tax rate areas and special districts items on your tax bill).

In this example, the annual property taxes have been reduced by \$15,719 (\$26,652 - \$10,933), an approximately 40% property tax reduction.

EXAMPLE:

Simple Property Tax Calculation
Current Assessed Value = \$2,283,810
Current Tax Rate = X 1.167%
Current Property Taxes = @26,652

Assessment Using Mills Act Valuation Methodology

Potential Annual Gross Income Using Market Rent (\$10,000 per month X 12 months)	\$120,000
Estimated Vacancy and Collection Loss of 2%	(\$2,400)
Effective Gross Income	\$117,600
Less Operating Expenses (i.e. utilities, insurance, maintenance, management)	(\$17,640)
Net Income	\$99,960
Restricted Capitalization Rate	10.67%
Historical Property Value	\$936,832
Current Tax Rate	X 1.167%
New Tax Calculation	\$10,933

Property Tax Savings	\$15,719
----------------------	----------

9. Historical Property Tax Adjustment Worksheet Guide

PROPERTY ADDRESS: 50 Carmelita St., San Francisco, CA 94117

PROPERTY DESCRIPTION: Single family home

OWNER OCCUPIED: YES ☒ NO ☐

STEP 1: Determine Annual Income of Property

ANNUAL PROPERTY INCOME	CURRENT	EXPLANATION
1. Monthly Rental Income	\$ 8,325 (median of selected comps)	For owner-occupied properties estimate a monthly rental income. Include all potential sources of income (filming, advertising, photo shoots, billboard rentals, etc.)
2. Annual Rental Income	\$ 99,900	Multiply Line 1 by 12
3. Deduction for Vacancy	\$ 94,905	5% (subtract %5 from line 2)

STEP 2: Calculate Annual Operating Expenses

ANNUAL OPERATING EXPENSES	CURRENT	EXPLANATION
4. Insurance	\$ 3,267 (quote from State Farm)	Fire, Liability, etc.
5. Utilities	\$ 4,993 (actuals for year ending 6/30/2013)	Water, Gas, Electric, etc.
6. Maintenance*	\$ 3,600 (est. \$100/mo gardener, \$200/mo repair)	Maintenance includes: Painting, plumbing, electrical, gardening, cleaning, mechanical, heating repairs, structural repairs, security, and property management.
7. Management*	\$ 9,990 (6% mgt, 6% leasing every 18 mo)	
8. Other Operating Expenses	\$	Security, services, etc. Provide breakdown on separate sheet.
9. Total Expenses†	\$ 21,850	Add Lines 4 through 8

* If calculating for commercial property, provide the following back-up documentation where applicable:

- Rent Roll (include rent for on-site manager's unit as income if applicable)
- Maintenance Records (provide detailed break-down; all costs should be recurring annually)
- Management Expenses (include expense of on-site manager's unit and 5% off-site management fee; and describe other management costs. Provide breakdown on separate sheet.)

† Annual operating expenses do not include mortgage payments, property taxes, depletion charges, corporate income taxes or interest on funds invested in the property.

STEP 3: Determine Annual Net Income

NET OPERATING INCOME	CURRENT	EXPLANATION
9. Net Operating Income	\$ 73,055	Line 3 minus Line 9

STEP 4: Determine Capitalization Rate

CAPITALIZATION RATE	CURRENT	EXPLANATION
10. Interest Component	6.50%	As determined by the State Board of Equalization for 2009/2010
11. Historic Property Risk Component	4.00%	Single-family home = 4% All other property = 2%
12. Property Tax Component	1%	.01 times the assessment ratio of 100%
13. Amortization Component (Reciprocal of life of property)	5%	If the life of the improvements is 20 years Use $100\% \times 1/20 = 5\%$
14. Capitalization Rate	13.92%	Add Lines 10 through 13

STEP 5: Calculate New Assessed Value

NEW ASSESSED VALUE	CURRENT	EXPLANATION
15. Mills Act Assessed Value	\$ 524,936	Line 9 divided by Line 14

STEP 6: Determine Estimated Tax Reduction

NEW TAX ASSESSMENT	CURRENT	EXPLANATION
16. Current Tax (Exclude voter indebtedness, direct assessments, tax rate areas and special districts)	\$ 30,637 per 2013-14 assessed value	General tax levy only – do not include voted indebtedness or other direct assessments
17. Tax under Mills Act	\$ 6,137	Line 15 x .01
18. Estimated Tax Reduction	\$ 24,500	Line 16 minus Line 17

The Assessor Recorder's Office may request additional information. A timely response is required to maintain hearing and review schedules.

Application Checklist to be Submitted with all Materials

Utilize this list to ensure a complete application package is submitted.

-
- | | | |
|----------|--|---|
| 1 | Historical Property Contract Application
Have all owners signed and dated the application? | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |
|----------|--|---|
-
- | | | |
|----------|--|---|
| 2 | Priority Consideration Criteria Worksheet
Have three priorities been checked and adequately justified? | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |
|----------|--|---|
-
- | | | |
|----------|--|---|
| 3 | Exemption Form & Historic Structure Report
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? | YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> |
|----------|--|---|
-
- | | | |
|----------|--|---|
| 4 | Draft Mills Act Historical Property Agreement
Are you using the Planning Department's standard form "Historical Property Contract?"
Have all owners signed and dated the contract?
Have all signatures been notarized? | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |
|----------|--|---|
-
- | | | |
|----------|---|---|
| 5 | Notary Acknowledgement Form
Is the Acknowledgement Form complete?
Do the signatures match the names and capacities of signers? | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |
|----------|---|---|
-
- | | | |
|----------|--|---|
| 6 | Draft Rehabilitation/Restoration/Maintenance Plan
Have you identified and completed the Rehabilitation, Restoration, and Maintenance Plan organized by contract year and including all supporting documentation related to the scopes of work? | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |
|----------|--|---|
-
- | | | |
|----------|---|---|
| 7 | Historical Property Tax Adjustment Worksheet
Did you provide back-up documentation (<i>for commercial property only</i>)? | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |
|----------|---|---|
-
- | | | |
|----------|---|---|
| 8 | Photographic Documentation
Have you provided both interior and exterior images?
Are the images properly labeled? | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |
|----------|---|---|
-
- | | | |
|----------|--|---|
| 9 | Site Plan
Does your site plan show all buildings on the property including lot boundary lines, street name(s), north arrow and dimensions? | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |
|----------|--|---|
-
- | | | |
|-----------|---|---|
| 10 | Tax Bill
Did you include a copy of your most recent tax bill? | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |
|-----------|---|---|
-
- | | | |
|-----------|---|---|
| 11 | Payment
Did you include a check payable to the San Francisco Planning Department? | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |
|-----------|---|---|
-
- 13
- SAN FRANCISCO PLANNING DEPARTMENT V.10.18.2012

CARMEN CHU
ASSESSOR-RECORDER



SAN FRANCISCO
OFFICE OF THE ASSESSOR-RECORDER

NOTIFICATION OF 2013-2014 ASSESSED VALUE

July 15, 2013

ELtA87479

**ANNUAL NOTICE ONLY
THIS IS NOT A TAX BILL**

GUILLEMETTE & ADAM SPIEGEL LVG TR
GUILLEMETTE BROUILLAT-SPIEGEL & ADAM SPI
50 CARMELITA ST
SAN FRANCISCO, CA 94117

Dear San Francisco Property Owner:

I am writing to inform you of the **assessed value for your property as of January 1, 2013**. The assessed value is the basis for your 2013-2014 property tax bill that will be mailed to you in the fall. If you believe the current market value is less than the factored base year value, you may file a formal assessment appeal with the Assessment Appeals Board from July 2, 2013 to September 16, 2013 (see reverse side).

Attached are Frequently Asked Questions. If you have further questions, please contact us through the City & County of San Francisco's one-stop 311 Customer Service Center by dialing 3-1-1 (within San Francisco's 415 area code) or calling 415-701-2311 (outside San Francisco). Please visit our website at www.sfassessor.org for additional information.

PROPERTY LOCATION	
50 CARMELITA STREET	
BLOCK and LOT	
0864 011	

2013-2014 Factored Proposition 13 Base Year Value	\$	2,620,582
2013-2014 Assessed Value	\$	2,620,582
2013-2014 Personal Property/Fixtures	\$	0
2013-2014 Exemption (-)	\$	0
2013-2014 Net Assessed Value	\$	2,620,582

Homeowner's Exemption Notice

If you own and occupy this property as your primary residence, you may be eligible for a homeowner's exemption. You are allowed only one homeowner's exemption in the state of California. If you are eligible and do not see an exemption amount listed in the exemption box to the left, please submit a completed Homeowner's Exemption Claim Form (available for download at www.sfassessor.org).

For last year's Assessed Value, go to: www.sftreasurer.org

Your assessed value may have changed from the previous year due to the following reasons:

1. Inflationary increase of up to 2% allowed under Proposition 13.
2. Change in ownership of your entire property or portion of property.
3. New construction, including remodeling, addition, etc.
4. Restoration of factored base year value from prior year temporary reductions due to economic conditions, fire damage, or other calamity.

Sincerely,

Carmen Chu
Assessor-Recorder

NOTE: The assessed value shown may reflect an assessment that is not up to date. Continue to pay the regular bills as issued and at a later date you will be sent a supplemental bill(s) for the difference. The assessed value is determined as of January 1, 2013. The 2013-2014 net assessed value shown above will be the basis of your 2013-2014 property tax bill. The Proposition 13 factored base year value shown above reflects your original assessment, plus adjustments for inflation, with annual increases limited to not more than 2%.



City & County of San Francisco
José Cisneros, Treasurer and Tax Collector
Secured Property Tax Bill
For Fiscal Year July 1, 2012 through June 30, 2013

1 Dr. Carlton B. Goodlett Place
City Hall, Room 140
San Francisco, CA 94102
www.sftreasurer.org

Vol	Block	Lot	Account Number	Tax Rate	Statement Date	Property Location
06	0864	011	086400110	1.1691%	10/11/2012	50 CARMELITA ST

Assessed on January 1, 2012

To: SPIEGEL ADAM CHARLES

**SPIEGEL ADAM CHARLES
50 CARMELITA ST
SAN FRANCISCO CA 94117-3313**

Assessed Value		
Description	Full Value	Tax Amount
Land	1,798,438	21,025.53
Structure	770,758	9,010.93
Fixtures		
Personal Property		
Gross Taxable Value	2,569,196	30,036.47
Less HO Exemption		
Less Other Exemption		
Net Taxable Value	2,569,196	\$30,036.47

Direct Charges and Special Assessments			
Code	Type	Telephone	Amount Due
79	DW CODE ENF FEE	(415) 558-6288	52.00
89	SFUSD FACILITY DIST	(415) 355-2203	33.30
98	SF - TEACHER SUPPORT	(415) 355-2203	213.90
Total Direct Charges and Special Assessments			\$299.20

TOTAL DUE		\$30,335.66
1st Installment	2nd Installment	
\$15,167.83	\$15,167.83	
Due: November 1, 2012 Delinquent after Dec 10, 2012	Due: February 1, 2013 Delinquent after April 10, 2013	

Keep this portion for your records. See back of bill for payment options and additional information.



SAN FRANCISCO PLANNING DEPARTMENT

Historic Preservation Commission Draft Resolution

HEARING DATE DECEMBER 4, 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: December 4, 2013
Filing Dates: September 3, 2013
Case No.: 2013.1230U
Project Address: **66 Carmelita St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential - House, Two Family)
40-X Height and Bulk District
Block/Lot: 0864/015
Applicant: Amy Hockman & Brian Bone
66 Carmelita St.
San Francisco, CA 94117
Staff Contact: Susan Parks – (415) 575-9101
susan.parks@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 66 CARMELITA 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 existing building located at 66 Carmelita Street and is listed under Article 10 of the San Francisco Planning Code Planning Code as a contributor to the Duboce Park 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 66 Carmelita Street, which are located in Case

Docket No. 2013.1230U. 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 66 Carmelita 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 December 4, 2013, 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 66 Carmelita Street, which are located in Case Docket No. 2013.1230U. The Historic Preservation Commission recommends approval of the Mills Act historical property contract, rehabilitation program, and maintenance plan.

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 66 Carmelita 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 66 Carmelita Street, and other pertinent materials in the case file 2013.1230U to the Board of Supervisors.

I hereby certify that the foregoing Resolution was ADOPTED by the Historic Preservation Commission on December 4, 2013.

Jonas P. Ionin
Commissions Secretary

AYES: Hasz, Wolfram, Hyland, Johnck, Johns, Mastuda, Pearlman

NOES:

ABSENT:

ADOPTED: 7-0



SAN FRANCISCO PLANNING DEPARTMENT

Mills Act Contracts Case Report

Hearing Date: December 4, 2013

- a. *Filing Dates:* September 3, 2013
Case No.: 2013.1261U
Project Address: **50 Carmelita St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential - House, Two Family)
40-X Height and Bulk District
Block/Lot: 0864/011
Applicant: Adam Speigel & Guillemette Broulliat-Speigel
50 Carmelita St.
San Francisco, CA 94117
- b. *Filing Date:* September 3, 2013
Case No.: 2013.1230U
Project Address: **66 Carmelita St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential House, Two Family)
40-X Height and Bulk District
Block/Lot: 0864/015
Applicant: Amy Hockman & Brian Bone
66 Carmelita St.
San Francisco, CA 94117
- c. *Filing Date:* September 3, 2013
Case No.: 2013.1260U
Project Address: **70 Carmelita St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential House, Two Family)
40-X Height and Bulk District
Block/Lot: 0864/016
Applicant: Elise Sommerville
70 Carmelita St.
San Francisco, CA 94117
- d. *Filing Date:* September 3, 2013
Case No.: 2013.1258U
Project Address: **56 Pierce St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential House, Two Family)
40-X Height and Bulk District
Block/Lot: 0865/013

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

December 4, 2013

56 Potomac St.; 66 Potomac St.; 1772 Vallejo St.

h. <i>Filing Date:</i>	May 1, 2013
<i>Case No.:</i>	2013.0575U
<i>Project Address:</i>	1772 Vallejo St.
<i>Historic Landmark:</i>	Landmark No. 31, Burr Mansion
<i>Zoning:</i>	RH-2 (Residential House, Two Family) 40-X Height and Bulk District
<i>Block/Lot:</i>	0552/029
<i>Applicant:</i>	John Moran

1772 Vallejo St.
San Francisco, CA 94123

Staff Contact: Susan Parks – (415) 575-9101
susan.parks@sfgov.org
Reviewed By: Tim Frye – (415) 575-6822
tim.frye@sfgov.org

PROPERTY DESCRIPTION

- a. 50 Carmelita St.:** The subject property is located on the east side of Carmelita Street between Waller and Duboce Streets, the lot is adjacent to Duboce Park. Assessor's Block 0864, Lot 011. It is located in a RH-2 (Residential House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 2 1/2 story frame house was built in 1899 in a combination of the Queen Anne and Shingle styles.
- b. 66 Carmelita St.:** The subject property is located on the east side of Carmelita Street between Waller and Duboce Streets. Assessor's Block 0864, Lot 015. It is located in a RH-2 (Residential-House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 1 1/2 story-over-basement frame house was built in 1900 by master builder Fernando Nelson in the Queen Anne style.
- c. 70 Carmelita St.:** The subject property is located on the east side of Carmelita Street between Waller and Duboce Streets. Assessor's Block 0864, Lot 016. It is located in a RH-2 (Residential-House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 1 1/2 story-over-basement frame house was built in 1900 by master builder Fernando Nelson in the Queen Anne style.
- d. 56 Pierce St.:** The subject property is located on the east side of Pierce Street between Waller and Duboce Streets. Assessor's Block 0865, Lot 013. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 2 1/2 story-over-basement frame house was built c. 1905 by master builder Fernando Nelson in the Queen Anne style and features applied stick work reminiscent of the Tudor style.
- e. 64 Pierce St.:** The subject property is located on the east side of Pierce Street between Waller and Duboce Streets. Assessor's Block 0865, Lot 015. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 2 1/2 story-over-basement frame house was built c. 1905 by master builder Fernando Nelson in the Queen Anne style and features applied stick work reminiscent of the Tudor style.

- f. 56 Potomac St.:** The subject property is located on the east side of Potomac Street between Waller and Duboce Streets. Assessor's Block 0866, Lot 012. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 1 1/2 story-over-basement frame house was built in 1899 by neighborhood builders George Moore & Charles Olinger in the Queen Anne style. This property was the informal sales office and home of George Moore and his family.
- g. 66 Potomac St.:** The subject property is located on the east side of Potomac Street between Waller and Duboce Streets. Assessor's Block 0866, Lot 015. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 1 1/2 story-over-basement frame house was built in 1899 by neighborhood builders George Moore & Charles Olinger in the Queen Anne style.
- h. 1772 Vallejo St.:** The subject property is located on the north side of Vallejo Street between Gough and Franklin Streets. Assessor's Block 0522, Lot 029. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as City Landmark #31. It is also listed in Here Today (page 22) and the Planning Department 1976 Architectural Survey. The three-story-over-basement house was designed primarily in the Italianate style with French Second Empire influences.

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 and recommendation on the historical property contract, proposed rehabilitation program, and proposed maintenance plan. The Historic Preservation Commission shall conduct a public hearing on the Mills Act application and contract 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's Office to execute the historical property contract.

MILLS ACT REVIEW PROCEDURES

The Historic Preservation Commission is requested to review each and make to recommendation 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 program 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 as to whether to recommend to the Board of Supervisors if the valuation exemption shall 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 Project Sponsor, Planning Department Staff, and the Office of the City Attorney have negotiated the attached draft historical property contracts, which include a draft maintenance plan for the historic building. Department staff believes that the draft historical property contracts and maintenance plans are adequate.

- a. 50 Carmelita St.:** As detailed in the Mills Act application, the Project Sponsor proposes to 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 and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The property was fully rehabilitated at the time of purchase two years ago. The Project Sponsors have developed a thorough maintenance plan that involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan includes; painting and repairing the historic shingled siding and wood trim as needed; inspecting the roof, flashing and vents regularly and replacing elements or the entire roof when needed; inspection of the gutters, downspouts, grading to ensure there is no damage to the foundation; maintenance of the exterior doors, stairways, balustrades, and decking for dry rot; and routine inspections of the historic wood windows and non-historic skylights checking for dry rot, damage, or leaks, and repairing any damage found according to best practices. No changes to the use are proposed. Please refer to the attached Rehabilitation 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. 66 Carmelita St.:** As detailed in the Mills Act application, the Project Sponsor proposes to continue rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves in-kind custom replacement of historic elements including rotted entry stairs, balustrades and porch decking; repainting of the stairs and porch; repair (or replace, if needed) non-functional double hung windows at the front bay on main floor and rear parlor; replacing the roof; and replacing deteriorated non-historic skylights and resealing others; repair and repainting of historic siding; and completing repairs based on structural engineers inspection to the brick foundation (previous repairs were undertaken in sections by different homeowners). No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; and the foundation. 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. 70 Carmelita St.:** As detailed in the Mills Act application, the Project Sponsor proposes to continue rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves historic wood siding and millwork; reroofing and installing a Dutch gutter on the south side of roof (shared with 66 Carmelita St.; and installing a trench drain to remediate water run-off that is flooding the basement and damaging foundation, and walls. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; and the foundation. 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.

- d. 56 Pierce St.:** As detailed in the Mills Act application, the Project Sponsor proposes to begin maintenance efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The property was fully rehabilitated prior to the Mills Act Application. No changes to the use are proposed.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses the repair, maintenance and repainting of the wood siding, windows/glazing, roof, millwork, stairs and ornamentation; gutters, downspouts and drainage; and the foundation and sheer walls. 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.

- e. 64 Pierce St.:** As detailed in the Mills Act application, the Project Sponsor proposes to continue rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves repairing and painting historic wood siding; repaired and replaced, as needed, historic millwork; including wood trim and corbels; repair of the leaded glass windows and transoms; repair of the historic front door; repair all windows that could be repaired and replaced in kind those that were beyond repair (23 windows total) at the front of the house, restored the front entry, including flooring, lighting and removing non-historic

detailing; replaced railings at the front entry stairs to be code compliant and historically accurate encased the deteriorated brick foundation in concrete, added structural steel beams, comment frames, sheer walls and steel framing throughout the house to meet seismic standards; leveled the house to improve drainage at grade; removed concrete slabs at front yard and replaced with planter areas and borders (to improve the property); remediated water pooling at the exterior of house by re-grading and installing trench drain repaired existing roof drains; installed new roof drains to correct drainage issues from neighboring houses. Please refer to the attached Rehabilitation Plan for a full description of the proposed work. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; and the foundation. 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.

- f. 56 Potomac St.:** As detailed in the Mills Act application, the Project Sponsor proposes to begin rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves reconstruction and structural repairs to the historic front stairs and porch based on historic photographs. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; attic and the foundation. 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.

- g. 66 Potomac St.:** As detailed in the Mills Act application, the Project Sponsor proposes to continue rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves repairing and painting the historic wood siding and worked with color consultant for historical accuracy; repaired and replaced, as needed, the historic millwork; including the decorative shingles at the front pediment, existing dentils and corbeling; reroof and install moisture and thermal protection; install all new wood windows at the rear of the house; repair all windows at the front of the house, rebuilding all sashes, as needed; replaced the entire compromised brick foundation with a concrete foundation to meet seismic standards, added structural steel and leveled the house to improve drainage at grade; patched and repaired stucco at front façade; rebuilt decks; railings and balconies. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork, stairs and ornamentation; gutters, downspouts and drainage; and the foundation. 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.

h. 1772 Vallejo St.: As detailed in the Mills Act application, the Project Sponsor proposes to begin rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with Secretary of Interior's Standards for Rehabilitation and for Restoration.

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 City Landmark until Article 10 of the Planning Code. A Historic Structures 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, 1772 Vallejo St., Exhibit B)

The rehabilitation program involves structural evaluation of unreinforced masonry foundation; removing interior unreinforced chimney (not visible from street); Improve the landscape drainage to redirect water flow from the house; work to rehabilitate the historic garden setting; feasibility study for upgrading the unreinforced foundation of the rear cottage, repair the historic windows at the cottage, repair and reinforced the fireplace and chimney, replace the roofing, and any damaged rafters as needed; study feasibility of demolish non historic garage to restore the historic character of the property; repair and replace historic wood windows as necessary; repair deteriorated wood siding and millwork in-kind; repaint exterior using a color consultant to determine historic paint colors; and replace roofing. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses care of the garden; wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; attic and the foundation

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

PLANNING DEPARTMENT RECOMMENDATION

The Planning Department recommends that the Historic Preservation Commission adopt a resolution recommending approval of these Mills Act Historical Property Contracts, rehabilitation and maintenance plans to the Board of Supervisors.

ISSUES AND OTHER CONSIDERATIONS

The Assessor and Records Office has provided initial review. The Planning Department is continuing to working with the Assessor and Recorder's Office to finalize the final property tax valuations and savings.

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 and the City and County of San Francisco;
2. Approving the proposed Mills Act rehabilitation and maintenance plan for each property.

Attachments:

a. 50 Carmelita St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

b. 66 Carmelita St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

c. 70 Carmelita St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

d. 56 Pierce St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

e. 64 Pierce St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

f. 56 Potomac St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

g. 66 Potomac St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

h. 1772 Vallejo St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Historic Structures Report

Exhibit C: Draft Rehabilitation & Maintenance Plan

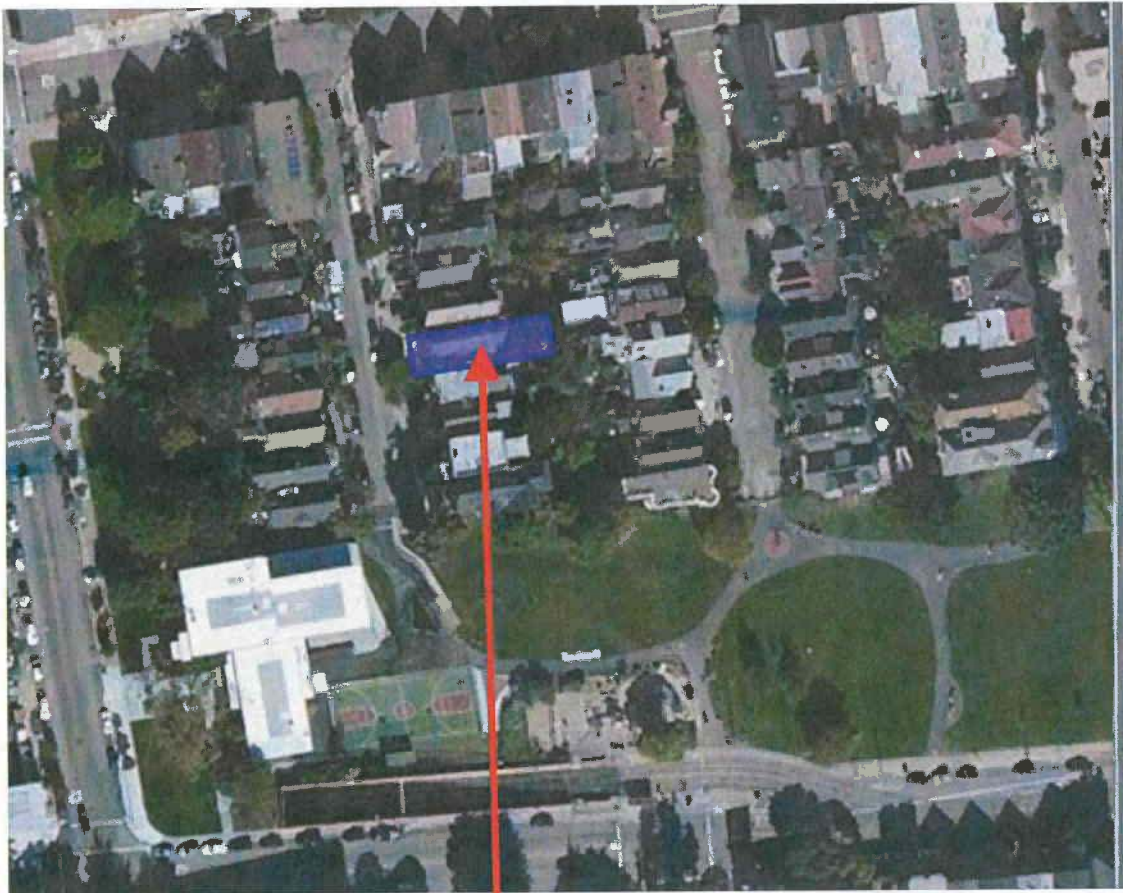
Exhibit D: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit E: Mills Act Application

Site Photo



Aerial Photo



SUBJECT PROPERTY



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
66 CARMELITA STREET
Click here to enter text.
SAN FRANCISCO, CALIFORNIA**

THIS AGREEMENT is entered into by and between the City and County of San Francisco, a California municipal corporation ("City") and Amy Hockman and Brian Bone ("Owner(s)").

RECITALS

Owners are the owners of the property located at 66 Carmelita Street, in San Francisco, California (Block 0864, Lot 015). The building located at 66 Carmelita Street is designated as a contributory building to an historic district designated under Article 10 of the Planning Code" and is also known as the "66 Carmelita Street" ("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 One Hundred and Two Thousand Five Hundred to One Hundred Ninety-Two Thousand Dollars (\$102,500 - \$192,000). (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 Two Thousand Five Hundred Dollar (\$2,500~~x~~) annually (See Maintenance Plan, Exhibit B).

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

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

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

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

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

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

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

the Historic Property by this Agreement and Owners shall pay property taxes to the City based upon the valuation of the Historic Property as of the date of termination.

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

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

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

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

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

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

11. Payment of Fees. Within one month of the execution of this Agreement, City shall tender to Owners a written accounting of its reasonable costs related to the preparation and approval of the Agreement as provided for in Government Code Section 50281.1 and San Francisco Administrative Code Section 71.6. Owners shall promptly pay the requested amount within forty-five (45) days of receipt.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CITY AND COUNTY OF SAN FRANCISCO:

By: _____
Phil Ting
Assessor-Recorder

DATE: _____


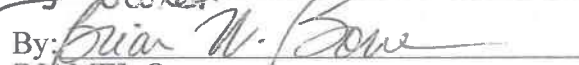

By: _____
John Rahaim
Director of Planning

DATE: _____

APPROVED AS TO FORM:
DENNIS J. HERRERA
CITY ATTORNEY

By: _____
[NAME]
Deputy City Attorney

DATE: _____

OWNERS
By: 
By: 
[NAME], Owner


DATE: 8/31/13

DATE: 8/31/2013

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

OWNER(S)' SIGNATURE(S) MUST BE NOTARIZED.

SEE ATTACHED CERTIFICATE
DATE 8/31/13 NOTARY INITIAL 

EXHIBIT B:

DRAFT REHABILITATION & MAINTENANCE PLAN

Checklist Item #6
Contract Exhibit A & B

Rehabilitation/Restoration/Maintenance Scope
66 Carmelita Street
August 31, 2013

Building Feature	Stair Repairs and Painting
Type of Work	May 2013
Contract Year Work Completion	Completed 2013
Total Cost	\$6,500
Description of Work	
Replace rotted board at base of stairs and 7 rotted balusters. Had replica balusters milled to match current porch. Repainted stairway and porch including front door. Resealed front porch landing.	

Building Feature	Window Repair or Replacement – Phase 1
Type of Work	Rehabilitation
Contract Year Work Completion	2015
Total Cost	\$5,000 - \$7,500
Description of Work	
Repair or replace front bay double hung windows in kind on main floor. Top window of double hung windows no longer functioning. Wood rot in places. Replace double hung window in middle bedroom upstairs. At some point, one sash was replaced with the wrong sized window resulting in drafts where windows do not match at the "meeting rail".	

Building Feature	Roof Replacement
Type of Work	Rehabilitation
Contract Year Work Completion	2016
Total Cost	\$30,000
Description of Work	
Previous roof work was not permitted, so we do not know when the roof was last replaced. Last inspection in 2009 indicated at least 5 years remaining. Will replace roof with historically appropriate materials (likely asphalt shingles). Will inspect and reseal around all skylights to avoid water damage. Likely need to replace aging skylight above stairs on north side.	

Building Feature	Window Repair or Replacement – Phase 2
Type of Work	Rehabilitation
Contract Year Work Completion	2018
Total Cost	\$1,000 - 3,000
Description of Work	
Repair or replace double hung window in kind facing west in the back room of the triple parlor. Repair or replace double hung window in kind in middle room of triple parlor.	

Building Feature	Paint exterior of house
Type of Work	Maintenance
Contract Year Work Completion	2020
Total Cost	\$20,000
Description of Work	
The house was last painted in 2006. Current paint job is holding up well. We plan to patch, sand, repair and/or replace siding in kind, as necessary. Primer and top coat will be applied based on the conditions at the time (e.g, either a single coat or multiple coats of each).	

Building Feature	Foundation Repair or Replacement
Type of Work	Rehabilitation
Contract Year Work Completion	2022
Total Cost	\$25,000 - \$100,000
Description of Work	
Current foundation has been replaced in two areas. Based on a permit issued 10/21/13, the rear foundation was replaced. Based on a permit issued 11/28/05, the foundation in the storage area on the ground floor (area with water heater/furnace off garage) was replaced. Remaining portion of the foundation appears to be brick. Per January 2008 inspection, the brick portion of the foundation "exhibits typical wear for its age and is in serviceable condition." We will have a more detailed inspection done by a structural engineer and perform the required work to maintain and/or replace the existing foundation.	

Building Feature	Basement work
Type of Work	
Contract Year Work Completion	2023
Total Cost	\$5,000 - \$10,000
Description of Work	
We will repair or replace, in kind, all the double hung windows in the basement (4 total) and replace the back door to the garden. We have leaking from our neighbor's poorly draining roof into our backyard and under the door (from splashing).	

Building Feature	Replace Front Stairs
Type of Work	Rehabilitation
Contract Year Work Completion	2024
Total Cost	\$10,000 - \$15,000
Description of Work	
Over the past 5 years, we have performed multiple repairs to replace rotting boards, balusters, address drainage issues, etc. We anticipate the need to completely replace the stairs in the timeframe noted above. We will replace the stairs with woods stairs either consistent with the current design or with historical standards.	

Building Feature	Ongoing Maintenance
Type of Work	Maintenance
Contract Year Work Completion	Annually
Total Cost	\$2,500
Description of Work	
Clean gutters and downspouts removing debris/blockages and check connections to keep water away from house; Remove and/or paint over graffiti in a timely manner, as required; Pest inspections and follow-on work as necessary to address any evidence of termites or other destructive pests; Inspect wood siding and millwork annually, spot prime, paint and caulk as necessary to protect siding; Check glazing annually for signs of moisture infiltration, dry rot or other damage – repair or replace when necessary.	

EXHIBIT C:

**DRAFT MARKET ANALYSIS & INCOME APPROACH
PROVIDED BY THE ASSESSOR'S OFFICE**



66 Carmelita Street
APN 06-0864-015

MILLS ACT VALUATION



APN: 06-0864-015 SF Landmark: _____
Property Location: 66 Carmeltia St Date of Mills Act Application: 8/31/2013
Applicant's Name: Amy Hockman Property Type: Single Family Dwelling
Agt./Tax Rep./Atty: _____ Date of Sale: 2/1/2008
Applicant supplied appraisal? No Sale Price: \$1,875,000

DATE OF MILLS ACT VALUATION: August 31, 2013

TAXABLE VALUE - THREE WAY VALUE COMPARISON					
FACTORED BASE YEAR VALUE		RESTRICTED MILLS ACT VALUE		CURRENT MARKET VALUE	
Land	\$ 1,399,995	Land	\$ 420,000	Land	\$1,260,000
Imps	\$ 599,998	Imps	\$ 300,000	Imps	\$840,000
Total	\$ 1,999,993	Total	\$ 720,000	Total	\$2,100,000

Note: 2013 Informal (P8) reduction to \$1.850M.

PROPERTY CHARACTERISTICS					
Present Use:	SFR	Neighborhood:	Hayes Valley	Number of Stories:	1
Number of Units	1	Year Built:	1900	Land Area (SF):	2,374
Owner Occupied:		Building Area:	2,204	Zoning:	RH2

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

CONCLUSION AND RECOMMENDATIONS

Based on the three-way value comparison, the lowest of the three values is the Restricted Mills Act Value.

The taxable Mills Act value on: August 31, 2013 is \$720,000

Appraiser: Timothy Landregan Date: 11/26/13
Principal Appraiser: Cathleen Hoffman

0864-015 - Photos



RESTRICTED INCOME APPROACH

APN 06-0864-015
66 Carmelita Street
Restricted Mills Act Value
Lien Date: August 31, 2013

Owner Occupied

	GLA (SF)		Annual Rent / SF		
Potential Gross Income:	2,204	x	\$38.11	=	\$84,000
Less Vacancy & Collection Loss			2%		<u>(\$1,680)</u>
Effective Gross Income					\$82,320
Less Anticipated Operating Expenses*			16%		<u>(\$13,050)</u>
Net Operating Income (before property tax)					\$69,270
Restricted Capitalization Rate Components:					
Rate Components:					
2013 Interest Rate per SBR			3.7500%		
Risk rate (4% owner occupied / 2% all other property types)			4.0000%		
Property tax rate (2012)			1.1691%		
Amortization rate for the Improvements:					
Remaining Economic Life:	60				
Amortization per Year (reciprocal)	0.0167		<u>1.6667%</u>		
Overall Rates:					
			Land		8.9191%
			Improvements		10.5858%
Weighted Capitalization Rate					
			Land	60%	5.35%
			Improvements	40%	<u>4.23%</u>
			Total		9.59%

RESTRICTED VALUE **\$722,631**

ROUNDED TO **\$720,000**

Footnotes:

Top line rent potential concluded to be \$7,000 per month, based on rental comps #5 and #8, or just over \$38 per foot on an annual basis.

*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 actual annual operating expenses of the subject property are \$13,050 (15.855% of EGI)

Rental Comps

Comp #1: Parnassus Hts



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

Sotheby's
 Not provided
 Clayton at Parnassus
 2,400
 4/2.5, 2 car parking
 \$7,700
\$3.21
\$38.50

Comp #2: Cow Hollow



Bay Property Group
 2546 Greenwich St
 Between Scott and Divisadero
 4,350
 4/6, 3 car parking
 \$13,495
\$3.10
\$37.23

Comp #3: Marina



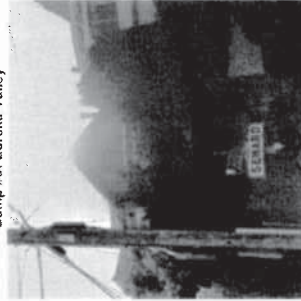
J Wavro Associates
 Not Provided
 Scott at Bay
 3,000
 4/3, 2 car parking
 \$8,950
\$2.98
\$35.80

Comp #4: Twin Peaks



By Owner
 106 Midcrest Way (Midtown Terrace)
 West side of the peaks (Twin Peaks Blvd)
 1,950
 2/2, 1 car parking
 \$4,750
\$2.44
\$29.23

Comp #5: Eureka Valley



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

By Owner
 1 Seward Street
 Seward at Douglass (Kito Hill)
 1,700
 2.2, No parking
 \$6,900
\$4.06
\$48.71

Comp #6: Twin Peaks



Golden Gate Properties
 28 Portola Drive
 Portola and Market
 1,350
 3/1.5, 2 car parking
 \$4,300
\$3.19
\$38.22

Comp #7: Twin Peaks







REMaxWestlake Properties
 441 Delbrook (@ Panorama)
 Panorama @ Clarendon
 1,127
 3/2, 2 car parking
 \$4,200
\$3.73
\$44.72

Comp #8: Eureka Valley



Donnelly Enterprises
 Not Provided
 Noe Street at Liberty Street
 2,600
 3/2.5, 2 tandem parking
 \$8,200
\$3.15
\$37.65

SINGLE FAMILY MARKET ANALYSIS

APN	Subject 0864-015	Sale 1 3561-046	Sale 2 0869-034	Sale 3 0864-008			
							
Address	66 Carmelita St	51 Beaver	251 Waller St	55 Pierce St			
Sale Price / Square Foot		\$1,733,300	\$2,730,000	\$2,250,000			
		\$928	\$1,083	\$900			
	Description	Description	Adjust.	Description	Adjust.	Description	Adjust.
Date of Valuation/Sale	08/31/13	09/26/12	\$103,998	9/19/2012	\$163,800	05/22/13	\$33,750
Location	Hayes Valley	Duboce Triangle	\$80,000	Hayes Valley		Hayes Valley	
Lot Size	2,374	2,875	(\$25,050)	3,337	(\$48,150)	2,374	\$0
View	Neighborhood/Open Space	Neighborhood				Neighborhood	
Year Blt/Year Renovated	1900	1902		1900		1900	
Condition	Good/Remodeled	average/updated	\$150,000			Good/Remodeled	
Construction Quality	Good	Good				Good	
Gross Living Area	2,204	1,867	\$67,400	2,520	(\$63,200)	2,500	(\$59,200)
Total Rooms	7	7		8		6	
Bedrooms	3	2				3	
Bathrooms	2	2.5	(\$15,000)	2		3	\$40,000
Stories	2	3		3		3	
Garage	1 car	1 car	\$0	2 car	(\$40,000)	2 car	(\$40,000)
Net Adjustments			\$361,348		\$12,450		(\$25,450)
Indicated Value	\$2,100,000		\$2,094,648		\$2,742,450		\$2,224,550
Adjust. \$ Per Sq. Ft.	\$953		\$950		\$1,244		\$1,009

VALUE RANGE: \$900 to \$1100 per foot

VALUE CONCLUSION: \$2,100,000 \$953

Adjustments

Lot size adjustment: \$50/foot; Adjustment for view: \$50,000, GLA adjustment: \$200/foot; Adjustment for bath counts: \$25,000 for full bath, \$15,000 for partial bath. Adjustment for garage parking: \$40,000 per space.

Comp #1 sold in average condition (older remodel) with mostly original condition. Very similar in design as subject, condition is the significant difference. Also, comp #1 is located in Duboce Triangle, a slightly inferior location to subject (at park, Hayes Valley). Market conditions adjustment: 5 to 10% increase in values between 2012 and 2013, (.5% per month)

MARKET VALUE

LAND	\$1,260,000
IMPROVEMENTS	\$840,000
TOTAL	\$2,100,000
Market Value / Foot	\$953

ASSESSED VALUE

LAND	\$1,399,995
IMPROVEMENTS	\$599,998
TOTAL	\$1,999,993
Assessed Value / Foot	\$907

Map of Subject Property and Comparable Sales



A	Subject Property	66 Carmelita St
B	Comp #1	51 Beaver St
C	Comp #2	251 Waller St
D	Comp #3	55 Pierce St

EXHIBIT D:

MILLS ACT APPLICATION

APPLICATION FOR Mills Act Historical Property Contract

1. Owner/Applicant Information

PROPERTY OWNER 1 NAME: AMY HOCKMAN	TELEPHONE: (415) 551-1443
PROPERTY OWNER 1 ADDRESS: 66 CARMELITA ST SF CA 94117	EMAIL: AHOCKMAN23@AOL.NET
PROPERTY OWNER 2 NAME: BRIAN BONE	TELEPHONE: (415) 551-1443
PROPERTY OWNER 2 ADDRESS: 66 CARMELITA ST SF CA 94117	EMAIL:
PROPERTY OWNER 3 NAME: N/A	TELEPHONE: ()
PROPERTY OWNER 3 ADDRESS:	EMAIL:

2. Subject Property Information

PROPERTY ADDRESS: 66 CARMELITA ST SF, CA 94117		ZIP CODE: 94117
PROPERTY PURCHASE DATE: FEBRUARY 1, 2008	ASSESSOR BLOCK/LOT(S): 0864/015	
MOST RECENT ASSESSED VALUE: \$1,600,000 /	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"/>
Do you own other property in the City and County of San Francisco? <i>If Yes, please list the addresses for all other property owned within the City of San Francisco on a separate sheet.</i>	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
Property is designated as a City Landmark under Article 10 of the Planning Code	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Are there any outstanding enforcement cases on the property from the San Francisco Planning Department or the Department of Building Inspection?	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.

Owner Signature: _____

Date: **8/31/13**

Owner Signature: **Brian N. Bone**

Date: **8/31/2013**

Owner Signature: _____

Date: _____

4. Application for Exemption from Property Tax Valuation

N/A

If answered "no" to either question under No. 2 "Property fall under the following Property Tax Value Assessments" in the Program Priority Criteria Checklist, on a separate sheet of paper, explain how the property meets the following criteria and should be exempt from the property tax valuations. Also attach a copy of the most recent property tax bill.

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 by a qualified consultant must be submitted to demonstrate meeting this requirement).

NAMES:
TAX ASSESSED VALUE:
PROPERTY ADDRESS:

By signing below, I/we acknowledge that I/we am/are the owner(s) of the structure referenced above and by applying for exemption from the limitations certify, under the penalty of perjury, that the information attached and provided is accurate.

Owner Signature: _____

Date: _____

Owner Signature: _____

Date: _____

Owner Signature: _____

Date: _____

Planning Department Staff Evaluation

THIS SECTION TO BE COMPLETED EXCLUSIVELY BY PLANNING DEPARTMENT STAFF

Exceptional Structure?

YES ☐ NO ☐

Percent above value limit: _____

Specific threat to resource?

YES ☐ NO ☐

No. of criteria satisfied: _____

Complete HSR submitted?

YES ☐ NO ☐

Planner's Initial: _____

6. Rehabilitation/Restoration/Maintenance Plan

Use this form to outline your rehabilitation, restoration, and maintenance plan. Copy this page as necessary to include all items that apply to your property. Begin by listing recently completed work (if applicable) and continue with work you propose to complete within the next ten years arranging 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 requires 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.

Draft Rehabilitation/Restoration/Maintenance Scope

Attached

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:			

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:			

THIS SECTION TO BE COMPLETED EXCLUSIVELY BY PLANNING DEPARTMENT STAFF

Property Address:	
Block / Lot:	
Board of Supervisors Ordinance Number:	

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

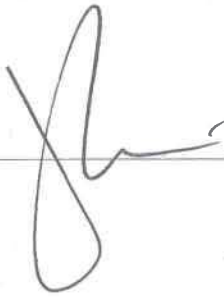
On: August 31, 2013 before me, Jason Whipple
DATE INSERT NAME OF THE OFFICER

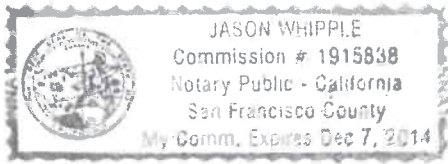
NOTARY PUBLIC personally appeared: Anna Hockman and Brian Bone
NAME(S) OF SIGNER(S)

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)

9. Historical Property Tax Adjustment Worksheet Guide

PROPERTY ADDRESS: 66 CARMELITA STREET SF, CA 94117

PROPERTY DESCRIPTION: SINGLE FAMILY RESIDENCE

OWNER OCCUPIED: YES ☒ NO ☐

STEP 1: Determine Annual Income of Property

ANNUAL PROPERTY INCOME	CURRENT	EXPLANATION
1. Monthly Rental Income	\$ <u>6,500</u>	For owner-occupied properties estimate a monthly rental income. Include all potential sources of income (filming, advertising, photo shoots, billboard rentals, etc.)
2. Annual Rental Income	\$ <u>78,000</u>	Multiply Line 1 by 12
3. Deduction for Vacancy	\$ <u>74,100</u>	5% (subtract %5 from line 2)

STEP 2: Calculate Annual Operating Expenses

ANNUAL OPERATING EXPENSES	CURRENT	EXPLANATION
4. Insurance	\$ <u>2,650</u>	Fire, Liability, etc.
5. Utilities	\$ <u>4,000</u>	Water, Gas, Electric, etc.
6. Maintenance*	\$ <u>2,500</u>	Maintenance includes: Painting, plumbing, electrical, gardening, cleaning, mechanical, heating repairs, structural repairs, security, and property management.
7. Management*	\$ <u>3,900</u>	
8. Other Operating Expenses	\$ <u>—</u>	Security, services, etc. Provide breakdown on separate sheet.
9. Total Expenses†	\$ <u>13,050</u>	Add Lines 4 through 8

* If calculating for commercial property, provide the following back-up documentation where applicable:

- Rent Roll (include rent for on-site manager's unit as income if applicable)
- Maintenance Records (provide detailed break-down; all costs should be recurring annually)
- Management Expenses (include expense of on-site manager's unit and 5% off-site management fee; and describe other management costs. Provide breakdown on separate sheet.)

† Annual operating expenses do not include mortgage payments, property taxes, depletion charges, corporate income taxes or interest on funds invested in the property.

STEP 3: Determine Annual Net Income

NET OPERATING INCOME	CURRENT	EXPLANATION
9. Net Operating Income	\$ <u>61,050</u>	Line 3 minus Line 9

Application Checklist to be Submitted with all Materials

Utilize this list to ensure a complete application package is submitted.

1	Historical Property Contract Application Have all owners signed and dated the application?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
2	Priority Consideration Criteria Worksheet Have three priorities been checked and adequately justified?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
3	Exemption Form & Historic Structure Report 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?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
4	Draft Mills Act Historical Property Agreement Are you using the Planning Department's standard form "Historical Property Contract?" Have all owners signed and dated the contract? Have all signatures been notarized?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
5	Notary Acknowledgement Form Is the Acknowledgement Form complete? Do the signatures match the names and capacities of signers?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
6	Draft Rehabilitation/Restoration/Maintenance Plan Have you identified and completed the Rehabilitation, Restoration, and Maintenance Plan organized by contract year and including all supporting documentation related to the scopes of work?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
7	Historical Property Tax Adjustment Worksheet Did you provide back-up documentation (for commercial property only)?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> N/A
8	Photographic Documentation Have you provided both interior and exterior images? Are the images properly labeled?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
9	Site Plan Does your site plan show all buildings on the property including lot boundary lines, street name(s), north arrow and dimensions?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
10	Tax Bill Did you include a copy of your most recent tax bill?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
11	Payment Did you include a check payable to the San Francisco Planning Department?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>

ATTACH PUBLIC NOTARY FORMS HERE.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

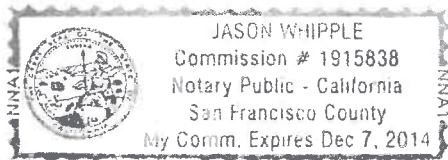
CIVIL CODE § 1189

State of California

County of San Francisco

On August 31, 2013 before me, Jason Whipple, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Amy L. Hockman and
Name(s) of Signer(s)
Brian W. Bone



who proved to me on the basis of satisfactory evidence to be the person(s) whose 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: [Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Historic Property Agreement

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____ Signer's Name: _____

☐ Corporate Officer — Title(s): _____ ☐ Corporate Officer — Title(s): _____

☐ Individual ☐ Individual

☐ Partner — ☐ Limited ☐ General ☐ Partner — ☐ Limited ☐ General

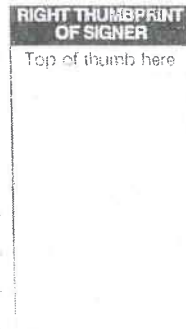
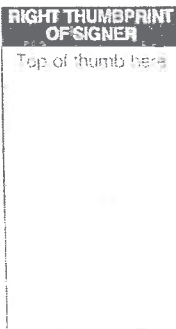
☐ Attorney in Fact ☐ Attorney in Fact

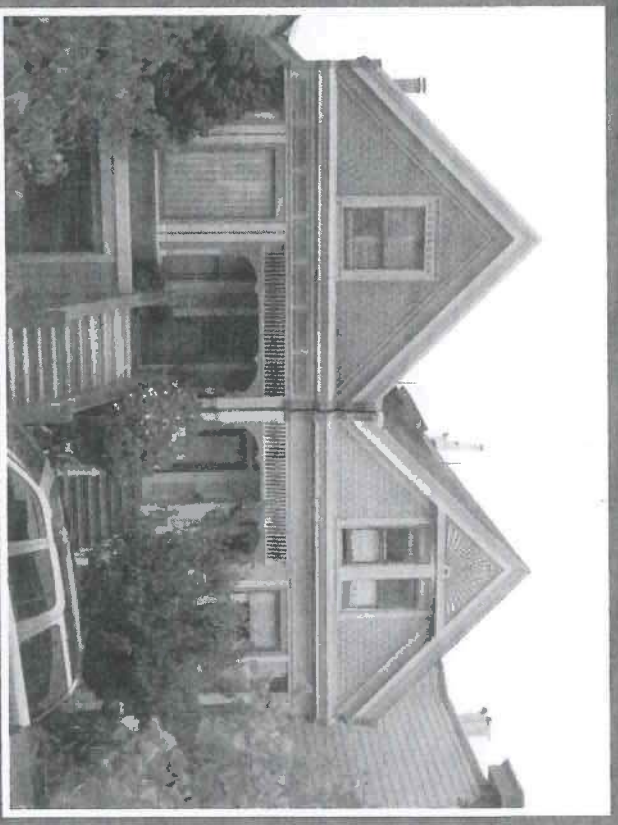
☐ Trustee ☐ Trustee

☐ Guardian or Conservator ☐ Guardian or Conservator

☐ Other: _____ ☐ Other: _____

Signer Is Representing: _____ Signer Is Representing: _____



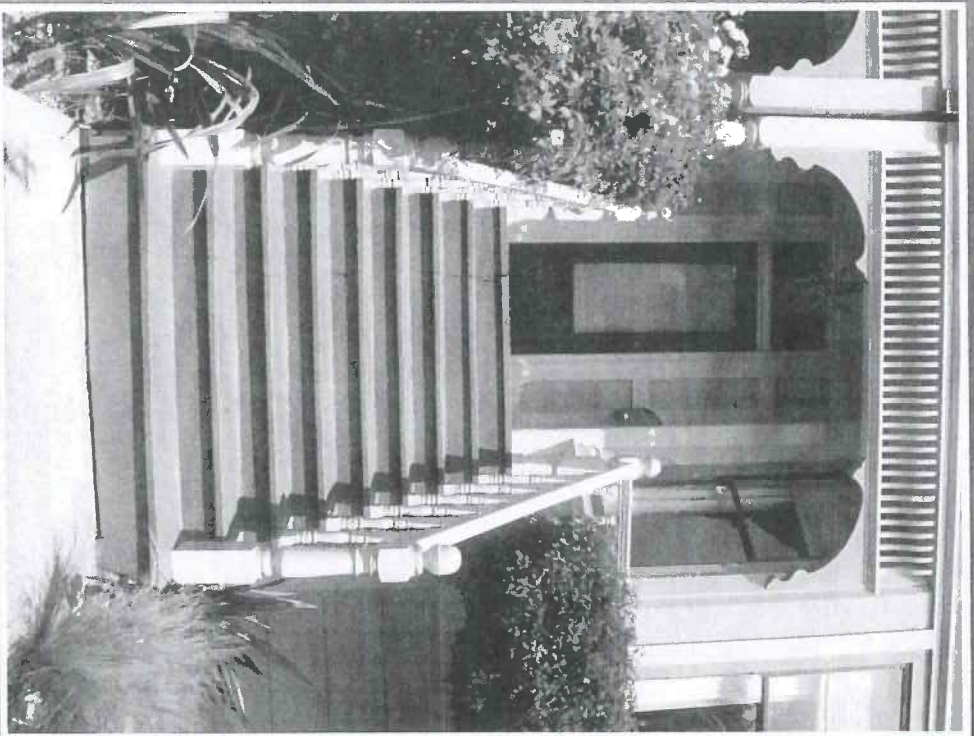


Mills Act Application

66 Carmelita Street

66 & 70 Carmelita Street share
many common elements (above)





Wood front stairs and porch



Side entrance and breezeway.

Back of house
from garden



Back door
entering from
garden



Window above
back door



Back of house
from garden
(another view)

Checklist
Item # 9

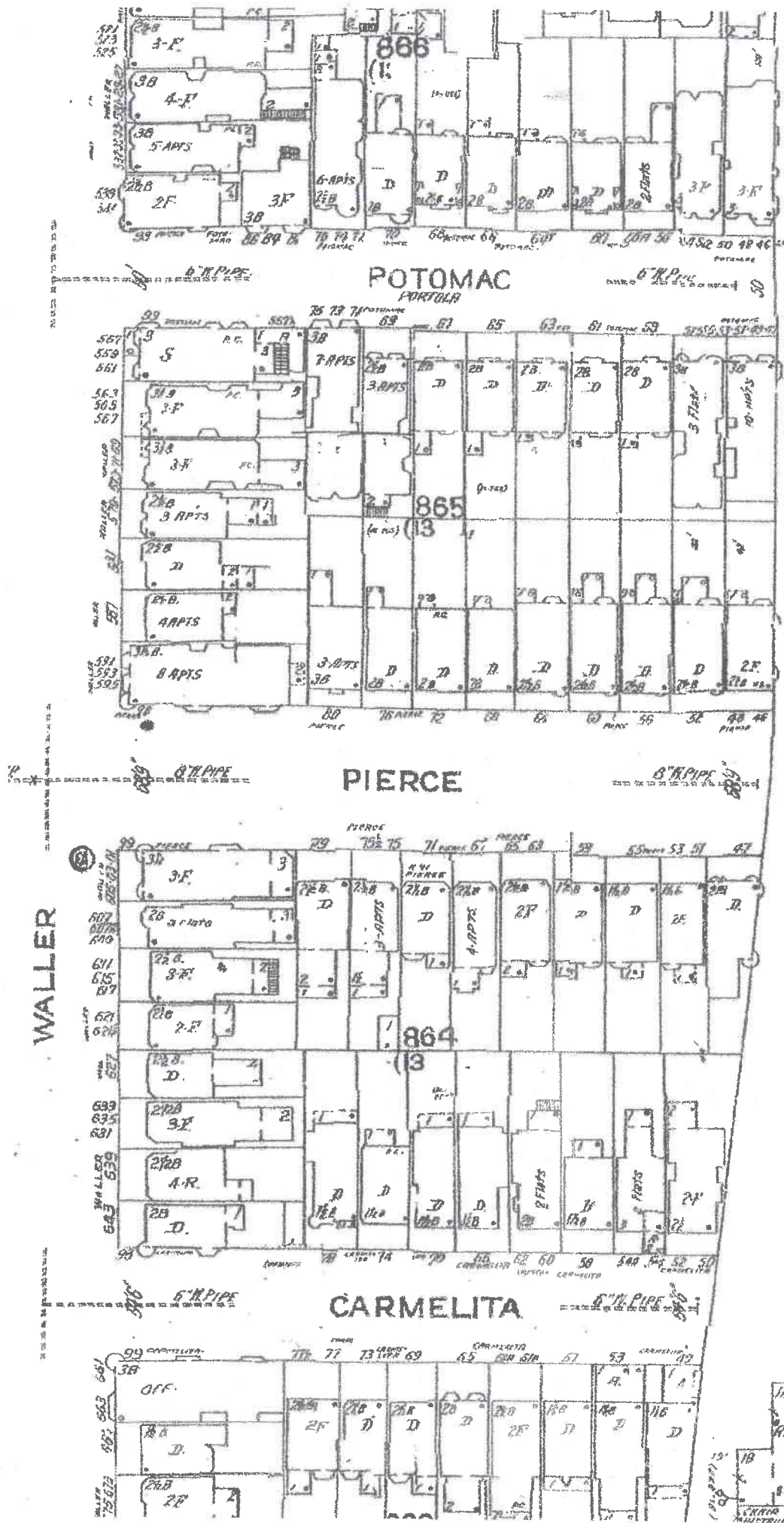


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Checklist
Item #10

City & County of San Francisco
José Cisneros, Treasurer and Tax Collector
Secured Property Tax Bill
For Fiscal Year July 1, 2012 through June 30, 2013

1 Dr. Carlton B. Goodlett Place
City Hall, Room 140
San Francisco, CA 94102
www.sftreasurer.org

Vol	Block	Lot	Account Number	Tax Rate	Statement Date	Property Location
06	0864	015	086400150	1.1691%	10/11/2012	66 CARMELITA ST

Assessed on January 1, 2012

To: BONE FAMILY TRUST

**BONE FAMILY TRUST
BRIAN W BONE & AMY L HOCKMAN
66 CARMELITA ST
SAN FRANCISCO CA 94117-3313**

Assessed Value		
Description	Full Value	Tax Amount
Land	1,120,000	13,093.92
Structure	480,000	5,611.68
Fixtures		
Personal Property		
Gross Taxable Value	1,600,000	18,705.60
Less HO Exemption	7,000	81.83
Less Other Exemption		
Net Taxable Value	1,593,000	\$18,623.76

Direct Charges and Special Assessments			
Code	Type	Telephone	Amount Due
89	SFUSD FACILITY DIST	(415) 355-2203	33.30
98	SF - TEACHER SUPPORT	(415) 355-2203	213.90
Total Direct Charges and Special Assessments			\$247.20

► **TOTAL DUE** **\$18,870.96**

1st Installment	2nd Installment
\$9,435.48	\$9,435.48
Due: November 1, 2012 Delinquent after Dec 10, 2012	Due: February 1, 2013 Delinquent after April 10, 2013

Keep this portion for your records. See back of bill for payment options and additional information.



SAN FRANCISCO PLANNING DEPARTMENT

Historic Preservation Commission Draft Resolution

HEARING DATE DECEMBER 4, 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: December 4, 2013
Filing Dates: September 3, 2013
Case No.: 2013.1260U
Project Address: **70 Carmelita St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential - House, Two Family)
40-X Height and Bulk District
Block/Lot: 0864/016
Applicant: Elise Sommerville
70 Carmelita St.
San Francisco, CA 94117
Staff Contact: Susan Parks – (415) 575-9101
susan.parks@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 70 CARMELITA 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 existing building located at 70 Carmelita Street and is listed under Article 10 of the San Francisco Planning Code Planning Code as a contributor to the Duboce Park 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 70 Carmelita Street, which are located in Case

Docket No. 2013.1260U. 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 70 Carmelita 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 December 4, 2013, 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 70 Carmelita Street, which are located in Case Docket No. 2013.1260U. The Historic Preservation Commission recommends approval of the Mills Act historical property contract, rehabilitation program, and maintenance plan.

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 70 Carmelita 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 70 Carmelita Street, and other pertinent materials in the case file 2013.1260U to the Board of Supervisors.

I hereby certify that the foregoing Resolution was ADOPTED by the Historic Preservation Commission on December 4, 2013.

Jonas P. Ionin
Commissions Secretary

AYES: Hasz, Wolfram, Hyland, Johnck, Johns, Mastuda, Pearlman

NOES:

ABSENT:

ADOPTED: 7-0



SAN FRANCISCO PLANNING DEPARTMENT

Mills Act Contracts Case Report

Hearing Date: December 4, 2013

- a. *Filing Dates:* September 3, 2013
Case No.: 2013.1261U
Project Address: **50 Carmelita St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential - House, Two Family)
40-X Height and Bulk District
Block/Lot: 0864/011
Applicant: Adam Speigel & Guillemette Broulliat-Speigel
50 Carmelita St.
San Francisco, CA 94117
- b. *Filing Date:* September 3, 2013
Case No.: 2013.1230U
Project Address: **66 Carmelita St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential House, Two Family)
40-X Height and Bulk District
Block/Lot: 0864/015
Applicant: Amy Hockman & Brian Bone
66 Carmelita St.
San Francisco, CA 94117
- c. *Filing Date:* September 3, 2013
Case No.: 2013.1260U
Project Address: **70 Carmelita St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential House, Two Family)
40-X Height and Bulk District
Block/Lot: 0864/016
Applicant: Elise Sommerville
70 Carmelita St.
San Francisco, CA 94117
- d. *Filing Date:* September 3, 2013
Case No.: 2013.1258U
Project Address: **56 Pierce St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential House, Two Family)
40-X Height and Bulk District
Block/Lot: 0865/013

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Applicant: Adam Wilson & Quyen Nguyen
66 Potomac St.
San Francisco, CA 94117

e. *Filing Date:* September 3, 2013
 Case No.: 2013.1254U
 Project Address: **64 Pierce St.**
 Landmark District: Duboce Park Landmark District
 Zoning: RH-2 (Residential House, Two Family)
 40-X Height and Bulk District

 Block/Lot: 0865/015
 Applicant: Jean Paul Balajadia
 64 Pierce St.
 San Francisco, CA 94117

f. *Filing Date:* September 3, 2013
 Case No.: 2013.1259U
 Project Address: **56 Potomac St.**
 Landmark District: Duboce Park Landmark District
 Zoning: RH-2 (Residential House, Two Family)
 40-X Height and Bulk District

 Block/Lot: 0866/012
 Applicant: Karli Sager & Jason Monberg

 56 Potomac St.
 San Francisco, CA 94117

g. *Filing Date:* September 3, 2013
 Case No.: 2013.1257U
 Project Address: **66 Potomac St.**
 Landmark District: Duboce Park Landmark District
 Zoning: RH-2 (Residential House, Two Family)
 40-X Height and Bulk District

 Block/Lot: 0866/015
 Applicant: Adam Wilson & Quyen Nguyen
 66 Potomac St.
 San Francisco, CA 94117

h. *Filing Date:* May 1, 2013
 Case No.: 2013.0575U
 Project Address: **1772 Vallejo St.**
 Historic Landmark: Landmark No. 31, Burr Mansion
 Zoning: RH-2 (Residential House, Two Family)
 40-X Height and Bulk District

 Block/Lot: 0552/029
 Applicant: John Moran

1772 Vallejo St.
San Francisco, CA 94123

Staff Contact: Susan Parks – (415) 575-9101
susan.parks@sfgov.org
Reviewed By: Tim Frye – (415) 575-6822
tim.frye@sfgov.org

PROPERTY DESCRIPTION

- a. **50 Carmelita St.:** The subject property is located on the east side of Carmelita Street between Waller and Duboce Streets, the lot is adjacent to Duboce Park. Assessor's Block 0864, Lot 011. It is located in a RH-2 (Residential House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 2 1/2 story frame house was built in 1899 in a combination of the Queen Anne and Shingle styles.
- b. **66 Carmelita St.:** The subject property is located on the east side of Carmelita Street between Waller and Duboce Streets. Assessor's Block 0864, Lot 015. It is located in a RH-2 (Residential-House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 1 1/2 story-over-basement frame house was built in 1900 by master builder Fernando Nelson in the Queen Anne style.
- c. **70 Carmelita St.:** The subject property is located on the east side of Carmelita Street between Waller and Duboce Streets. Assessor's Block 0864, Lot 016. It is located in a RH-2 (Residential-House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 1 1/2 story-over-basement frame house was built in 1900 by master builder Fernando Nelson in the Queen Anne style.
- d. **56 Pierce St.:** The subject property is located on the east side of Pierce Street between Waller and Duboce Streets. Assessor's Block 0865, Lot 013. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 2 1/2 story-over-basement frame house was built c. 1905 by master builder Fernando Nelson in the Queen Anne style and features applied stick work reminiscent of the Tudor style.
- e. **64 Pierce St.:** The subject property is located on the east side of Pierce Street between Waller and Duboce Streets. Assessor's Block 0865, Lot 015. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 2 1/2 story-over-basement frame house was built c. 1905 by master builder Fernando Nelson in the Queen Anne style and features applied stick work reminiscent of the Tudor style.

- f. 56 Potomac St.:** The subject property is located on the east side of Potomac Street between Waller and Duboce Streets. Assessor's Block 0866, Lot 012. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 1 1/2 story-over-basement frame house was built in 1899 by neighborhood builders George Moore & Charles Olinger in the Queen Anne style. This property was the informal sales office and home of George Moore and his family.
- g. 66 Potomac St.:** The subject property is located on the east side of Potomac Street between Waller and Duboce Streets. Assessor's Block 0866, Lot 015. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 1 1/2 story-over-basement frame house was built in 1899 by neighborhood builders George Moore & Charles Olinger in the Queen Anne style.
- h. 1772 Vallejo St.:** The subject property is located on the north side of Vallejo Street between Gough and Franklin Streets. Assessor's Block 0522, Lot 029. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as City Landmark #31. It is also listed in Here Today (page 22) and the Planning Department 1976 Architectural Survey. The three-story-over-basement house was designed primarily in the Italianate style with French Second Empire influences.

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 and recommendation on the historical property contract, proposed rehabilitation program, and proposed maintenance plan. The Historic Preservation Commission shall conduct a public hearing on the Mills Act application and contract 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's Office to execute the historical property contract.

MILLS ACT REVIEW PROCEDURES

The Historic Preservation Commission is requested to review each and make to recommendation 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 program 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 as to whether to recommend to the Board of Supervisors if the valuation exemption shall 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 Project Sponsor, Planning Department Staff, and the Office of the City Attorney have negotiated the attached draft historical property contracts, which include a draft maintenance plan for the historic building. Department staff believes that the draft historical property contracts and maintenance plans are adequate.

- a. 50 Carmelita St.:** As detailed in the Mills Act application, the Project Sponsor proposes to 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 and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The property was fully rehabilitated at the time of purchase two years ago. The Project Sponsors have developed a thorough maintenance plan that involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan includes; painting and repairing the historic shingled siding and wood trim as needed; inspecting the roof, flashing and vents regularly and replacing elements or the entire roof when needed; inspection of the gutters, downspouts, grading to ensure there is no damage to the foundation; maintenance of the exterior doors, stairways, balustrades, and decking for dry rot; and routine inspections of the historic wood windows and non-historic skylights checking for dry rot, damage, or leaks, and repairing any damage found according to best practices. No changes to the use are proposed. Please refer to the attached Rehabilitation 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. 66 Carmelita St.:** As detailed in the Mills Act application, the Project Sponsor proposes to continue rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves in-kind custom replacement of historic elements including rotted entry stairs, balustrades and porch decking; repainting of the stairs and porch; repair (or replace, if needed) non-functional double hung windows at the front bay on main floor and rear parlor; replacing the roof; and replacing deteriorated non-historic skylights and resealing others; repair and repainting of historic siding; and completing repairs based on structural engineers inspection to the brick foundation (previous repairs were undertaken in sections by different homeowners). No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; and the foundation. 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. 70 Carmelita St.:** As detailed in the Mills Act application, the Project Sponsor proposes to continue rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves historic wood siding and millwork; reroofing and installing a Dutch gutter on the south side of roof (shared with 66 Carmelita St.; and installing a trench drain to remediate water run-off that is flooding the basement and damaging foundation, and walls. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; and the foundation. 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.

- d. 56 Pierce St.:** As detailed in the Mills Act application, the Project Sponsor proposes to begin maintenance efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The property was fully rehabilitated prior to the Mills Act Application. No changes to the use are proposed.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses the repair, maintenance and repainting of the wood siding, windows/glazing, roof, millwork, stairs and ornamentation; gutters, downspouts and drainage; and the foundation and sheer walls. 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.

- e. 64 Pierce St.:** As detailed in the Mills Act application, the Project Sponsor proposes to continue rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves repairing and painting historic wood siding; repaired and replaced, as needed, historic millwork; including wood trim and corbels; repair of the leaded glass windows and transoms; repair of the historic front door; repair all windows that could be repaired and replaced in kind those that were beyond repair (23 windows total) at the front of the house, restored the front entry, including flooring, lighting and removing non-historic

detailing; replaced railings at the front entry stairs to be code compliant and historically accurate encased the deteriorated brick foundation in concrete, added structural steel beams, comment frames, sheer walls and steel framing throughout the house to meet seismic standards; leveled the house to improve drainage at grade; removed concrete slabs at front yard and replaced with planter areas and borders (to improve the property); remediated water pooling at the exterior of house by re-grading and installing trench drain repaired existing roof drains; installed new roof drains to correct drainage issues from neighboring houses. Please refer to the attached Rehabilitation Plan for a full description of the proposed work. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; and the foundation. 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.

- f. 56 Potomac St.:** As detailed in the Mills Act application, the Project Sponsor proposes to begin rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves reconstruction and structural repairs to the historic front stairs and porch based on historic photographs. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; attic and the foundation. 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.

- g. 66 Potomac St.:** As detailed in the Mills Act application, the Project Sponsor proposes to continue rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves repairing and painting the historic wood siding and worked with color consultant for historical accuracy; repaired and replaced, as needed, the historic millwork; including the decorative shingles at the front pediment, existing dentils and corbeling; reroof and install moisture and thermal protection; install all new wood windows at the rear of the house; repair all windows at the front of the house, rebuilding all sashes, as needed; replaced the entire compromised brick foundation with a concrete foundation to meet seismic standards, added structural steel and leveled the house to improve drainage at grade; patched and repaired stucco at front façade; rebuilt decks; railings and balconies. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork, stairs and ornamentation; gutters, downspouts and drainage; and the foundation. 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.

h. 1772 Vallejo St.: As detailed in the Mills Act application, the Project Sponsor proposes to begin rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with Secretary of Interior's Standards for Rehabilitation and for Restoration.

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 City Landmark until Article 10 of the Planning Code. A Historic Structures 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, 1772 Vallejo St., Exhibit B)

The rehabilitation program involves structural evaluation of unreinforced masonry foundation; removing interior unreinforced chimney (not visible from street); Improve the landscape drainage to redirect water flow from the house; work to rehabilitate the historic garden setting; feasibility study for upgrading the unreinforced foundation of the rear cottage, repair the historic windows at the cottage, repair and reinforced the fireplace and chimney, replace the roofing, and any damaged rafters as needed; study feasibility of demolish non historic garage to restore the historic character of the property; repair and replace historic wood windows as necessary; repair deteriorated wood siding and millwork in-kind; repaint exterior using a color consultant to determine historic paint colors; and replace roofing. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses care of the garden; wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; attic and the foundation

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

PLANNING DEPARTMENT RECOMMENDATION

The Planning Department recommends that the Historic Preservation Commission adopt a resolution recommending approval of these Mills Act Historical Property Contracts, rehabilitation and maintenance plans to the Board of Supervisors.

ISSUES AND OTHER CONSIDERATIONS

The Assessor and Records Office has provided initial review. The Planning Department is continuing to working with the Assessor and Recorder's Office to finalize the final property tax valuations and savings.

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 and the City and County of San Francisco;
2. Approving the proposed Mills Act rehabilitation and maintenance plan for each property.

Attachments:

a. 50 Carmelita St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

b. 66 Carmelita St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

c. 70 Carmelita St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

d. 56 Pierce St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

e. 64 Pierce St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

f. 56 Potomac St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

g. 66 Potomac St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

h. 1772 Vallejo St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Historic Structures Report

Exhibit C: Draft Rehabilitation & Maintenance Plan

Exhibit D: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit E: Mills Act Application

Site Photo



Historic Preservation commission
Case Number 2013.1260U
Mills Act Historical Property Contract
70 Carmelita St.

Aerial Photo



SUBJECT PROPERTY



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**
70 Carmelita Street
Click here to enter text.
SAN FRANCISCO, CALIFORNIA

THIS AGREEMENT is entered into by and between the City and County of San Francisco, a California municipal corporation ("City") and Elise Marie Sommerville, ("Owner(s)").

RECITALS

Owners are the owners of the property located at 70 Carmelita Street, in San Francisco, California (Block 0864, Lot 016). The building located at 70 Carmelita Street is designated as a contributor to "a City Landmark pursuant to Article 10 of the Planning Code" and is also known as the "PROPERTY NAME, IF ANY" ("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 Forty three thousand Dollars (\$43,000)]. (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 twelve hundred Dollar (\$ 1,200.00 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: _____
Phil Ting
Assessor-Recorder

DATE: _____

By: _____
John Rahaim
Director of Planning


DATE: _____

APPROVED AS TO FORM:
DENNIS J. HERRERA
CITY ATTORNEY

By: _____
[NAME]
Deputy City Attorney

DATE: _____

OWNERS

By:  DATE: 9/3/2013
[NAME], Owner ELISE SOMERVILLE

[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 & MAINTENANCE PLAN

EXTERIOR:

Paint wood siding:

Contract year work completion: 2021

Total Cost: \$20,000+

Description: The house was painted in 2006. The house will be inspected prior to painting. All areas that have dry rot or other damage will be patched or repaired according to best practices. If siding is deteriorated beyond repair it will be replaced in kind to match the historic wood siding. Siding will be primed and painted with two coats of paint.

Paint wood millwork:

Description: All areas that have dry rot or other damage will be patched or repaired according to best practices. If millwork is deteriorated beyond repair it will be replaced in kind to match the historic millwork. Millwork will be primed and painted with 2 coats of paint.

Roof Replacement:

Contract year work completion: 2015

Total Cost: \$20,000+

Description: Remove existing roof material and re roof using fiberglass shingles. Inspect and replace all flashing at exterior of house including flashing around mechanical ventilation, chimneys and skylight to insure that there are no leaks. Waterproof Dutch gutter on South side using Bitumen Membrane to insure there are no leaks. Waterproof walls of dormers using Bitumen Membrane.

Gutters:

Description: Inspect gutters for leaks. Replace leaking and deteriorated gutters and down spouts as needed, and ensure that all water is redirected away from the foundation of the house.

Driveway:

Contract year of work completion: 2017

Total Cost: \$3000.00

Description: Currently the concrete driveway slopes into the garage and the water runs down the driveway and floods the garage area. We will install a trench drain that runs the width of the driveway at the base of the garage door. This will tie to the original drain that is in the garage.

EXTERIOR:

Wood siding and millwork:

Inspect: Annually

Annual: Spot prime, paint and caulk as necessary to protect wood siding.

Long term: Approximately every 15 years, replace or repair millwork as needed. Prep and repaint building.

Roof and Gutters:

Inspect: Annually. Clean Dutch gutter as needed. Clean gutters, remove debris and blockages, check joints/connections. Check that water is draining away from house.

Maintain: As required.

Front Door and Garage Door:

Inspect: Annually

Maintain: Sand, re stain and clear coat every 3-4 years. Replace/adjust hardware as necessary.

Glazing:

Inspect: Annually

Annual: Maintain as necessary, checking for signs of moisture infiltration and dry rot or other damage. Repair damage when possible. Replace when necessary.

Drain in garage:

Inspect: Through out rainy season. Clean out to prevent damage, blocking and flooding in garage and basement.

Annual: Maintain as necessary.

Landscape (Juniper planted on front of house):

Inspect: Annually

Maintain: Trim accordingly to keep branches away from rubbing wood work.

Graffiti:

Maintain: On going issue. Remove and or paint over as required.



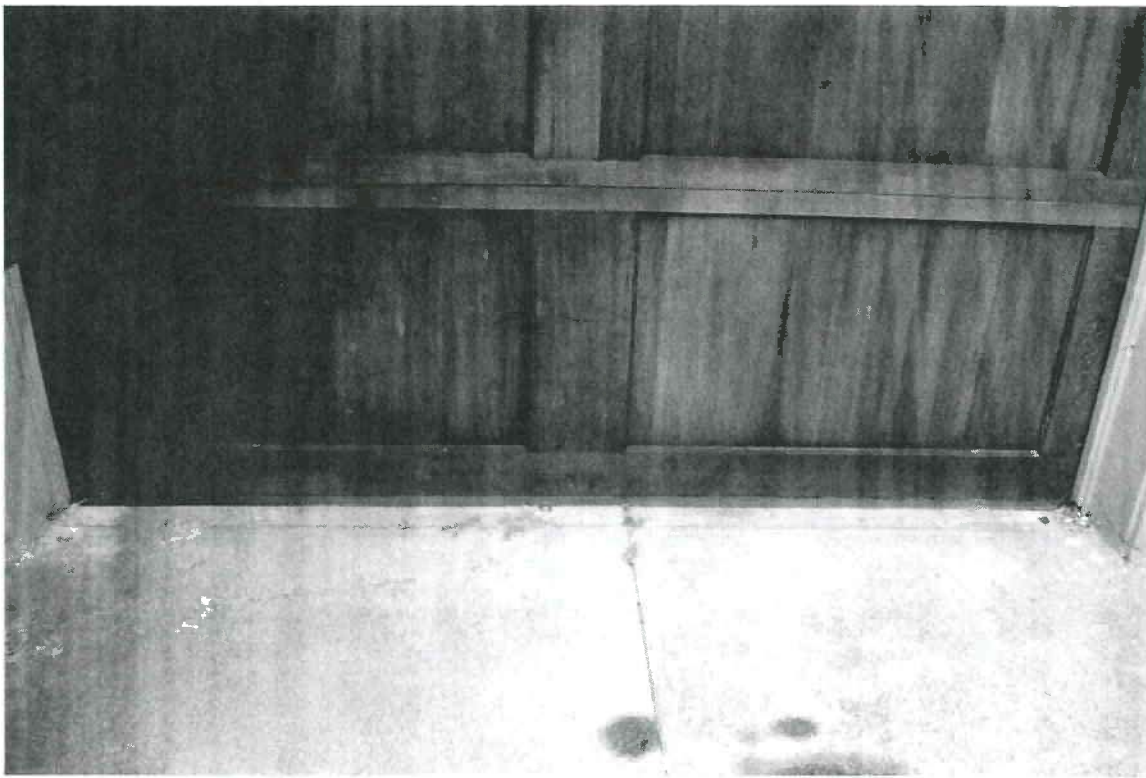
Landscape (Juniper planted on front of house). Inspect annually. Trim accordingly to keep branches away from rubbing original wood work on body of house.



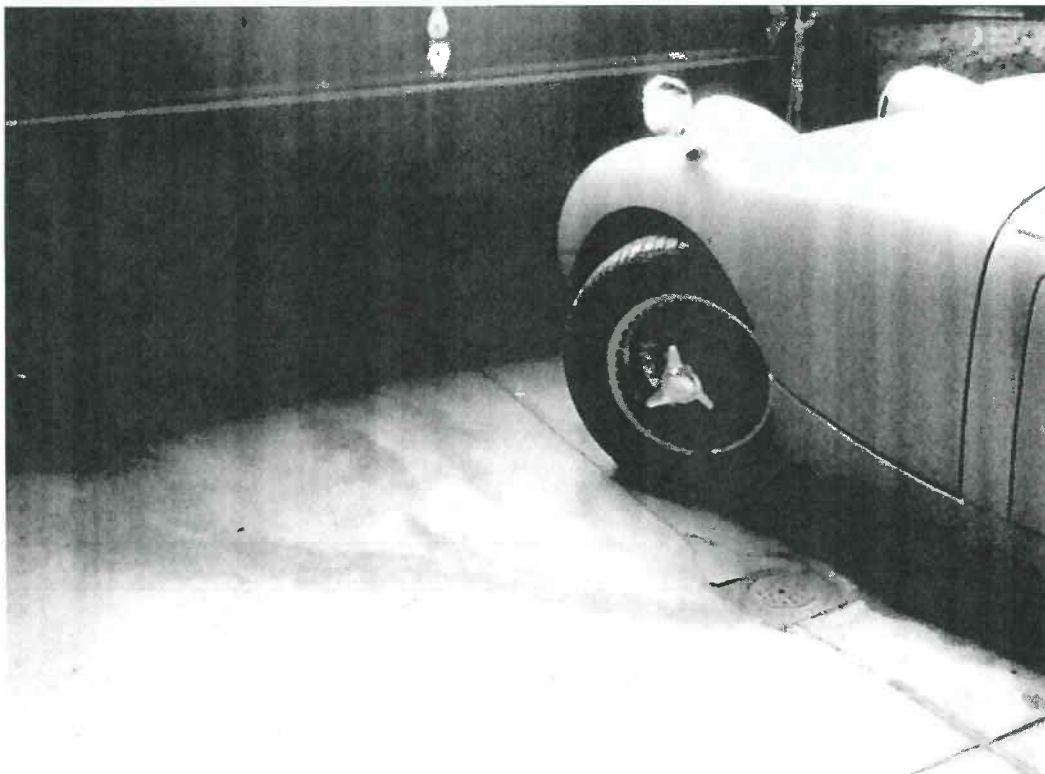
Landscape (Juniper planted on front of house). Inspect annually. Trim accordingly to keep branches away from rubbing original wood work on body of house.



Front door. Inspect annually. Maintenance will require sanding, restain and clear coat every 3-4 years. Replace/adjust hardware as necessary.



Exterior of Garage Door showing water damage.

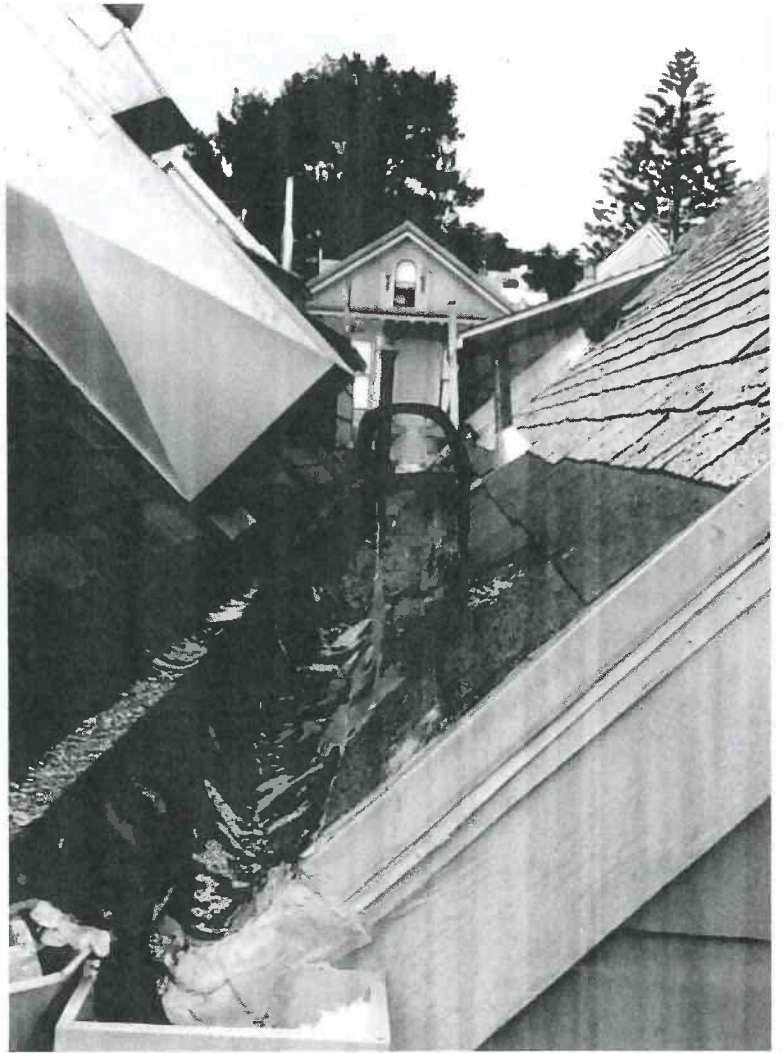
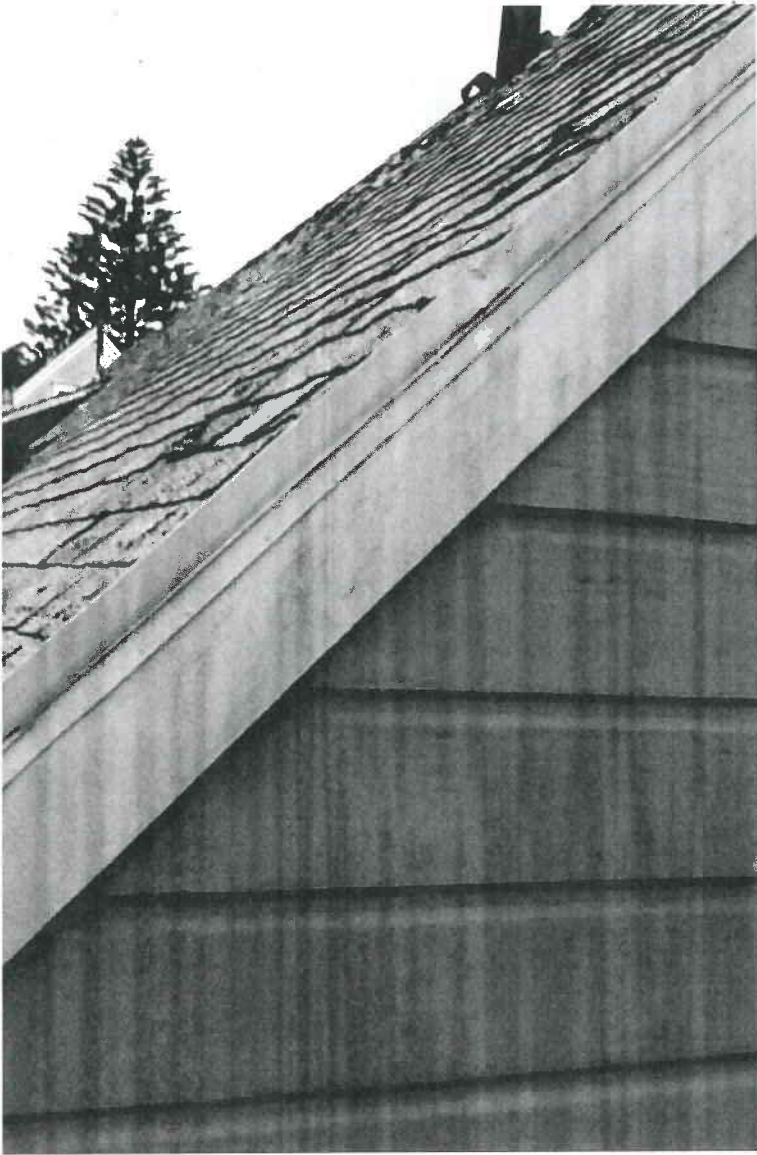


Drain inside garage. Inspect throughout rainy season. Clean out to prevent damage, blocking and flooding in garage and basement. Propose adding trench drain on outside of garage door and tie into this existing drain to prevent flooding inside garage and basement and water damage to garage door.



Garage door showing water damage due to slope of driveway and improper drainage. Trench drain proposed in front of garage door to collect water before it can go into the garage.

Garage door will need to be inspected annually. Maintenance will require sanding, restain, and clear coat every 3-4 years. Replace/adjust hardware as necessary.



Roof and Dutch Gutter. Roof will be replaced in 2015. Inspect annually. Clean dutch gutter and all other gutters as necessary.



Front Façade of 70 Carmelita St.

EXHIBIT C:

**DRAFT MARKET ANALYSIS & INCOME APPROACH
PROVIDED BY THE ASSESSOR'S OFFICE**



70 Carmelita Street
APN 06-0864-016

MILLS ACT VALUATION



APN: 06-0864-016 SF Landmark: _____
Property Location: 70 Carmeltia St Date of Mills Act Application: 9/3/2013
Applicant's Name: Elise Sommerville Trust Property Type: Single Family Dwelling
Agt./Tax Rep./Atty: _____ Date of Sale: 3/30/1999
Applicant supplied appraisal? No Sale Price: \$500,000

DATE OF MILLS ACT VALUATION: September 3, 2013

TAXABLE VALUE - THREE WAY VALUE COMPARISON					
FACTORED BASE YEAR VALUE		RESTRICTED MILLS ACT VALUE		CURRENT MARKET VALUE	
Land	\$ 381,159	Land	\$ 460,000	Land	\$1,320,000
Imps	\$ 254,104	Imps	\$ 320,000	Imps	\$880,000
Total	\$ 635,263	Total	\$ 780,000	Total	\$2,200,000

PROPERTY CHARACTERISTICS					
Present Use:	SFR	Neighborhood:	Hayes Valley	Number of Stories:	1
Number of Units	1	Year Built:	1900	Land Area (SF):	2,374
Owner Occupied:		Building Area:	2,439	Zoning:	RH2

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Interior / Exterior Photos	Page 3
Restricted Income Valuation	Page 4
Comparable Rents	Page 5
Sales Comparison Valuation	Page 6
Map of Comparable Sales	Page 7

CONCLUSION AND RECOMMENDATIONS

Based on the three-way value comparison, the lowest of the three values is the factored base year value.

The taxable Mills Act value on: September 3, 2013 is \$780,000

No additional reduction is recommended.

Appraiser: Timothy Landregan Date: 11/26/13
Principal Appraiser: Cathleen Hoffman

0864-016 - Photos



RESTRICTED INCOME APPROACH

APN 06-0864-016
70 Carmelita Street
Restricted Mills Act Value
Lien Date: August 31, 2013

Owner Occupied

	GLA (SF)		Annual Rent / SF		
Potential Gross Income:	2,439	x	\$36.90	=	\$90,000
Less Vacancy & Collection Loss			2%		<u>(\$1,800)</u>
Effective Gross Income					\$88,200
Less Anticipated Operating Expenses*			15%		<u>(\$13,230)</u>
Net Operating Income (before property taxes)					\$74,970
Restricted Capitalization Rate Components:					
<u>Rate Components:</u>					
2013 Interest Rate per SBE			3.7500%		
Risk rate (4% owner occupied / 2% all other property types)			4.0000%		
Property tax rate (2012)			1.1691%		
Amortization rate for the Improvements:					
Remaining Economic Life:	60				
Amortization per Year (reciprocal)	0.0167		<u>1.6667%</u>		
Overall Rates:					
			Land		8.9191%
			Improvements		10.5858%
Weighted Capitalization Rate					
			Land	60%	5.35%
			Improvements	40%	<u>4.23%</u>
			Total		9.59%

RESTRICTED VALUE **\$782,100**

ROUNDED TO **\$780,000**

Footnotes:

Top line rent potential concluded to be about \$7,500 per month, based on rental comps #5 and #8, or just under \$37 per foot on an annual basis.

*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 actual annual operating expenses of the subject property are \$11,418 (12% of EGI). Analysis based on the full 15% deduction.

TP has indicated property has not been renovated substantially and concludes a higher amortization schedule. Lowering the remaining economic life to 20 years (5% depreciation per year) increases the overall cap rate to 10.92% and lowers the restricted value to \$690,000, still higher than the 2013 factored base year value.

Rental Comps

Comp #1: Parnassus Hts



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

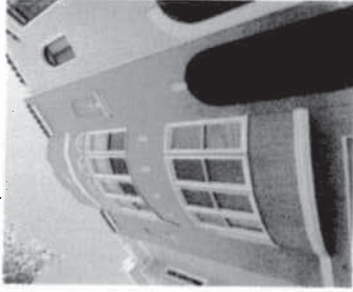
Sorheby's
Not provided
Clayton at Parnassus
2,400
4/2.5, 2 car parking
\$7,700
\$3.21
\$36.50

Comp #2: Cow Hollow



Bay Property Group
2546 Greenwich St
Between Scott and Divisadero
4,350
4/6, 3 car parking
\$13,495
\$3.10
\$37.23

Comp #3: Marina



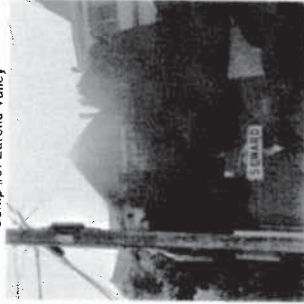
J Wavro Associates
Not Provided
Scott at Bay
3,000
4/3, 2 car parking
\$8,950
\$2.98
\$35.80

Comp #4: Twin Peaks



By Owner
106 Midcrest Way (Midtown Terrace)
West side of the peaks (Twin Peaks Blvd)
1,950
2/2, 1 car parking
\$4,750
\$2.44
\$29.23

Comp #5: Eureka Valley



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

By Owner
1 Seward Street
Seward at Douglass (Kite Hill)
1,700
2/2, No parking
\$6,900
\$4.06
\$48.71

Comp #6: Twin Peaks



Golden Gate Properties
26 Portola Drive
Portola and Market
1,350
3/1.5, 2 car parking
\$4,300
\$3.19
\$38.22

Comp #7: Twin Peaks







REMax/Westlake Properties
441 Delbrook (@ Panorama)
Panorama @ Clarendon
1,127
3/2, 2 car parking
\$4,200
\$3.73
\$44.72

Comp #8: Eureka Valley



Donnelly Enterprises
Not Provided
Noe Street at Liberty Street
2,600
3/2.5, 2 tandem parking
\$8,200
\$3.15
\$37.85

SINGLE FAMILY MARKET ANALYSIS

APN	Subject 0864-016	Sale 1 3561-046	Sale 2 0869-034	Sale 3 0864-008			
							
Address	70 Carmelita St	51 Beaver	251 Waller St	55 Pierce St			
		\$1,733,300	\$2,730,000	\$2,250,000			
Sale Price / Square Foot		\$928	\$1,083	\$900			
	Description	Description	Adjust.	Description	Adjust.	Description	Adjust.
Date of Valuation/Sale	09/03/13	09/26/12	\$103,998	9/19/2012	\$163,800	05/22/13	\$33,750
Location	Hayes Valley	Duboce Triangle	\$80,000	Hayes Valley		Hayes Valley	
Lot Size	2,374	2,875	(\$25,050)	3,337	(\$48,150)	2,374	\$0
View	Neighborhood/Open Space	Neighborhood				Neighborhood	
Year Blt/Year Renovated	1900	1902		1900		1900	
Condition	Good/Remodeled	average/updated	\$150,000			Good/Remodeled	
Construction Quality	Good	Good				Good	
Gross Living Area	2,439	1,867	\$114,400	2,520	(\$16,200)	2,500	
Total Rooms	7	7		8		6	
Bedrooms	3	2				3	
Bathrooms	2	2.5	(\$15,000)	2		3	\$40,000
Stories	2	3		3		3	
Garage	1 car	1 car	\$0	2 car	(\$40,000)	2 car	(\$40,000)
Net Adjustments			\$408,348		\$59,450		\$33,750
Indicated Value	\$2,200,000		\$2,141,648		\$2,789,450		\$2,283,750
Adjust. \$ Per Sq. Ft.	\$902		\$878		\$1,144		\$936

VALUE RANGE: \$900 to \$1100 per foot

VALUE CONCLUSION: \$2,200,000 \$902

Adjustments

Lot size adjustment: \$50/foot; Adjustment for view: \$50,000, GLA adjustment: \$200/foot; Adjustment for bath counts: \$25,000 for full bath, \$15,000 for partial bath. Adjustment for garage parking: \$40,000 per space.

Comp #1 sold in average condition (older remodel) with mostly original condition. Very similar in design as subject, condition is the significant difference. Also, comp #1 is located in Duboce Triangle, a slightly inferior location to subject (at park, Hayes Valley)

Market conditions adjustment: 5 to 10% increase in values from 2012 to 2013 (.5% per month)

MARKET VALUE

LAND	\$1,320,000
IMPROVEMENTS	\$880,000
TOTAL	\$2,200,000
Market Value / Foot	\$902

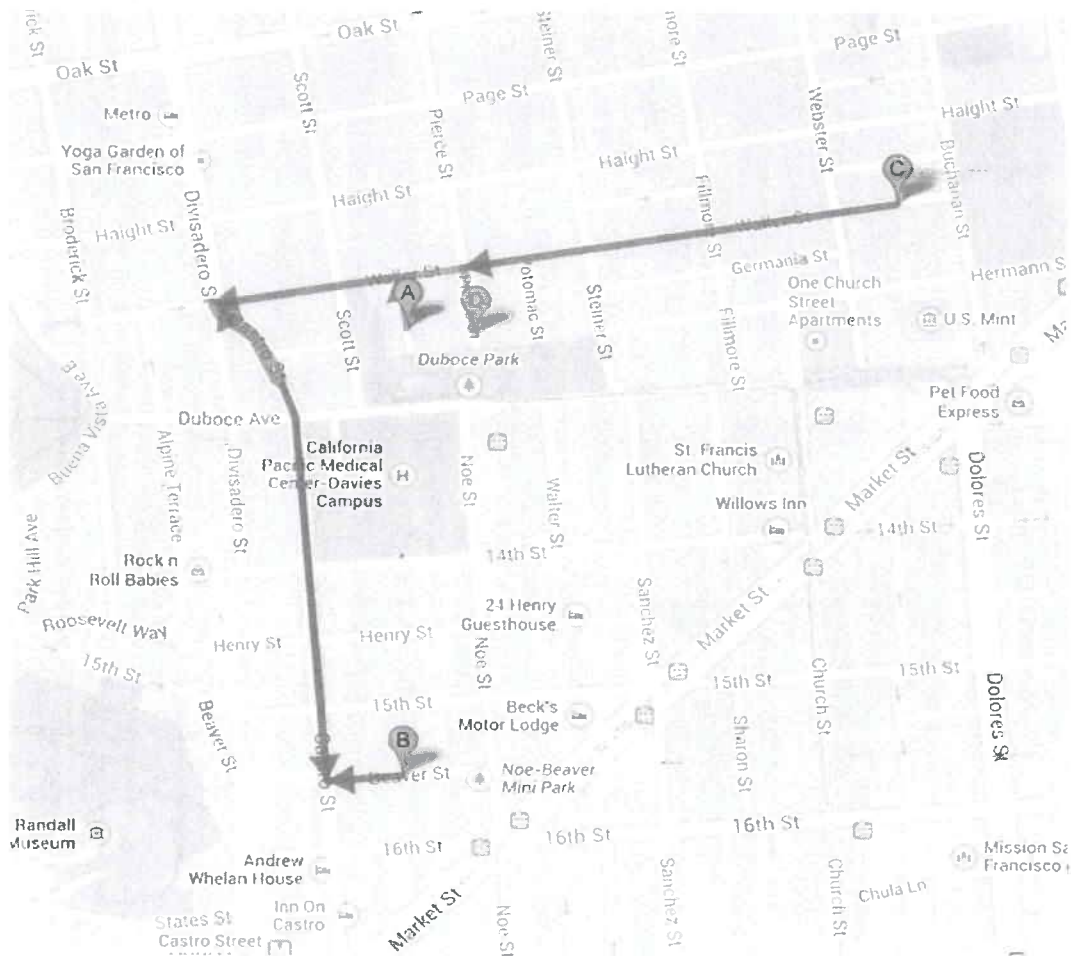
ASSESSED VALUE

LAND	\$381,159
IMPROVEMENTS	\$254,104
TOTAL	\$635,263
Assessed Value / Foot	\$260

This map shows the Castro District in San Francisco, with a highlighted walking route. The route begins at the top left, near the intersection of Divisadero St and Haight St, and proceeds south on Divisadero St. It then turns east onto Haight St, passing Duboce Park and the California Pacific Medical Center. The route continues south on Market St, passing several streets including 14th St, 15th St, and 16th St. Key landmarks and businesses marked on the map include Duboce Park, California Pacific Medical Center, St. Francis Lutheran Church, Willows Inn, 24 Henry Guesthouse, Beck's Motor Lodge, Noe-Beaver Mini Park, and various other local establishments like Yoga Garden of San Francisco and U.S. Mint. The map also shows major streets such as Divisadero St, Haight St, Market St, and various numbered streets from 1st to 16th.

A	Subject Property	70 Carmelita St
B	Comp #1	51 Beaver St
C	Comp #2	251 Waller St
D	Comp #3	55 Pierce St

Map of Subject Property and Comparable Sales



A	Subject Property	70 Carmelita St
B	Comp #1	51 Beaver St
C	Comp #2	251 Waller St
D	Comp #3	55 Pierce St

EXHIBIT D:

MILLS ACT APPLICATION



APPLICATION PACKET FOR

Mills Act Historical Property Contract

Planning Department
1650 Mission Street
Suite 400
San Francisco, CA
94103-9425

T: 415.558.6378
F: 415.558.6409

Chapter 71 of the San Francisco Administrative Code allows the City and County of San Francisco to enter into a preservation contract with local property owners who restore and preserve qualified historic properties. In exchange for maintaining and preserving a historic property, the owner receives a property tax reduction.

Planning staff are available to advise you in the preparation of this application. Call (415) 558-6377 for further information.

WHAT IS A MILLS ACT PROPERTY CONTRACT?

The Mills Act Contract is an agreement between the City and County of San Francisco and the owner of a qualified property based on California Government Code, Article 12, Sections 50280-50290 (Mills Act). This state law, established in 1976, provides for a property tax reduction for owners of qualifying historic properties who agree to comply with certain preservation restrictions and use the property tax savings to help offset the costs to restore, rehabilitate, and maintain their historic resource according to the *Secretary of the Interior's Standards and the California Historical Building Code*. The San Francisco Board of Supervisors approves all final contracts. Once executed, the contract is recorded on the property and leads to reassessment of the property the following year.

WHO MAY APPLY FOR A MILLS ACT PROPERTY CONTRACT?

The Mills Act is for property owners who are actively rehabilitating their properties or have recently completed a rehabilitation project compliant with the *Secretary of the Interior's Treatment of Historic Properties*, in particular the Standards for Rehabilitation, and the California Historical Building Code. Recently completed projects shall mean completed in the year prior to the application. Eligibility for Historical Property Contracts shall be limited to buildings or structures with a pre-contract assessed valuation of \$3,000,000 or less for residential buildings, and \$5,000,000 or less for commercial or industrial buildings, unless the individual property is granted an exemption from those limits by the Board of Supervisors.

Applicants who enter into a contract with San Francisco and fail to rehabilitate or maintain the property are subject to the City cancelling the contract and the Assessor collecting the 12.5 percent of current fair market value penalty against the property. All property owners must enter into the contract. The attached application has three separate entries for property owners if there are multiple. Please attach additional sheets if necessary.

Timeline for

	YEAR											
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Application submittal to the Planning Department												
Pre-Contract Inspections	June 1 through September 30											
Planning Department Review	June 1 through September 30											
Assessor-Recorder's Office Review	June 1 through August 31											
Preliminary estimated provided to Historic Preservation Commission, Land Use Committee, Board of Supervisors	June 1 through August 31											
City Approval Process: Including Historic Preservation Commission, Land Use Committee, Board of Supervisors hearings	September 1 through December 31											
Mills Act Contract approved												
Must be approved by December 31 to meet ensuing lien date												
Lien Date: January 1												
The next lien date would be the following year: January 1												
Contract is recorded and Assessor is notified no later than January 31												
Assessor-Recorders Office Reappraisal period Final Value Determined	February 1 through April 30											
Reassessed Property Tax Bill mailed in late October												

APPLICATION FOR Mills Act Historical Property Contract

1. Owner/Applicant Information

PROPERTY OWNER 1 NAME: EUSE SOMMERVILLE TRUST	TELEPHONE: 415 863-6002
PROPERTY OWNER 1 ADDRESS: 70 CARMELITA ST SF CA 94117	EMAIL: RESIDLOPTIONS@ymail.com

PROPERTY OWNER 2 NAME: NA	TELEPHONE: ()
PROPERTY OWNER 2 ADDRESS:	EMAIL:

PROPERTY OWNER 3 NAME: NA	TELEPHONE: ()
PROPERTY OWNER 3 ADDRESS:	EMAIL:

2. Subject Property Information

PROPERTY ADDRESS: 70 CARMELITA ST		ZIP CODE: 94117
PROPERTY PURCHASE DATE: MARCH 1999	ASSESSOR BLOCK/LOT(S): LOT 16 BLOCK 864	
MOST RECENT ASSESSED VALUE: \$ 1,270,000	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"/>
Do you own other property in the City and County of San Francisco? <i>If Yes, please list the addresses for all other property owned within the City of San Francisco on a separate sheet.</i>	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
Property is designated as a City Landmark under Article 10 of the Planning Code	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Are there any outstanding enforcement cases on the property from the San Francisco Planning Department or the Department of Building Inspection?	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.

Owner Signature: 

Date: 7/3/2013

Owner Signature: _____

Date: _____

Owner Signature: _____

Date: _____

3. Program Priority Criteria

Please check the appropriate categories as they apply to your building. Use a separate sheet to explain why your building should be considered a priority when awarding a Mills Act Historical Property Contract. As a matter of policy, priority is given to small-scale residential and mixed-use properties that answer "yes" to Criterion 2 (below), as well as those properties in need of substantial reinvestment and those that would support revitalization in the surrounding area.

1. Property meets one of the six criteria for a qualified historic property:

Property is individually listed in the National Register of Historic Places	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
Property is listed as a contributor to an historic district included on the National Register of Historic Places	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
Property is designated as a City Landmark under Article 10 of the Planning Code	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Property is designated as a contributory building to an historic district designated under Article 10 of the Planning Code	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Property is designated as a Category I, II or III (significant) to a conservation district under Article 11 of the Planning Code	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
Property is designated as a Category I, II, or IV (contributory) to a conservation district under Article 11 of the Planning Code	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>

2. Property falls under the following Property Tax Value Assessments:

Residential Buildings: \$3,000,000	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Commercial, Industrial or Mixed Use Buildings: \$5,000,000	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>

**If property value exceeds these values please complete Part 4: Application of Exemption*

3. Rehabilitation/Restoration/Maintenance Plan:

A 10 Year Rehabilitation/Restoration/Maintenance Plan will be submitted detailing work to be performed on the subject property	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
--	---	-----------------------------

4. Required Standards:

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"/>
---	---	-----------------------------

**Detail how the proposed work meets the Secretary of Interior Standards on a separate sheet or include as part of Rehabilitation/Restoration/Maintenance Plan.*

5. Mills Act Tax Savings:

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"/>
--	---	-----------------------------

4. Application for Exemption from Property Tax Valuation

If answered "no" to either question under No. 2 "Property fall under the following Property Tax Value Assessments" in the Program Priority Criteria Checklist, on a separate sheet of paper, explain how the property meets the following criteria and should be exempt from the property tax valuations. Also attach a copy of the most recent property tax bill.

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 by a qualified consultant must be submitted to demonstrate meeting this requirement).

NAMES:
TAX ASSESSED VALUE:
PROPERTY ADDRESS:

By signing below, I/we acknowledge that I/we am/are the owner(s) of the structure referenced above and by applying for exemption from the limitations certify, under the penalty of perjury, that the information attached and provided is accurate.

Owner Signature: _____

Date: _____

Owner Signature: _____

Date: _____

Owner Signature: _____

Date: _____

Planning Department Staff Evaluation

THIS SECTION TO BE COMPLETED EXCLUSIVELY BY PLANNING DEPARTMENT STAFF

Exceptional Structure?

YES ☐ NO ☐

Percent above value limit: _____

Specific threat to resource?

YES ☐ NO ☐

No. of criteria satisfied: _____

Complete HSR submitted?

YES ☐ NO ☐

Planner's Initial: _____

5. Draft Mills Act Historical Agreement

Please complete and attach the Planning Department's "Mills Act Contract" form, which can be accessed at sfplanning.org, from the Permits and Zoning and Permit Forms tab. Any modifications made to this standard City contract by the applicant or an independently prepared contract shall be subject to approval by the City Attorney prior to consideration by the Historic Preservation Commission and the Board of Supervisors, which may result in additional processing time.

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: July 11, 2013 before me, Clayton J. N. Hansen,
DATE INSERT NAME OF THE OFFICER

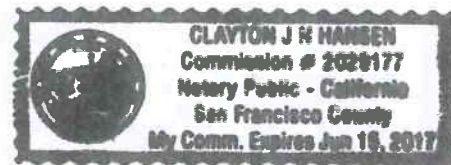
NOTARY PUBLIC personally appeared: Elise Sommerville,
NAME(S) OF SIGNER(S)

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.

CJNHansen
SIGNATURE



(PLACE NOTARY SEAL ABOVE)

8. Historical Property Tax Adjustment Worksheet Calculation

The following is an example showing the possible tax benefits to the historical property owner of an owner-occupied single-family dwelling. This form is a guideline only. Your reduced property tax under a Mills Act contract is not guaranteed to match this calculation.

Determine Annual Income and Annual Operating Expenses

An \$120,000 potential gross income less a vacancy and collection loss of \$2,400 and less \$17,640 annual expenses for maintenance, repairs, insurance, and utilities yields a net annual income of \$99,960. (Mortgage payments and property taxes are not considered expenses). Estimated vacancy and collection loss is based upon what is typically happening in the marketplace. It can be different for different properties (i.e. - residential properties generally have a lower vacancy and collection loss than commercial properties). The theory is that when estimating a property's value using the income approach (the approach required for Mills Act valuations) it is reasonable to assume some rent loss due to vacancy and inability to collect rents.

Determine Capitalization Rate

Add the following together to determine the Capitalization Rate:

- The Interest Component is determined by the Federal Housing Finance Board and is based on conventional mortgages. While this component will vary from year to year, the State Board of Equalization has set this at 4.75% for 2012.
- The Historical Property Risk Component of 4% (as prescribed in Sec. 439.2 of the State Revenue and Tax Code) applies to owner-occupied single-family dwellings. A 2% risk component applies to all other Properties.
- The Property Tax Component (Post-Prop. 13) of .01 times the assessment ratio (1.000% (1%)
- The Amortization Component is a percentage equal to the reciprocal of the remaining life of the structure set at the discretion of the County Assessor for each individual property. In this example the structure is assumed to have a remaining life of 60 years and the improvements represent 45% of the total property value. The amortization component is calculated thus: $1/60 = .0167 \times .45 = .0075$.

Calculate New Assessed Value and Estimated Tax Reduction

The new assessed value is determined by dividing the annual net income (\$99,960) by the capitalization rate .1067 (10.67%) to arrive at the new assessed value of \$936,832.

Lastly, determine the amount of taxes to be paid by taking the current tax rate of 1.167 (1%) of the assessed value \$26,652. Compare this with the current property tax rate for land and improvements only (be sure not to include voter indebtedness, direct assessments, tax rate areas and special districts items on your tax bill).

In this example, the annual property taxes have been reduced by \$15,719 (\$26,652 - \$10,933), an approximately 40% property tax reduction.

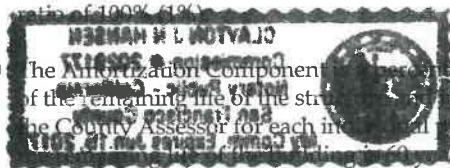
EXAMPLE:

Simple Property Tax Calculation
Current Assessed Value = \$2,283,810
Current Tax Rate = X 1.167%
Current Property Taxes = @26,652

Assessment Using Mills Act Valuation Methodology

Potential Annual Gross Income Using Market Rent (\$10,000 per month X 12 months)	\$120,000
Estimated Vacancy and Collection Loss of 2%	(\$2,400)
Effective Gross Income	\$117,600
Less Operating Expenses (i.e. utilities, insurance, maintenance, management)	(\$17,640)
Net Income	\$99,960
Restricted Capitalization Rate	10.67%
Historical Property Value	\$936,832
Current Tax Rate	X 1.167%
New Tax Calculation	\$10,933

Property Tax Savings	\$15,719
----------------------	----------



7. HISTORICAL PROPERTY TAX ADJUSTMENT WORKSHEET GUIDE TO CARMELITA ST OVEROCCUPIED - YES

		Comments
STEP 1 : Determine annual income of property		
1 Monthly rental income	\$ 5,000*	* Zillow's estimate is \$5,246.00 per month. See attached.
2 Annual rental income	\$ 60,000	It lists 3 bedrooms. The 3 rd "bedroom" is very small and
3 Deduction for vacancy	\$ 57,000	has no closet. In addition there are no kitchen cabinets,
STEP 2 : Calculate annual expenses		no landscaping and the basement is not finished.
4 Insurance	\$ 4,710	
5 Utilities	\$ 2,658	
6 Maintenance	\$ 1,200	
7 Management <i>5%</i>	\$ 2,850	
8 Other operating expenses	\$ -	
9 Total Expenses	\$ 11,418	
STEP 3: Determine annual net income		
10 Net operating income	\$ 45,582	
STEP 4: Determine capitalization rate		
11 Interest Component	3.75%	Changes annually
12 Historic property risk component	4.00%	
13 Property tax component	1.00%	
14 Amortization component	5.00%	
15 Capitalization rate	13.75%	
STEP 5: Calculate new assessed value		
16 Mills Act assessment value	\$ 331,505	
STEP 6: Determine estimated tax reduction		
17 Current Tax	\$ 7,446	
18 Tax under Mills Act	\$ 3,315	Line 16 x 1%
19 Estimated Tax reduction	\$ 4,131	

input cells

~~ppt example~~

~~\$ 8,421~~

~~\$ 101,053~~

~~\$ 96,000~~

Application Checklist to be Submitted with all Materials

Utilize this list to ensure a complete application package is submitted.

1	Historical Property Contract Application Have all owners signed and dated the application?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
2	Priority Consideration Criteria Worksheet Have three priorities been checked and adequately justified?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
3	Exemption Form & Historic Structure Report 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?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
4	Draft Mills Act Historical Property Agreement Are you using the Planning Department's standard form "Historical Property Contract?" Have all owners signed and dated the contract? Have all signatures been notarized?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
5	Notary Acknowledgement Form Is the Acknowledgement Form complete? Do the signatures match the names and capacities of signers?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
6	Draft Rehabilitation/Restoration/Maintenance Plan Have you identified and completed the Rehabilitation, Restoration, and Maintenance Plan organized by contract year and including all supporting documentation related to the scopes of work?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
7	Historical Property Tax Adjustment Worksheet Did you provide back-up documentation (for commercial property only)?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
8	Photographic Documentation Have you provided both interior and exterior images? Are the images properly labeled?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
9	Site Plan Does your site plan show all buildings on the property including lot boundary lines, street name(s), north arrow and dimensions?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
10	Tax Bill Did you include a copy of your most recent tax bill?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
11	Payment Did you include a check payable to the San Francisco Planning Department?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>



**SAN FRANCISCO
PLANNING
DEPARTMENT**

**FOR MORE INFORMATION:
Call or visit the San Francisco Planning Department**

Central Reception
1650 Mission Street, Suite 400
San Francisco CA 94103-2479

TEL: **415.558.6378**
FAX: **415.558.6409**
WEB: **<http://www.sfplanning.org>**

Planning Information Center (PIC)
1660 Mission Street, First Floor
San Francisco CA 94103-2479

TEL: **415.558.6377**
*Planning staff are available by phone and at the PIC counter.
No appointment is necessary.*

City & County of San Francisco
Treasurer & Tax Collector



Office of the Treasurer & Tax Collector

Secured Property Tax Information & Payment – Property Information
Tax Year 2012 - 2013

All installments have been paid.

Prior Year Secured Tax Payment Information

2011-2012
2010-2011
2009-2010
2008-2009
2007-2008

Mailing Information

Change of Address Form [Click Here](#).

Property

Vol #	Block #	Lot #	Account #	Tax Bill #	Tax Rate	Property Location
06	0864	016	086400160	036941	1.1691 %	70 CARMELITA ST

Assessment Information

Assessment	Full Value	Tax Rate	Amount
LAND	\$373,686	1.1691 %	\$4,368.76
Impr/Structural	\$249,122		\$2,912.48
Impr/Fixtures			\$0.00
Personal Property			\$0.00
Gross Taxable Value	\$622,808		\$7,281.24
LESS: Exemptions			
Homeowner's	\$7,000		\$81.83
Other			\$0.00
Net Taxable Value	\$615,808		\$7,199.41

Direct Charges and/or Special Assessments

Code	Type	Phone #	Amount
89	SFUSD Facilities District	(415) 355-2203	\$33.30
98	SF – Teacher Support	(415) 355-2203	\$213.90

Total Direct Charges and Special Assessments

\$247.20

Total Due \$7,446.60

Payment Summary

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

	Amount Due	Paid Date
<input type="radio"/> Pay First Installment	\$0.00	12/06/12
<input type="radio"/> Pay Second Installment	\$0.00	12/06/12
<input type="radio"/> Pay Full Amount	\$0.00	

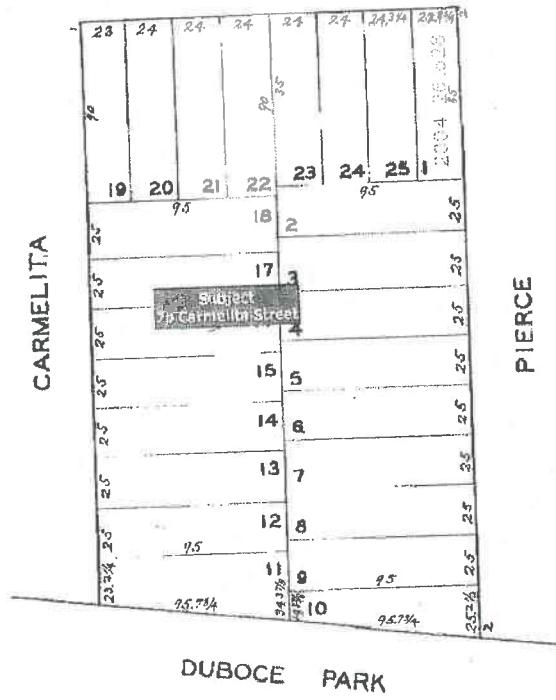
Use the button below if you are not paying online but would like to print a bill to mail with your check. Please include the block

MARION TRACT

REARRED 2004



WALLER



BY CORNER WALLER ST			
A. CORNER WALLER ST			
17	601	24.0	
18	602	24.0	
19	603	48.2	

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Location: City, State, or ZIP

California San Francisco Hayes Valley 70 Carmelita St

70 Carmelita St, San Francisco, CA 94117

Not for Sale

Zestimate: \$1,903,720

Rent Zestimate: \$5,246/mo.

Est. Mortgage: \$7,481/mc

See current rates on Zillow

View your 3 Bureau Credit Scores in 60 seconds

Bedrooms: 3 beds

Bathrooms: 2 baths

Single Family: 2,439 sq ft

Lot: 2,374 sq ft

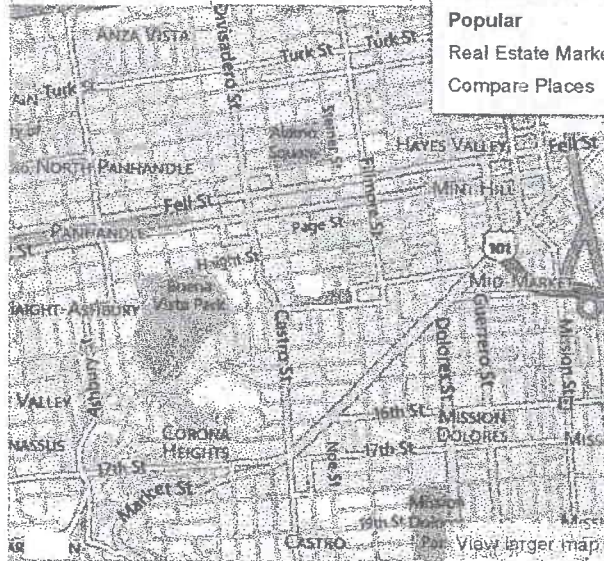
Year Built: 1900

Last Sold: Mar 1999 for \$499,000

Heating Type: Contact for details

Map

Bird's Eye

[Hayes Valley Overview](#)[Hayes Valley Home Prices & Values](#)[Hayes Valley Demographics](#)[Hayes Valley Photos](#)[Hayes Valley Schools](#)[Hayes Valley Homes](#)[San Francisco Home Values](#)[Popular](#)[Real Estate Market Reports](#)[Compare Places](#)

Views: 68

Local agent

Jason Hoffman

(1 review)

Call: (415) 906-2763

Laureen O'Keefe

Write a review

Call: (530) 580-8360



Amanda Jones

(4 reviews)

Call: (415) 766-0688

Your Name

Phone

Email Address

I would like a professional estimate of my home at 70 Carmelita St, San Francisco, CA 94117.

Contact Agent

Learn how to appear in this list

Correct home facts

Save this home

Get updates

Email

more ▾

Description

This 2439 square foot single family home has 3 bedrooms and 2.0 bathrooms. It is located at 70 Carmelita St San Francisco, California.

Cooling

Unknown

Parking

Unknown

Basement Type

Unknown

Fireplace

Unknown

Floor Covering

Unknown

Attic

Unknown

▾ More

[County website](#)[See data sources](#)

Zestimates

	Value	Range	30-day change	\$/sqft	Last updated
Zestimate	\$1,903,720	\$1.31M - \$2.34M	+\$9,501	\$780	06/20/2013
Rent Zestimate	\$5,246/mo	\$4.3K - \$6.8K/mo	+\$76	\$2.15	06/17/2013

Owner tools

[Post your own estimate](#)

Market guide

Zillow predicts Hayes Valley home values will increase 8.8% next year, compared to a 7.5% increase for San Francisco as a whole....

[more](#)

Zestimate | Rent Zestimate | more ▾

1 year | 5 years | 10 years

\$2.0m

This home

Hayes Valley

San Francisco

Similar Homes for Sale



2500 Divisadero St. San...

For Sale: \$10,000,000

Beds: 6 Sqft: 9125

Baths: 12.5 Lot: 4996



53 Clifford Ter. San Fra...

For Sale: \$1,799,000

Beds: 3 Sqft: 1800

Baths: 1.5 Lot: 2282

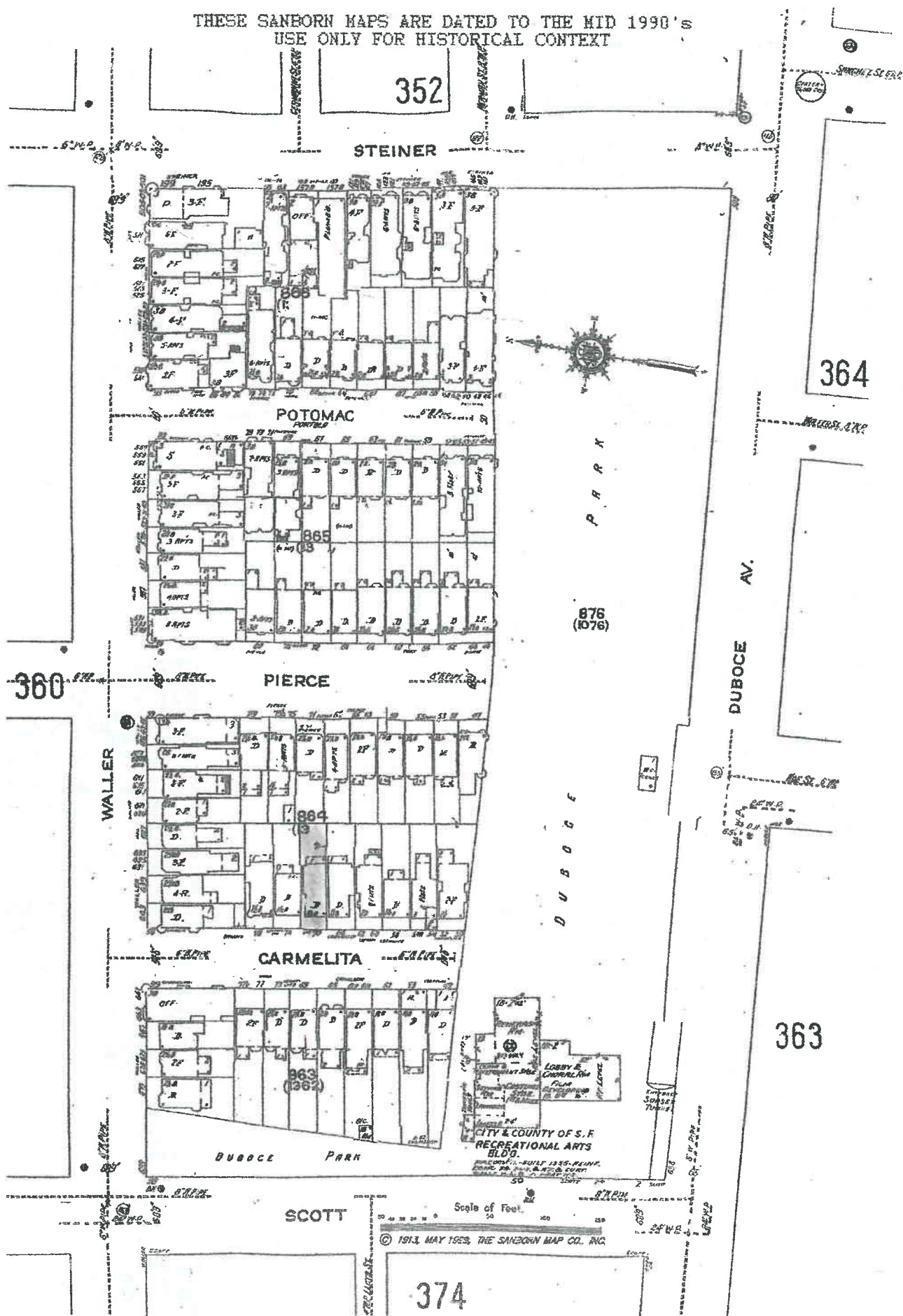
See listings near 70 Carmelita St

Zillow Digs™

Discover your dream kitchen

361

THESE SANBORN MAPS ARE DATED TO THE MID 1990'S
USE ONLY FOR HISTORICAL CONTEXT





SAN FRANCISCO PLANNING DEPARTMENT

Historic Preservation Commission Draft Resolution

HEARING DATE DECEMBER 4, 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: December 4, 2013
Filing Dates: September 3, 2013
Case No.: 2013.1258U
Project Address: **56 Pierce St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential - House, Two Family)
40-X Height and Bulk District
Block/Lot: 0865/013
Applicant: Adam Wilson & Quyen Nguyen
66 Potomac St.
San Francisco, CA 94117
Staff Contact: Susan Parks – (415) 575-9101
susan.parks@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 56 PIERCE 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 existing building located at 56 Pierce Street and is listed under Article 10 of the San Francisco Planning Code Planning Code as a contributor to the Duboce Park 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 56 Pierce Street, which are located in Case

Docket No. 2013.1258U. 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 56 Pierce 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 December 4, 2013, 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 56 Pierce Street, which are located in Case Docket No. 2013.1258U. The Historic Preservation Commission recommends approval of the Mills Act historical property contract, rehabilitation program, and maintenance plan.

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 56 Pierce 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 56 Pierce Street, and other pertinent materials in the case file 2013.1258U to the Board of Supervisors.

I hereby certify that the foregoing Resolution was ADOPTED by the Historic Preservation Commission on December 4, 2013.

Jonas P. Ionin
Commissions Secretary

AYES: Hasz, Wolfram, Hyland, Johnck, Johns, Mastuda, Pearlman

NOES:

ABSENT:

ADOPTED: 7-0



SAN FRANCISCO PLANNING DEPARTMENT

Mills Act Contracts Case Report

Hearing Date: December 4, 2013

- a. *Filing Dates:* September 3, 2013
Case No.: 2013.1261U
Project Address: **50 Carmelita St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential - House, Two Family)
40-X Height and Bulk District
Block/Lot: 0864/011
Applicant: Adam Speigel & Guillemette Broulliat-Speigel
50 Carmelita St.
San Francisco, CA 94117
- b. *Filing Date:* September 3, 2013
Case No.: 2013.1230U
Project Address: **66 Carmelita St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential House, Two Family)
40-X Height and Bulk District
Block/Lot: 0864/015
Applicant: Amy Hockman & Brian Bone
66 Carmelita St.
San Francisco, CA 94117
- c. *Filing Date:* September 3, 2013
Case No.: 2013.1260U
Project Address: **70 Carmelita St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential House, Two Family)
40-X Height and Bulk District
Block/Lot: 0864/016
Applicant: Elise Sommerville
70 Carmelita St.
San Francisco, CA 94117
- d. *Filing Date:* September 3, 2013
Case No.: 2013.1258U
Project Address: **56 Pierce St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential House, Two Family)
40-X Height and Bulk District
Block/Lot: 0865/013

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Mill Act Applications	2013.1261U; 2013.1230U; 2013.1260U; 2013.1528U; 2013.1254U; 2013.1259U; 2013.1257U; 2013.0575U
December 4, 2013	50 Carmelita St.; 66 Carmelita St.; 70 Carmelita St.; 56 Pierce St.; 64 Pierce St.; 64 Pierce St.; 56 Potomac St.; 66 Potomac St.; 1772 Vallejo St.

e.	<i>Filing Date:</i>	September 3, 2013
	<i>Case No.:</i>	2013.1254U
	<i>Project Address:</i>	64 Pierce St.
	<i>Landmark District:</i>	Duboce Park Landmark District
	<i>Zoning:</i>	RH-2 (Residential House, Two Family) 40-X Height and Bulk District
	<i>Block/Lot:</i>	0865/015
	<i>Applicant:</i>	Jean Paul Balajadia 64 Pierce St. San Francisco, CA 94117
f.	<i>Filing Date:</i>	September 3, 2013
	<i>Case No.:</i>	2013.1259U
	<i>Project Address:</i>	56 Potomac St.
	<i>Landmark District:</i>	Duboce Park Landmark District
	<i>Zoning:</i>	RH-2 (Residential House, Two Family) 40-X Height and Bulk District
	<i>Block/Lot:</i>	0866/012
	<i>Applicant:</i>	Karli Sager & Jason Monberg 56 Potomac St. San Francisco, CA 94117
g.	<i>Filing Date:</i>	September 3, 2013
	<i>Case No.:</i>	2013.1257U
	<i>Project Address:</i>	66 Potomac St.
	<i>Landmark District:</i>	Duboce Park Landmark District
	<i>Zoning:</i>	RH-2 (Residential House, Two Family) 40-X Height and Bulk District
	<i>Block/Lot:</i>	0866/015
	<i>Applicant:</i>	Adam Wilson & Quyen Nguyen 66 Potomac St. San Francisco, CA 94117
h.	<i>Filing Date:</i>	May 1, 2013
	<i>Case No.:</i>	2013.0575U
	<i>Project Address:</i>	1772 Vallejo St.
	<i>Historic Landmark:</i>	Landmark No. 31, Burr Mansion
	<i>Zoning:</i>	RH-2 (Residential House, Two Family) 40-X Height and Bulk District
	<i>Block/Lot:</i>	0552/029
	<i>Applicant:</i>	John Moran

1772 Vallejo St.
San Francisco, CA 94123

Staff Contact: Susan Parks – (415) 575-9101
susan.parks@sfgov.org
Reviewed By: Tim Frye – (415) 575-6822
tim.frye@sfgov.org

PROPERTY DESCRIPTION

- a. 50 Carmelita St.:** The subject property is located on the east side of Carmelita Street between Waller and Duboce Streets, the lot is adjacent to Duboce Park. Assessor's Block 0864, Lot 011. It is located in a RH-2 (Residential House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 2 1/2 story frame house was built in 1899 in a combination of the Queen Anne and Shingle styles.
- b. 66 Carmelita St.:** The subject property is located on the east side of Carmelita Street between Waller and Duboce Streets. Assessor's Block 0864, Lot 015. It is located in a RH-2 (Residential-House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 1 1/2 story-over-basement frame house was built in 1900 by master builder Fernando Nelson in the Queen Anne style.
- c. 70 Carmelita St.:** The subject property is located on the east side of Carmelita Street between Waller and Duboce Streets. Assessor's Block 0864, Lot 016. It is located in a RH-2 (Residential-House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 1 1/2 story-over-basement frame house was built in 1900 by master builder Fernando Nelson in the Queen Anne style.
- d. 56 Pierce St.:** The subject property is located on the east side of Pierce Street between Waller and Duboce Streets. Assessor's Block 0865, Lot 013. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 2 1/2 story-over-basement frame house was built c. 1905 by master builder Fernando Nelson in the Queen Anne style and features applied stick work reminiscent of the Tudor style.
- e. 64 Pierce St.:** The subject property is located on the east side of Pierce Street between Waller and Duboce Streets. Assessor's Block 0865, Lot 015. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 2 1/2 story-over-basement frame house was built c. 1905 by master builder Fernando Nelson in the Queen Anne style and features applied stick work reminiscent of the Tudor style.

- f. 56 Potomac St.:** The subject property is located on the east side of Potomac Street between Waller and Duboce Streets. Assessor's Block 0866, Lot 012. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 1 1/2 story-over-basement frame house was built in 1899 by neighborhood builders George Moore & Charles Olinger in the Queen Anne style. This property was the informal sales office and home of George Moore and his family.
- g. 66 Potomac St.:** The subject property is located on the east side of Potomac Street between Waller and Duboce Streets. Assessor's Block 0866, Lot 015. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 1 1/2 story-over-basement frame house was built in 1899 by neighborhood builders George Moore & Charles Olinger in the Queen Anne style.
- h. 1772 Vallejo St.:** The subject property is located on the north side of Vallejo Street between Gough and Franklin Streets. Assessor's Block 0522, Lot 029. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as City Landmark #31. It is also listed in Here Today (page 22) and the Planning Department 1976 Architectural Survey. The three-story-over-basement house was designed primarily in the Italianate style with French Second Empire influences.

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 and recommendation on the historical property contract, proposed rehabilitation program, and proposed maintenance plan. The Historic Preservation Commission shall conduct a public hearing on the Mills Act application and contract 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's Office to execute the historical property contract.

MILLS ACT REVIEW PROCEDURES

The Historic Preservation Commission is requested to review each and make to recommendation 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 program 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 as to whether to recommend to the Board of Supervisors if the valuation exemption shall 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 Project Sponsor, Planning Department Staff, and the Office of the City Attorney have negotiated the attached draft historical property contracts, which include a draft maintenance plan for the historic building. Department staff believes that the draft historical property contracts and maintenance plans are adequate.

- a. 50 Carmelita St.:** As detailed in the Mills Act application, the Project Sponsor proposes to 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 and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The property was fully rehabilitated at the time of purchase two years ago. The Project Sponsors have developed a thorough maintenance plan that involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan includes; painting and repairing the historic shingled siding and wood trim as needed; inspecting the roof, flashing and vents regularly and replacing elements or the entire roof when needed; inspection of the gutters, downspouts, grading to ensure there is no damage to the foundation; maintenance of the exterior doors, stairways, balustrades, and decking for dry rot; and routine inspections of the historic wood windows and non-historic skylights checking for dry rot, damage, or leaks, and repairing any damage found according to best practices. No changes to the use are proposed. Please refer to the attached Rehabilitation 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. 66 Carmelita St.:** As detailed in the Mills Act application, the Project Sponsor proposes to continue rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves in-kind custom replacement of historic elements including rotted entry stairs, balustrades and porch decking; repainting of the stairs and porch; repair (or replace, if needed) non-functional double hung windows at the front bay on main floor and rear parlor; replacing the roof; and replacing deteriorated non-historic skylights and resealing others; repair and repainting of historic siding; and completing repairs based on structural engineers inspection to the brick foundation (previous repairs were undertaken in sections by different homeowners). No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; and the foundation. 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. 70 Carmelita St.:** As detailed in the Mills Act application, the Project Sponsor proposes to continue rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves historic wood siding and millwork; reroofing and installing a Dutch gutter on the south side of roof (shared with 66 Carmelita St.; and installing a trench drain to remediate water run-off that is flooding the basement and damaging foundation, and walls. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; and the foundation. 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.

- d. 56 Pierce St.:** As detailed in the Mills Act application, the Project Sponsor proposes to begin maintenance efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The property was fully rehabilitated prior to the Mills Act Application. No changes to the use are proposed.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses the repair, maintenance and repainting of the wood siding, windows/glazing, roof, millwork, stairs and ornamentation; gutters, downspouts and drainage; and the foundation and sheer walls. 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.

- e. 64 Pierce St.:** As detailed in the Mills Act application, the Project Sponsor proposes to continue rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves repairing and painting historic wood siding; repaired and replaced, as needed, historic millwork; including wood trim and corbels; repair of the leaded glass windows and transoms; repair of the historic front door; repair all windows that could be repaired and replaced in kind those that were beyond repair (23 windows total) at the front of the house, restored the front entry, including flooring, lighting and removing non-historic

detailing; replaced railings at the front entry stairs to be code compliant and historically accurate encased the deteriorated brick foundation in concrete, added structural steel beams, comment frames, sheer walls and steel framing throughout the house to meet seismic standards; leveled the house to improve drainage at grade; removed concrete slabs at front yard and replaced with planter areas and borders (to improve the property); remediated water pooling at the exterior of house by re-grading and installing trench drain repaired existing roof drains; installed new roof drains to correct drainage issues from neighboring houses. Please refer to the attached Rehabilitation Plan for a full description of the proposed work. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; and the foundation. 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.

- f. 56 Potomac St.:** As detailed in the Mills Act application, the Project Sponsor proposes to begin rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves reconstruction and structural repairs to the historic front stairs and porch based on historic photographs. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; attic and the foundation. 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.

- g. 66 Potomac St.:** As detailed in the Mills Act application, the Project Sponsor proposes to continue rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves repairing and painting the historic wood siding and worked with color consultant for historically accuracy; repaired and replaced, as needed, the historic millwork; including the decorative shingles at the front pediment, existing dentils and corbeling; reroof and install moisture and thermal protection; install all new wood windows at the rear of the house; repair all windows at the front of the house, rebuilding all sashes, as needed; replaced the entire compromised brick foundation with a concrete foundation to meet seismic standards, added structural steel and leveled the house to improve drainage at grade; patched and repaired stucco at front façade; rebuilt decks; railings and balconies. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork, stairs and ornamentation; gutters, downspouts and drainage; and the foundation. 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.

h. 1772 Vallejo St.: As detailed in the Mills Act application, the Project Sponsor proposes to begin rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with Secretary of Interior's Standards for Rehabilitation and for Restoration.

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 City Landmark until Article 10 of the Planning Code. A Historic Structures 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, 1772 Vallejo St., Exhibit B)

The rehabilitation program involves structural evaluation of unreinforced masonry foundation; removing interior unreinforced chimney (not visible from street); Improve the landscape drainage to redirect water flow from the house; work to rehabilitate the historic garden setting; feasibility study for upgrading the unreinforced foundation of the rear cottage, repair the historic windows at the cottage, repair and reinforced the fireplace and chimney, replace the roofing, and any damaged rafters as needed; study feasibility of demolish non historic garage to restore the historic character of the property; repair and replace historic wood windows as necessary; repair deteriorated wood siding and millwork in-kind; repaint exterior using a color consultant to determine historic paint colors; and replace roofing. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses care of the garden; wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; attic and the foundation

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

PLANNING DEPARTMENT RECOMMENDATION

The Planning Department recommends that the Historic Preservation Commission adopt a resolution recommending approval of these Mills Act Historical Property Contracts, rehabilitation and maintenance plans to the Board of Supervisors.

ISSUES AND OTHER CONSIDERATIONS

The Assessor and Records Office has provided initial review. The Planning Department is continuing to working with the Assessor and Recorder's Office to finalize the final property tax valuations and savings.

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 and the City and County of San Francisco;
2. Approving the proposed Mills Act rehabilitation and maintenance plan for each property.

Attachments:

a. 50 Carmelita St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

b. 66 Carmelita St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

c. 70 Carmelita St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

d. 56 Pierce St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

e. 64 Pierce St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

f. 56 Potomac St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

g. 66 Potomac St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

h. 1772 Vallejo St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Historic Structures Report

Exhibit C: Draft Rehabilitation & Maintenance Plan

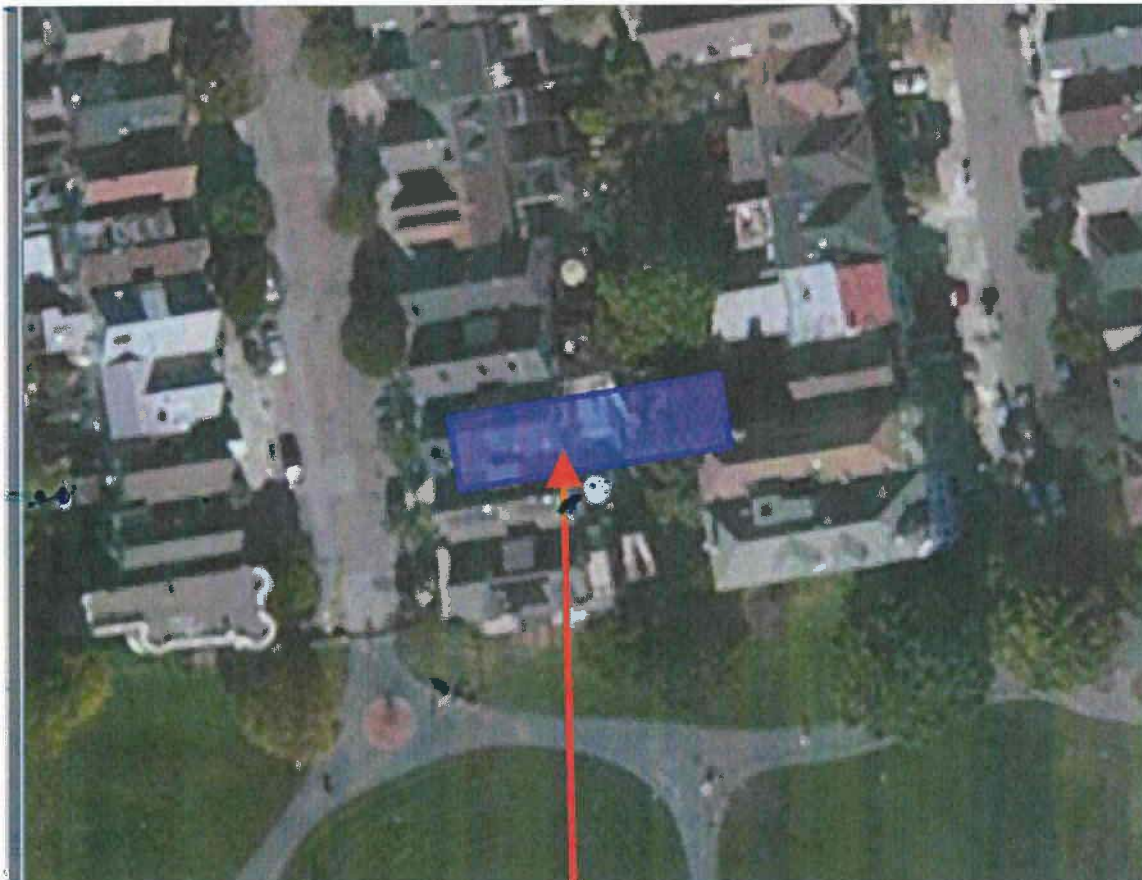
Exhibit D: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit E: Mills Act Application

Site Photo



Aerial Photo



SUBJECT PROPERTY



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
56 PIERCE STREET
("[NAME OF PROPERTY, IF ANY]")
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 Wilson Family Revocable Trust ("Owner(s)").

RECITALS

Owners are the owners of the property located at 56 Pierce Street, in San Francisco, California (Block 0865, Lot 13). The building located at 56 Pierce Street is designated as STATE ELIGIBILITY, E.G. "a City Landmark pursuant to Article 10 of the Planning Code" and is also known as the "PROPERTY NAME, IF ANY" ("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 Zero Dollars (\$0). (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 Eleven Thousand Seven Hundred Dollar (\$ [11,700] 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: _____
Phil Ting
Assessor-Recorder

DATE: _____

By: _____
John Rahaim
Director of Planning

DATE: _____

APPROVED AS TO FORM:
DENNIS J. HERRERA
CITY ATTORNEY

By: _____
[NAME]
Deputy City Attorney

DATE: _____

OWNERS

A. Sanchez, Trustee
By: _____
[NAME], Owner *D. Nguyen, Trustee*

9/3/13
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.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

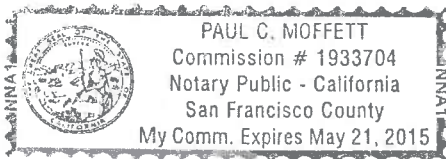
County of San Francisco

On Sept. 3, 2013 before me, Paul C. Moffett, Notary Public

Date Here Insert Name and Title of the Officer

personally appeared Quyen Nguyen & A. Adam Wilson
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose 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.



Place Notary Seal Above

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

Paul C. Moffett
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

EXHIBIT B:

DRAFT REHABILITATION & MAINTENANCE PLAN

6. Rehabilitation/Restoration/Maintenance Plan

Use this form to outline your rehabilitation, restoration, and maintenance plan. Copy this page as necessary to include all items that apply to your property. Begin by listing recently completed work (if applicable) and continue with work you propose to complete within the next ten years arranging 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 requires 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.

Draft Rehabilitation/Restoration/Maintenance Scope

BUILDING FEATURE: Roof			
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: Every 30 years			
TOTAL COST (rounded to nearest dollar): \$30K			
DESCRIPTION OF WORK: <ul style="list-style-type: none">• Replace shingles• Inspect and repair flashing• Check for appropriate venting and water proofing• Replace decking that must be removed to gain access to roof			

BUILDING FEATURE: Windows			
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: Every 20 years			
TOTAL COST (rounded to nearest dollar): \$40K			
DESCRIPTION OF WORK: <ul style="list-style-type: none">• Inspect windows, frames, and sashes for dry rot• Replace, or repair damaged windows in keeping with historic standards• Inspect waterproofing-- Caulk and re-seal as required			

THIS SECTION TO BE COMPLETED EXCLUSIVELY BY PLANNING DEPARTMENT STAFF

Property Address:	
Block / Lot:	
Board of Supervisors Ordinance Number:	

Draft Rehabilitation/Restoration/Maintenance Scope Continued

BUILDING FEATURE: Exterior			
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: 2013 and every 10 years			
TOTAL COST (rounded to nearest dollar): \$30K			
DESCRIPTION OF WORK: <ul style="list-style-type: none">• Inspect siding for dry rot and repair• If beyond repair, replace in-kind to match historic siding• Patch, sand, paint• Use color consultant to ensure historically appropriate scheme			

BUILDING FEATURE: Foundation			
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: Every 20 years			
TOTAL COST (rounded to nearest dollar): TBD			
DESCRIPTION OF WORK: <ul style="list-style-type: none">• Inspect foundation integrity and repair as required• Inspect sheering and repair as required			

BUILDING FEATURE: Front Steps & Planters			
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: Every 10 years			
TOTAL COST (rounded to nearest dollar): \$10K			
DESCRIPTION OF WORK: <ul style="list-style-type: none">• Sand and reseal terrazzo, repair as required• Patch and paint cracks in stucco			

BUILDING FEATURE: Fence & decks

Rehab/Restoration ☐

Maintenance ☒

Completed ☐

Proposed ☐

CONTRACT YEAR WORK COMPLETION: Every 10 years

TOTAL COST (rounded to nearest dollar): \$10K

DESCRIPTION OF WORK:

- Repair dry rot and replace damaged wood in kind
- Patch and caulk railings, bannisters, etc.
- Seal and stain

EXHIBIT C:

**DRAFT MARKET ANALYSIS & INCOME APPROACH
PROVIDED BY THE ASSESSOR'S OFFICE**



56 Pierce St
APN 06-0865-013

MILLS ACT VALUATION



APN: 06-0865-013 SF Landmark: _____
Property Location: 56 Pierce St Date of Mills Act Application: 9/3/2013
Applicant's Name: The Wilson Family Trust Property Type: three unit residential
Agt./Tax Rep./Atty: _____ Date of Sale: 6/26/2002
Applicant supplied appraisal? No Sale Price: \$1,280,000

DATE OF MILLS ACT VALUATION: September 3, 2013

TAXABLE VALUE - THREE WAY VALUE COMPARISON					
FACTORED BASE YEAR VALUE		RESTRICTED MILLS ACT VALUE		CURRENT MARKET VALUE	
Land	\$ 921,342	Land	\$ 550,000	Land	\$900,000
Imps	\$ 614,226	Imps	\$ 360,000	Imps	\$590,000
Total	\$ 1,535,568	Total	\$ 910,000	Total	\$1,490,000

PROPERTY CHARACTERISTICS					
Present Use:	Multifamily	Neighborhood:	Hayes Valley	Number of Stories:	2
Number of Units	3	Year Built:	1900	Land Area (SF):	2,278
Owner Occupied:	No	Building Area:	3,203	Zoning:	RH2

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

CONCLUSION AND RECOMMENDATIONS

Based on the three-way value comparison, the lowest of the three values is the restricted Mills Act value.

The taxable Mills Act value on: September 3, 2013 is \$910,000

Appraiser: Timothy Landregan Date: 11/26/13
Principal Appraiser: Cathleen Hoffman

0865-013 Photos



RESTRICTED INCOME APPROACH

APN 06-0865-013
56 Pierce St
Restricted Mills Act Value
Lien Date: September 3, 2013

Tenant Occupied

Potential Gross Income (Per Rent Roll see footnotes below):		\$100,800
Less Vacancy & Collection Loss	2%	<u>(\$2,016)</u>
Effective Gross Income		\$98,784
Less Anticipated Operating Expenses*	18.24%	<u>(\$18,018)</u>
Net Operating Income (before property taxes)		\$80,766
Restricted Capitalization Rate Components:		
Rate Components:		
2013 Interest Rate per SBE	3.7500%	
Risk rate (4% owner occupied / 2% all other property types)	2.0000%	
Property tax rate (2012)	1.1691%	
Amortization rate for the Improvements:		
Remaining Economic Life:	20	
Amortization per Year (reciprocal)	0.0500	<u>5.0000%</u>
Overall Rates:		
	Land	6.9191%
	Improvements	11.9191%
Weighted Capitalization Rate		
	Land 60%	4.15%
	Improvements 40%	<u>4.77%</u>
	Total	8.92%

RESTRICTED VALUE **\$905,538**

ROUNDED TO **\$910,000**

Footnote:

Rent roll provided by taxpayer:

Unit	Layout	SF	Move In Date	Mo Contract Rent	Annual Rent	Annual Rent / Foot
#56	2/1	1,300	Feb-13	\$4,600	\$55,200	\$42.46
#58	1/1	1,000	Jun-12	\$2,900	\$34,800	\$34.80
#58A	1/1	600	May-91	\$900	\$10,800	\$18.00
Sum:		2,900		\$8,400	\$100,800	\$34.76

*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 actual annual operating expenses of the subject property are \$18,018 (18.24% of EGI).

Taxpayer provided a statement indicating they have owned the property for 11 years and have not performed any major renovations nor any earthquake retrofitting; the brick foundation is still in place. There are no hold downs of the structure to the foundation. Roof was replaced 12 years ago; remaining useful life is estimated at 18 years. It will require a tear off. Taxpayer also indicated there is dry rot and gaps in the siding, exterior staircases and exterior decks. All windows are original and require replacement.

Based on taxpayer's statement on condition, remaining economic life concluded to be 20 years. A 5% annual amortization rate is applied.

Rental Comps

Comp #1: Parnassus Hts



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

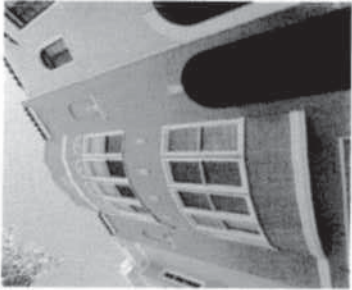
Sotheby's
 Not provided
 Clayton at Parnassus
 2,400
 4/2.5, 2 car parking
 \$7,700
 \$3,21
 \$38.50

Comp #2: Cow Hollow



Bay Property Group
 2546 Greenwich St
 Between Scott and Divisadero
 4,350
 4/6, 3 car parking
 \$13,495
 \$3,10
 \$37.23

Comp #3: Marina



J Wavro Associates
 Not Provided
 Scott at Bay
 3,000
 4/3, 2 car parking
 \$8,950
 \$2.98
 \$35.80

Comp #4: Twin Peaks



By Owner
 106 Middlest Way (Midtown Terrace)
 West side of the peaks (Twin Peaks Blvd)
 1,950
 2/2, 1 car parking
 \$4,750
 \$2.44
 \$29.23

Comp #5: Eureka Valley



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

By Owner
 1 Seward Street
 Seward at Douglass (Kilo Hill)
 1,700
 2/2, No parking
 \$6,900
 \$4.06
 \$48.71

Comp #6: Twin Peaks



Golden Gate Properties
 26 Portola Drive
 Portola and Market
 1,350
 3/1.5, 2 car parking
 \$4,300
 \$3.19
 \$38.22

Comp #7: Twin Peaks







REMax/Westlake Properties
 441 Delbrook (@ Panorama)
 Panorama @ Clarendon
 1,127
 3/2, 2 car parking
 \$4,200
 \$3.73
 \$44.72

Comp #8: Eureka Valley



Donnelly Enterprises
 Not Provided
 Nbe Street at Liberty Street
 2,600
 3/2.5, 2 tandem parking
 \$8,200
 \$3.15
 \$37.85

RESIDENTIAL INCOME PROPERTY MARKET ANALYSIS

SUBJECT		COMPARABLE SALE 1			COMPARABLE SALE 2			COMPARABLE SALE 3						
APN	0865-013	0869-019			0875-016			0805-027						
														
Address	56 Pierce Street	174-178 Hermann			361-363 Hermann			771-773 Grove						
Sales Price		\$1,030,000			\$1,200,000			\$1,205,000						
\$ / GBA		\$307			\$421			\$558						
\$ / Unit		\$343,333			\$600,000			\$602,500						
Annual Gross Income (PGI)	\$100,800	\$47,628			\$43,968			NA						
GIM		21.6			27.3			NA						
Avg Monthly Rent/Unit	\$2,800	\$1,323			\$1,832			NA						
DESCRIPTION					DESCRIPTION		+(-) \$ADJ.	DESCRIPTION		+(-) \$ADJ.				
Lien Date / Date of Sale	09/03/13	03/29/13		\$25,750	11/20/12		\$54,000	04/30/13		\$24,100				
Neighborhood	Hayes Valley	Hayes Valley			Hayes Valley			Hayes Valley						
Site (sq.ft.)	2,278	3,436		(57,900)	2,357			1,530		37,400				
Year Built	1900	1900			1909			1890						
Condition	Average	Average/updates			Average			Average/Updates						
Gross Bldg. Area	3,203	3,360		(31,400)	2,850		70,600	2,158		209,000				
Residential Unit Breakdown	No. of Units	Room Count			No. of Units	Room Count			No. of Units	Room Count				
	GLA	Total	Bed	Bath	Total	Bed	Bath	Total	Bed	Bath	Total	Bed	Bath	
	1 1507	6	2	1	1	2	1	1	2	1	1	2	2	(25,000)
	1 1069	4	1	1	2	1	1	1	3	1	1	2	1	
	1 581	3	1	1										
Total	3 3157	13	4	3	3	6	3	2	5	2	2	4	3	
Parking Spaces	3		0		120,000	0		120,000	2		40,000			
Net Adj. (total)					56,450			244,600			285,500			
ADJ. SALES PRICE	\$1,490,000				\$1,086,450			\$1,444,600			\$1,490,500			
Adj \$ Per Foot	\$465				\$339			\$451			\$465			
REMARKS														
Market conditions adjustment: 5 to 10% annual growth in value from 2012 to 2013. (.5% per month); site SF adjustment: \$50/foot; GBA adjustment: \$200/foot; \$25,000 adjustment for 2 bath unit at Comp #3; garage parking valued at \$40,000 per space. All comparables considered similar condition as subject.														
Comparable Sales #1 and #2 sold with significant upside potential in rents; A survey of 2013 multiunit property sales located in SF zips: 94114, 94117, 94118, 94122 and 94131 revealed a GIM range of 14 to 16. At a GIM of 15, subject top line capitalizes to \$1.512M.														
THE ESTIMATED MARKET VALUE AS OF, 3-Sep-13 IS														
												Land	\$900,000	
												Improvements	\$590,000	
												TOTAL	\$1,490,000	

Map of Subject Property and Comparable Sales



A	Subject Property	56 Pierce St
B	Comp #1	174-178 Hermann
C	Comp #2	361-363 Hermann
D	Comp #3	771-773 Grove

EXHIBIT D:

MILLS ACT APPLICATION

APPLICATION FOR Mills Act Historical Property Contract

1. Owner/Applicant Information

PROPERTY OWNER 1 NAME: The Wilson Family Trust	TELEPHONE: (415) 626-7280
PROPERTY OWNER 1 ADDRESS: 66 Potomac Street, San Francisco, CA 94117	EMAIL: aawilson@gmail.com
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: **56 Pierce Street, San Francisco, CA**

ZIP CODE: **94117**

PROPERTY PURCHASE DATE: **06/26/2002**

ASSESSOR BLOCK/LOT(S): **0865/013**

MOST RECENT ASSESSED VALUE: **\$1,535,568**

ZONING DISTRICT: **RH-2**

Are taxes on all property owned within the City and County of San Francisco paid to date?

YES ☒ NO ☐

Do you own other property in the City and County of San Francisco?

YES ☒ NO ☐

If Yes, please list the addresses for all other property owned: **66 Potomac Street, San Francisco, CA 94117**

Property is designated as a City Landmark under Article 10 of the Planning Code

YES ☒ NO ☐

Are there any outstanding enforcement cases on the property from the San Francisco Planning Department or the Department of Building Inspection?

YES ☐ NO ☒

I/we am/are the present owner(s) of the property described above and hereby apply for an historical property contract.

Owner Signature: _____

Date: 9/3/13

Owner Signature: _____

Date: 9/3/13

Owner Signature: _____

Date: _____

3. Program Priority Criteria

The following criteria are used to rank applications. Please check the appropriate categories as they apply to your building. Use a separate sheet to explain why your building should be considered a priority when awarding a Mills Act Historical Property Contract. Buildings that qualify in three of the five categories are given priority consideration.

1. Property meets one of the six criteria for a qualified historic property:

Property is individually listed in the National Register of Historic Places	YES <input type="checkbox"/> NO <input type="checkbox"/>
Property is listed as a contributor to an historic district included on the National Register of Historic Places	YES <input type="checkbox"/> NO <input type="checkbox"/>
Property is designated as a City Landmark under Article 10 of the Planning Code	YES <input type="checkbox"/> NO <input type="checkbox"/>
Property is designated as a contributory building to an historic district designated under Article 10 of the Planning Code	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Property is designated as a Category I or II (significant) to a conservation district under Article 11 of the Planning Code	YES <input type="checkbox"/> NO <input type="checkbox"/>
Property is designated as a Category III or IV (contributory) to a conservation district under Article 11 of the Planning Code	YES <input type="checkbox"/> NO <input type="checkbox"/>

2. Property falls under the following Property Tax Value Assessments:

Residential Buildings: \$3,000,000	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
Commercial, Industrial or Mixed Use Buildings: \$5,000,000	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>

**If property value exceeds these values please complete Part 4: Application of Exemption*

3. Rehabilitation/Restoration/Maintenance Plan:

A 10 Year Rehabilitation/Restoration/Maintenance Plan will be submitted detailing work to be performed on the subject property	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
--	---

4. Required Standards:

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"/>
---	---

**Detail how the proposed work meets the Secretary of Interior Standards on a separate sheet or include as part of Rehabilitation/Restoration/Maintenance Plan.*

5. Mills Act Tax Savings:

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"/>
--	---

If answered "no" to either question under No. 2 "Property fall under the following Property Tax Value Assessments" in the Program Priority Criteria Checklist, on a separate sheet of paper, explain how the property meets the following criteria and should be exempt from the property tax valuations. Also attach a copy of the most recent property tax bill.

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 by a qualified consultant must be submitted to demonstrate meeting this requirement).

NAMES:
TAX ASSESSED VALUE:
PROPERTY ADDRESS:

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.

accurate.

Owner Signature: A. Alan J. Tinker

Date: 9/3/13

Owner Signature: [Signature], trustee

Date: 9/3/13

Owner Signature: _____

Date: _____

THIS SECTION TO BE COMPLETED EXCLUSIVELY BY PLANNING DEPARTMENT STAFF

Exceptional Structure? YES ☐ NO ☐

Percent above value limit:

Specific threat to resource? YES ☐ NO ☐

No. of criteria satisfied: _____

Complete HSR submitted? YES ☐ NO ☐

Planner's Initial: _____

5. Draft Mills Act Historical Agreement

Please use the Planning Department's standard form "Historical Property Contract" located on the Planning Department's Forms page at www.sfplanning.org. Any modifications to the City's standard form contract made by the applicant or the submittal of an independently prepared contract shall be subject to approval by the City Attorney prior to consideration by the Historic Preservation Commission and the Board of Supervisors and may result in additional processing time.

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: Sept 3, 2013 before me, Paul C. Moffett
DATE INSERT NAME OF THE OFFICER

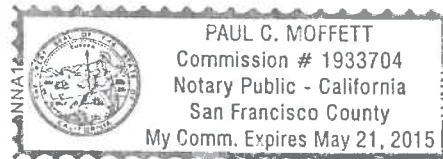
NOTARY PUBLIC personally appeared: Quyen Nguyen & A. Adam Wilson
NAME(S) OF SIGNER(S)

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.

Paul C. Moffett
SIGNATURE



(PLACE NOTARY SEAL ABOVE)

8. Historical Property Tax Adjustment Worksheet Calculation

The following is an example showing the possible tax benefits to the historical property owner of an owner-occupied single-family dwelling. This form is a guideline only. Your reduced property tax under a Mills Act contract is not guaranteed to match this calculation.

Determine Annual Income and Annual Operating Expenses

An \$120,000 potential gross income less a vacancy and collection loss of \$2,400 and less \$17,640 annual expenses for maintenance, repairs, insurance, and utilities yields a net annual income of \$99,960. (Mortgage payments and property taxes are not considered expenses). Estimated vacancy and collection loss is based upon what is typically happening in the marketplace. It can be different for different properties (i.e. - residential properties generally have a lower vacancy and collection loss than commercial properties). The theory is that when estimating a property's value using the income approach (the approach required for Mills Act valuations) it is reasonable to assume some rent loss due to vacancy and inability to collect rents.

Determine Capitalization Rate

Add the following together to determine the Capitalization Rate:

- ⌋ The Interest Component is determined by the Federal Housing Finance Board and is based on conventional mortgages. While this component will vary from year to year, the State Board of Equalization has set this at 4.75% for 2012.
- ⌋ The Historical Property Risk Component of 4% (as prescribed in Sec. 439.2 of the State Revenue and Tax Code) applies to owner-occupied single-family dwellings. A 2% risk component applies to all other Properties.
- ⌋ The Property Tax Component (Post-Prop. 13) of .01 times the assessment ratio of 100% (1%).
- ⌋ The Amortization Component is a percentage equal to the reciprocal of the remaining life of the structure and is set at the discretion of the County Assessor for each individual property. In this example the remaining life of the building is 60 years and the improvements represent 45% of the total property value. The amortization component is calculated thus: $1/60 = .0167 \times .45 = .0075$.

Calculate New Assessed Value and Estimated Tax Reduction

The new assessed value is determined by dividing the annual net income (\$99,960) by the capitalization rate .1067 (10.67%) to arrive at the new assessed value of \$936,832.

Lastly, determine the amount of taxes to be paid by taking the current tax rate of 1.167 (1%) of the assessed value \$26,652. Compare this with the current property tax rate for land and improvements only (be sure not to include voter indebtedness, direct assessments, tax rate areas and special districts items on your tax bill).

In this example, the annual property taxes have been reduced by \$15,719 (\$26,652 - \$10,933), an approximately 40% property tax reduction.

EXAMPLE:

Simple Property Tax Calculation
Current Assessed Value = \$2,283,810
Current Tax Rate = X 1.167%
Current Property Taxes = @26,652

Assessment Using Mills Act Valuation Methodology

Potential Annual Gross Income Using Market Rent (\$10,000 per month X 12 months)	\$120,000
Estimated Vacancy and Collection Loss of 2%	(\$2,400)
Effective Gross Income	\$117,600
Less Operating Expenses (i.e. utilities, insurance, maintenance, management)	(\$17,640)
Net Income	\$99,960
Restricted Capitalization Rate	10.67%
Historical Property Value	\$936,832
Current Tax Rate	X 1.167%
New Tax Calculation	\$10,933

Property Tax Savings	\$15,719
----------------------	----------

9. Historical Property Tax Adjustment Worksheet Guide

PROPERTY ADDRESS: 56 Pierce Street, San Francisco, CA 94117

PROPERTY DESCRIPTION: Multi-unit building

OWNER OCCUPIED: YES ☐ NO ☒

STEP 1: Determine Annual Income of Property

ANNUAL PROPERTY INCOME	CURRENT	EXPLANATION
1. Monthly Rental Income	\$8,400.00	For owner-occupied properties estimate a monthly rental income. Include all potential sources of income (filming, advertising, photo shoots, billboard rentals, etc.)
2. Annual Rental Income	\$100,800.00	Multiply Line 1 by 12
3. Deduction for Vacancy	\$95,760.00	5% (subtract %5 from line 2)

STEP 2: Calculate Annual Operating Expenses

ANNUAL OPERATING EXPENSES	CURRENT	EXPLANATION
4. Insurance	\$1,438.00	Fire, Liability, etc.
5. Utilities	\$3,500.00	Water, Gas, Electric, etc.
6. Maintenance*	\$3,000.00	Maintenance includes: Painting, plumbing, electrical, gardening, cleaning, mechanical, heating repairs, structural repairs, security, and property management.
7. Management*	\$10,080.00	
8. Other Operating Expenses	\$	Security, services, etc. Provide breakdown on separate sheet.
9. Total Expenses†	\$18,018.00	Add Lines 4 through 8

* If calculating for commercial property, provide the following back-up documentation where applicable:

- Rent Roll (include rent for on-site manager's unit as income if applicable)
- Maintenance Records (provide detailed break-down; all costs should be recurring annually)
- Management Expenses (include expense of on-site manager's unit and 5% off-site management fee; and describe other management costs. Provide breakdown on separate sheet.)

† Annual operating expenses do not include mortgage payments, property taxes, depletion charges, corporate income taxes or interest on funds invested in the property.

STEP 3: Determine Annual Net Income

NET OPERATING INCOME	CURRENT	EXPLANATION
9. Net Operating Income	\$77,742.00	Line 3 minus Line 9

STEP 4: Determine Capitalization Rate

CAPITALIZATION RATE	CURRENT	EXPLANATION
10. Interest Component	3.75%	As determined by the State Board of Equalization for 2009/2010
11. Historic Property Risk Component	2%	Single-family home = 4% All other property = 2%
12. Property Tax Component	1%	.01 times the assessment ratio of 100%
13. Amortization Component (Reciprocal of life of property)	5.0%	If the life of the improvements is 20 years Use $100\% \times 1/20 = 5\%$
14. Capitalization Rate	11.75%	Add Lines 10 through 13

STEP 5: Calculate New Assessed Value

NEW ASSESSED VALUE	CURRENT	EXPLANATION
15. Mills Act Assessed Value	\$661,634.04	Line 9 divided by Line 14

STEP 6: Determine Estimated Tax Reduction

NEW TAX ASSESSMENT	CURRENT	EXPLANATION
16. Current Tax (Exclude voter indebtedness, direct assessments, tax rate areas and special districts)	\$17,952.33	General tax levy only – do not include voted indebtedness or other direct assessments
17. Tax under Mills Act	\$6,616.34	Line 15 x .01
18. Estimated Tax Reduction	\$11,335.99	Line 16 minus Line 17

The Assessor Recorder's Office may request additional information. A timely response is required to maintain hearing and review schedules.

Application Checklist to be Submitted with all Materials

Utilize this list to ensure a complete application package is submitted.

1	Historical Property Contract Application Have all owners signed and dated the application?	YES <input type="checkbox"/> NO <input type="checkbox"/>
2	Priority Consideration Criteria Worksheet Have three priorities been checked and adequately justified?	YES <input type="checkbox"/> NO <input type="checkbox"/>
3	Exemption Form & Historic Structure Report 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?	YES <input type="checkbox"/> NO <input type="checkbox"/>
4	Draft Mills Act Historical Property Agreement Are you using the Planning Department's standard form "Historical Property Contract?" Have all owners signed and dated the contract? Have all signatures been notarized?	YES <input type="checkbox"/> NO <input type="checkbox"/>
5	Notary Acknowledgement Form Is the Acknowledgement Form complete? Do the signatures match the names and capacities of signers?	YES <input type="checkbox"/> NO <input type="checkbox"/>
6	Draft Rehabilitation/Restoration/Maintenance Plan Have you identified and completed the Rehabilitation, Restoration, and Maintenance Plan organized by contract year and including all supporting documentation related to the scopes of work?	YES <input type="checkbox"/> NO <input type="checkbox"/>
7	Historical Property Tax Adjustment Worksheet Did you provide back-up documentation <i>(for commercial property only)</i> ?	YES <input type="checkbox"/> NO <input type="checkbox"/>
8	Photographic Documentation Have you provided both interior and exterior images? Are the images properly labeled?	YES <input type="checkbox"/> NO <input type="checkbox"/>
9	Site Plan Does your site plan show all buildings on the property including lot boundary lines, street name(s), north arrow and dimensions?	YES <input type="checkbox"/> NO <input type="checkbox"/>
10	Tax Bill Did you include a copy of your most recent tax bill?	YES <input type="checkbox"/> NO <input type="checkbox"/>
11	Payment Did you include a check payable to the San Francisco Planning Department?	YES <input type="checkbox"/> NO <input type="checkbox"/>



**SAN FRANCISCO
PLANNING
DEPARTMENT**

FOR MORE INFORMATION:

Call or visit the San Francisco Planning Department

Central Reception

1650 Mission Street, Suite 400
San Francisco CA 94103-2479

TEL: 415.558.6378

FAX: 415.558.6409

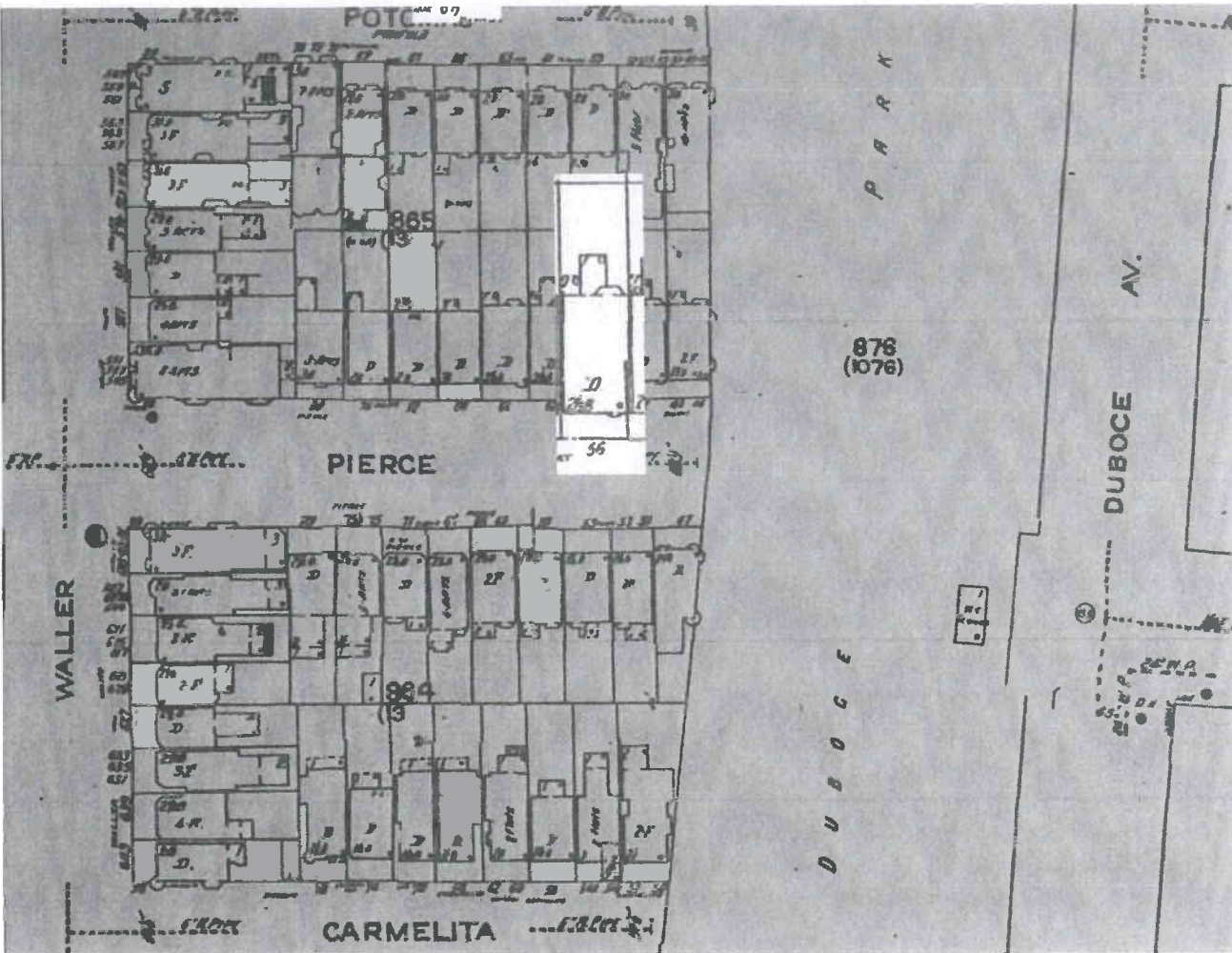
WEB: <http://www.sfplanning.org>

Planning Information Center (PIC)

1660 Mission Street, First Floor
San Francisco CA 94103-2479

TEL: 415.558.6377

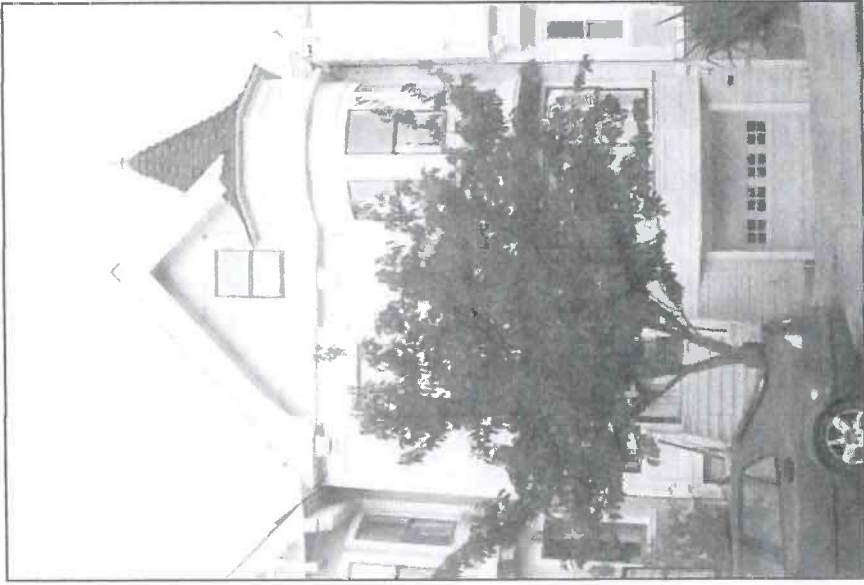
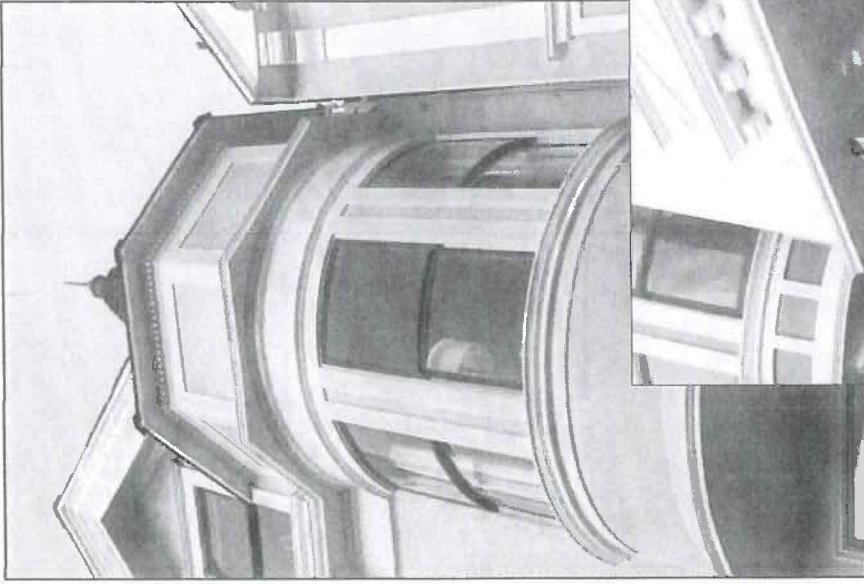
*Planning staff are available by phone and at the PIC counter.
No appointment is necessary.*



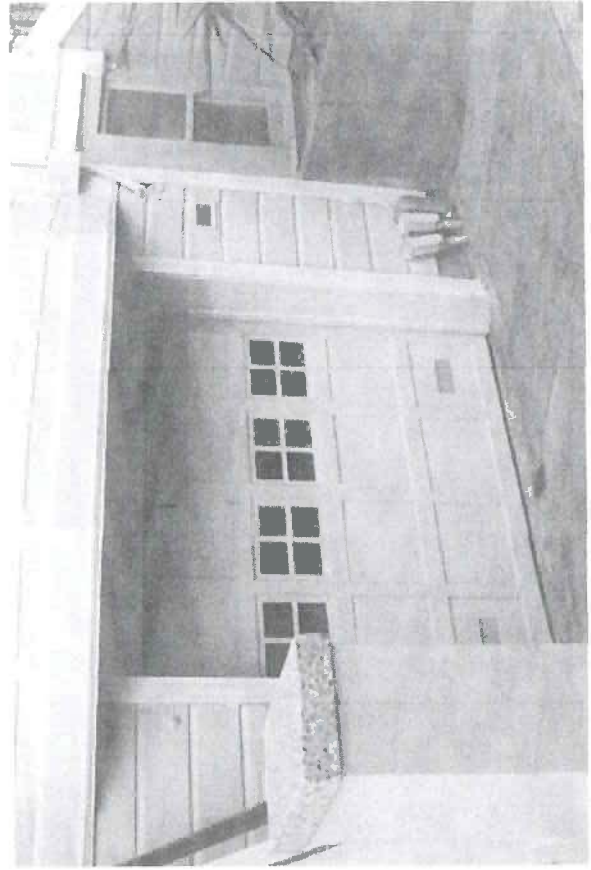
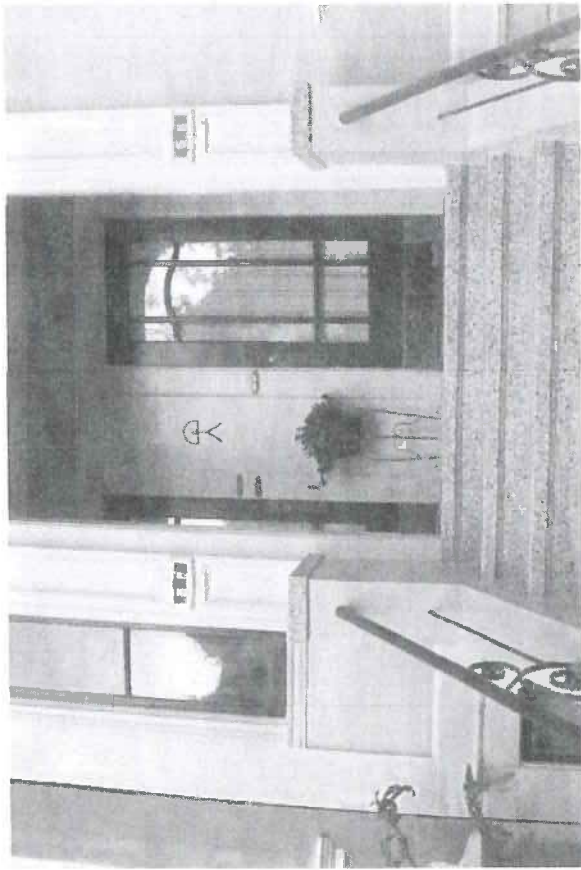
56 Pierce Street

SF CA 94117

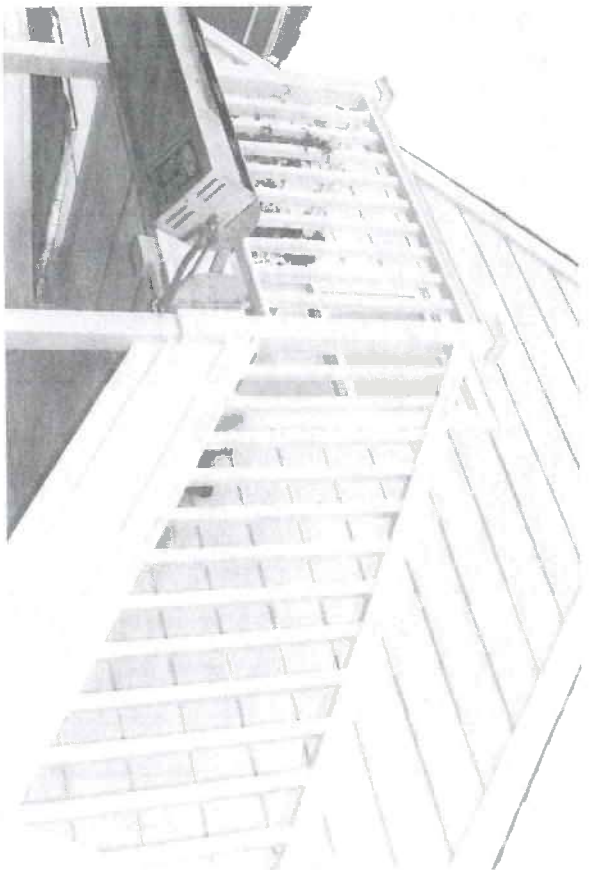
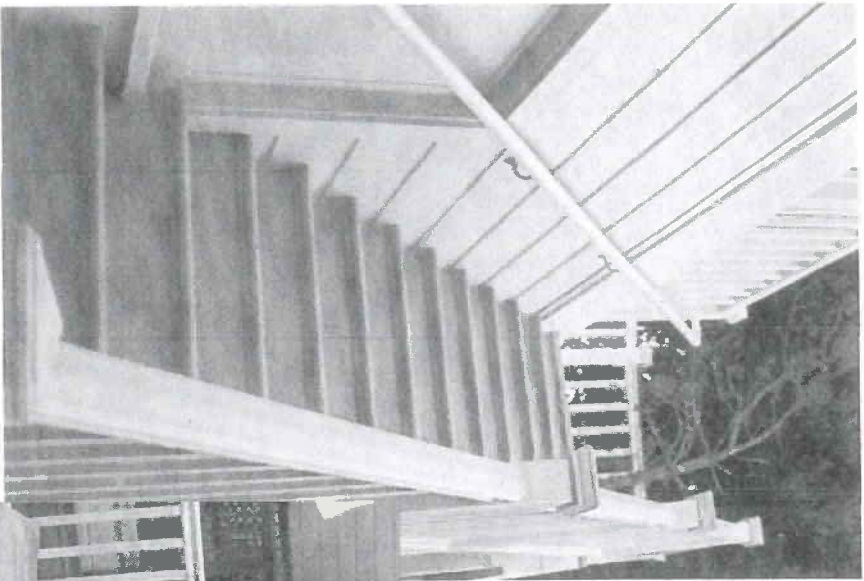
Front



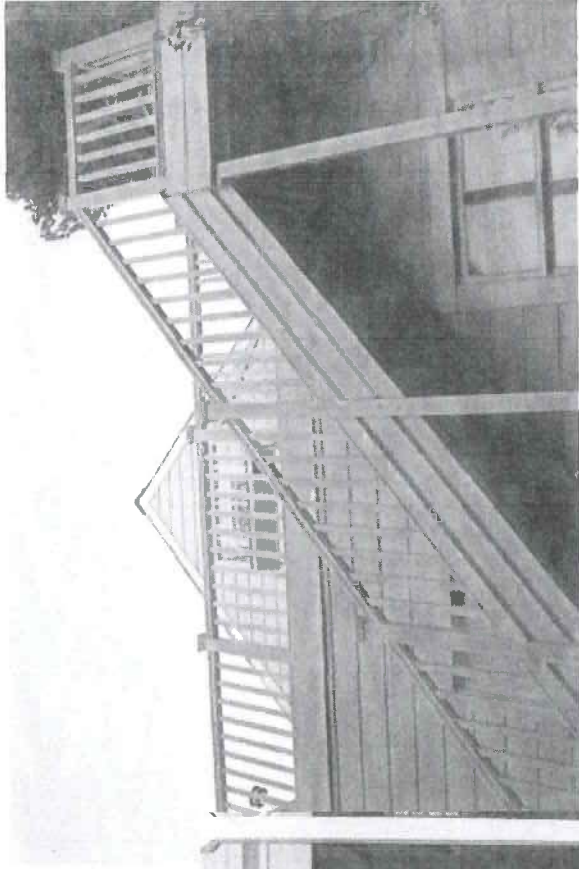
Front



Back



Back



**SECURED PROPERTY TAX BILL 2012 - 2013**

FOR FISCAL YEAR BEGINNING July 1, 2012 AND ENDING June 30, 2013

City and County of San Francisco – José Cisneros, Treasurer and Tax Collector – WWW.SFTREASURER.ORG**INTERNET COPY**

VOL	BLOCK NO.	LOT NO.	ACCOUNT NO.	TAX BILL NO.	TAX RATE	PROPERTY LOCATION
06	0865	013	086500130	036965	1.1691 %	56 PIERCE ST

Assessed on January 1, 2012

INFORMATION

Property Valuation: 415-554-5596 (Assessor-Recorder)
Homeowner's/Other Exemptions: 415-554-5596 (Assessor-Recorder)
Current Year Taxes: 415-554-4400 (Taxpayer Assistance)
Prior Year Delinquencies: 415-554-4499
E-mail: Treasurer.TaxCollector@sfgov.org

PAYMENT OPTIONS

Online: <http://www.sftreasurer.org> (VISA, Mastercard, Discover or AMEX credit cards, Star, NYCE or PULSE debit cards, E-check)
In Person: City Hall (Check, Cash)
Phone: 1-800-890-1950 (VISA, Mastercard, Discover, or AMEX credit cards, Star, NYCE or PULSE debit cards)

ASSESSMENT INFORMATION

ASSESSMENT	FULL VALUE	TAX RATE	TAX AMOUNT
LAND	\$903,277.00	1.1691 %	\$10,560.21
IMPR/STRUCTURAL	\$602,183.00		\$7,040.12
IMPR/FIXTURES	\$0.00		\$0.00
PERSONAL PROPERTY	\$0.00		\$0.00
GROSS TAXABLE VALUE	\$1,505,460.00		\$17,600.33
LESS: EXEMPTIONS			
HOMEOWNER'S	\$0.00		\$0.00
OTHER	\$0.00		\$0.00
NET TAXABLE VALUE	\$1,505,460.00		\$17,600.33

DIRECT CHARGES AND/OR SPECIAL ASSESSMENTS:

(Call For Information)

CODE	TYPE	PHONE NO.	
29	Rent Stabilization Fee	(415) 554-4452	\$58.00
89	SFUSD Facilities District	(415) 355-2203	\$49.98
92	Apartment House License Fee	(415) 558-6288	\$326.00
98	SF – Teacher Support	(415) 355-2203	\$213.90

TOTAL DIRECT CHARGES AND SPECIAL ASSESSMENTS **\$647.88**

DUE NOVEMBER 1, 2012

FIRST INSTALLMENT:
\$9,124.10

DUE FEBRUARY 1, 2013

SECOND INSTALLMENT:
\$9,124.10

TOTAL DUE: \$18,248.20

2012 - 2013 CITY AND COUNTY OF SAN FRANCISCO TAX SECOND INSTALLMENT PAYMENT STUB 2012 - 2013

VOL	BLOCK NO.	LOT NO.	TAX BILL NO.	TAX RATE	PROPERTY LOCATION
06	0865	013	036965	1.1691 %	56 PIERCE ST

PAYMENTS WITH LATE U.S. POSTAL SERVICE POSTMARKS WILL BE RETURNED FOR PENALTY.

Make check payable to SF Tax Collector and include block & lot numbers on your check			PAY THIS AMOUNT IF PAYMENT IS MADE BY APRIL 10, 2013	
MAIL TO:	or	BRING TO:	\$0.00	
SF Tax Collector's Office P.O. Box 7426 San Francisco, CA 94120-7426		City Hall, Room 140 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102		
REMINDER:			AFTER APRIL 10, 2013 ADD:	
Check if contributions to Arts Fund is enclosed. For other donation opportunities, goto www.Give2SF.org		2	10% PENALTY	\$912.41
			AND \$45.00 COST	\$45.00
			TOTAL DELINQUENT	\$10,081.51
			KEEP THIS NO. 2 STUB AND RETURN WITH YOUR 2nd INSTALLMENT PAYMENT.	

2012 - 2013 CITY AND COUNTY OF SAN FRANCISCO TAX FIRST INSTALLMENT PAYMENT STUB 2012 - 2013

VOL	BLOCK NO.	LOT NO.	TAX BILL NO.	TAX RATE	PROPERTY LOCATION
06	0865	013	036965	1.1691 %	56 PIERCE ST

PAYMENTS WITH LATE U.S. POSTAL SERVICE POSTMARKS WILL BE RETURNED FOR PENALTY.

Make check payable to SF Tax Collector and include block & lot numbers on your check			PAY THIS AMOUNT IF PAYMENT IS MADE BY DECEMBER 10, 2012	
MAIL TO:	or	BRING TO:	\$0.00	
SF Tax Collector's Office P.O. Box 7426 San Francisco, CA 94120-7426		City Hall, Room 140 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102		
REMINDER:			AFTER DECEMBER 10, 2012 ADD:	
Check if contributions to Arts Fund is enclosed. For other donation opportunities, goto www.Give2SF.org		1	10% PENALTY	\$912.41
			TOTAL DELINQUENT	\$10,036.51
			DETACH AND RETURN THIS NO. 1 STUB WITH YOUR 1st INSTALLMENT PAYMENT.	



SAN FRANCISCO PLANNING DEPARTMENT

Historic Preservation Commission Draft Resolution

HEARING DATE DECEMBER 4, 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: December 4, 2013
Filing Dates: September 3, 2013
Case No.: 2013.1254U
Project Address: **64 Pierce St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential - House, Two Family)
40-X Height and Bulk District
Block/Lot: 0865/015
Applicant: Jean Paul Balajadia
64 Pierce St.
San Francisco, CA 94117
Staff Contact: Susan Parks – (415) 575-9101
susan.parks@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 64 PIERCE 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 existing building located at 64 Pierce Street and is listed under Article 10 of the San Francisco Planning Code Planning Code as a contributor to the Duboce Park 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 64 Pierce Street, which are located in Case

Docket No. 2013.1254U. 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 64 Pierce 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 December 4, 2013, 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 64 Pierce Street, which are located in Case Docket No. 2013.1254U. The Historic Preservation Commission recommends approval of the Mills Act historical property contract, rehabilitation program, and maintenance plan.

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 64 Pierce 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 64 Pierce Street, and other pertinent materials in the case file 2013.1254U to the Board of Supervisors.

I hereby certify that the foregoing Resolution was ADOPTED by the Historic Preservation Commission on December 4, 2013.

Jonas P. Ionin
Commissions Secretary

AYES: Hasz, Wolfram, Hyland, Johnck, Johns, Mastuda, Pearlman

NOES:

ABSENT:

ADOPTED: 7-0



SAN FRANCISCO PLANNING DEPARTMENT

Mills Act Contracts Case Report

Hearing Date: December 4, 2013

- a. *Filing Dates:* September 3, 2013
Case No.: 2013.1261U
Project Address: **50 Carmelita St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential - House, Two Family)
40-X Height and Bulk District
Block/Lot: 0864/011
Applicant: Adam Speigel & Guillemette Broulliat-Speigel
50 Carmelita St.
San Francisco, CA 94117
- b. *Filing Date:* September 3, 2013
Case No.: 2013.1230U
Project Address: **66 Carmelita St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential House, Two Family)
40-X Height and Bulk District
Block/Lot: 0864/015
Applicant: Amy Hockman & Brian Bone
66 Carmelita St.
San Francisco, CA 94117
- c. *Filing Date:* September 3, 2013
Case No.: 2013.1260U
Project Address: **70 Carmelita St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential House, Two Family)
40-X Height and Bulk District
Block/Lot: 0864/016
Applicant: Elise Sommerville
70 Carmelita St.
San Francisco, CA 94117
- d. *Filing Date:* September 3, 2013
Case No.: 2013.1258U
Project Address: **56 Pierce St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential House, Two Family)
40-X Height and Bulk District
Block/Lot: 0865/013

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Mill Act Applications	2013.1261U; 2013.1230U; 2013.1260U; 2013.1528U; 2013.1254U; 2013.1259U; 2013.1257U; 2013.0575U
December 4, 2013	50 Carmelita St.; 66 Carmelita St.; 70 Carmelita St.; 56 Pierce St.; 64 Pierce St.; 64 Pierce St.; 56 Potomac St.; 66 Potomac St.; 1772 Vallejo St.

e.	<i>Filing Date:</i>	September 3, 2013
	<i>Case No.:</i>	2013.1254U
	<i>Project Address:</i>	64 Pierce St.
	<i>Landmark District:</i>	Duboce Park Landmark District
	<i>Zoning:</i>	RH-2 (Residential House, Two Family) 40-X Height and Bulk District
	<i>Block/Lot:</i>	0865/015
	<i>Applicant:</i>	Jean Paul Balajadia 64 Pierce St. San Francisco, CA 94117
f.	<i>Filing Date:</i>	September 3, 2013
	<i>Case No.:</i>	2013.1259U
	<i>Project Address:</i>	56 Potomac St.
	<i>Landmark District:</i>	Duboce Park Landmark District
	<i>Zoning:</i>	RH-2 (Residential House, Two Family) 40-X Height and Bulk District
	<i>Block/Lot:</i>	0866/012
	<i>Applicant:</i>	Karli Sager & Jason Monberg 56 Potomac St. San Francisco, CA 94117
g.	<i>Filing Date:</i>	September 3, 2013
	<i>Case No.:</i>	2013.1257U
	<i>Project Address:</i>	66 Potomac St.
	<i>Landmark District:</i>	Duboce Park Landmark District
	<i>Zoning:</i>	RH-2 (Residential House, Two Family) 40-X Height and Bulk District
	<i>Block/Lot:</i>	0866/015
	<i>Applicant:</i>	Adam Wilson & Quyen Nguyen 66 Potomac St. San Francisco, CA 94117
h.	<i>Filing Date:</i>	May 1, 2013
	<i>Case No.:</i>	2013.0575U
	<i>Project Address:</i>	1772 Vallejo St.
	<i>Historic Landmark:</i>	Landmark No. 31, Burr Mansion
	<i>Zoning:</i>	RH-2 (Residential House, Two Family) 40-X Height and Bulk District
	<i>Block/Lot:</i>	0552/029
	<i>Applicant:</i>	John Moran

1772 Vallejo St.
San Francisco, CA 94123

Staff Contact: Susan Parks – (415) 575-9101
susan.parks@sfgov.org
Reviewed By: Tim Frye – (415) 575-6822
tim.frye@sfgov.org

PROPERTY DESCRIPTION

- a. **50 Carmelita St.:** The subject property is located on the east side of Carmelita Street between Waller and Duboce Streets, the lot is adjacent to Duboce Park. Assessor's Block 0864, Lot 011. It is located in a RH-2 (Residential House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 2 1/2 story frame house was built in 1899 in a combination of the Queen Anne and Shingle styles.
- b. **66 Carmelita St.:** The subject property is located on the east side of Carmelita Street between Waller and Duboce Streets. Assessor's Block 0864, Lot 015. It is located in a RH-2 (Residential-House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 1 1/2 story-over-basement frame house was built in 1900 by master builder Fernando Nelson in the Queen Anne style.
- c. **70 Carmelita St.:** The subject property is located on the east side of Carmelita Street between Waller and Duboce Streets. Assessor's Block 0864, Lot 016. It is located in a RH-2 (Residential-House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 1 1/2 story-over-basement frame house was built in 1900 by master builder Fernando Nelson in the Queen Anne style.
- d. **56 Pierce St.:** The subject property is located on the east side of Pierce Street between Waller and Duboce Streets. Assessor's Block 0865, Lot 013. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 2 1/2 story-over-basement frame house was built c. 1905 by master builder Fernando Nelson in the Queen Anne style and features applied stick work reminiscent of the Tudor style.
- e. **64 Pierce St.:** The subject property is located on the east side of Pierce Street between Waller and Duboce Streets. Assessor's Block 0865, Lot 015. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 2 1/2 story-over-basement frame house was built c. 1905 by master builder Fernando Nelson in the Queen Anne style and features applied stick work reminiscent of the Tudor style.

- f. 56 Potomac St.:** The subject property is located on the east side of Potomac Street between Waller and Duboce Streets. Assessor's Block 0866, Lot 012. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 1 1/2 story-over-basement frame house was built in 1899 by neighborhood builders George Moore & Charles Olinger in the Queen Anne style. This property was the informal sales office and home of George Moore and his family.
- g. 66 Potomac St.:** The subject property is located on the east side of Potomac Street between Waller and Duboce Streets. Assessor's Block 0866, Lot 015. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 1 1/2 story-over-basement frame house was built in 1899 by neighborhood builders George Moore & Charles Olinger in the Queen Anne style.
- h. 1772 Vallejo St.:** The subject property is located on the north side of Vallejo Street between Gough and Franklin Streets. Assessor's Block 0522, Lot 029. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as City Landmark #31. It is also listed in Here Today (page 22) and the Planning Department 1976 Architectural Survey. The three-story-over-basement house was designed primarily in the Italianate style with French Second Empire influences.

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 and recommendation on the historical property contract, proposed rehabilitation program, and proposed maintenance plan. The Historic Preservation Commission shall conduct a public hearing on the Mills Act application and contract 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's Office to execute the historical property contract.

MILLS ACT REVIEW PROCEDURES

The Historic Preservation Commission is requested to review each and make to recommendation 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 program 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 as to whether to recommend to the Board of Supervisors if the valuation exemption shall 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 Project Sponsor, Planning Department Staff, and the Office of the City Attorney have negotiated the attached draft historical property contracts, which include a draft maintenance plan for the historic building. Department staff believes that the draft historical property contracts and maintenance plans are adequate.

- a. 50 Carmelita St.:** As detailed in the Mills Act application, the Project Sponsor proposes to 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 and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The property was fully rehabilitated at the time of purchase two years ago. The Project Sponsors have developed a thorough maintenance plan that involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan includes; painting and repairing the historic shingled siding and wood trim as needed; inspecting the roof, flashing and vents regularly and replacing elements or the entire roof when needed; inspection of the gutters, downspouts, grading to ensure there is no damage to the foundation; maintenance of the exterior doors, stairways, balustrades, and decking for dry rot; and routine inspections of the historic wood windows and non-historic skylights checking for dry rot, damage, or leaks, and repairing any damage found according to best practices. No changes to the use are proposed. Please refer to the attached Rehabilitation 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. 66 Carmelita St.:** As detailed in the Mills Act application, the Project Sponsor proposes to continue rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves in-kind custom replacement of historic elements including rotted entry stairs, balustrades and porch decking; repainting of the stairs and porch; repair (or replace, if needed) non-functional double hung windows at the front bay on main floor and rear parlor; replacing the roof; and replacing deteriorated non-historic skylights and resealing others; repair and repainting of historic siding; and completing repairs based on structural engineers inspection to the brick foundation (previous repairs were undertaken in sections by different homeowners). No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; and the foundation. 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. 70 Carmelita St.:** As detailed in the Mills Act application, the Project Sponsor proposes to continue rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves historic wood siding and millwork; reroofing and installing a Dutch gutter on the south side of roof (shared with 66 Carmelita St.; and installing a trench drain to remediate water run-off that is flooding the basement and damaging foundation, and walls. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; and the foundation. 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.

- d. 56 Pierce St.:** As detailed in the Mills Act application, the Project Sponsor proposes to begin maintenance efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The property was fully rehabilitated prior to the Mills Act Application. No changes to the use are proposed.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses the repair, maintenance and repainting of the wood siding, windows/glazing, roof, millwork, stairs and ornamentation; gutters, downspouts and drainage; and the foundation and sheer walls. 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.

- e. 64 Pierce St.:** As detailed in the Mills Act application, the Project Sponsor proposes to continue rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves repairing and painting historic wood siding; repaired and replaced, as needed, historic millwork; including wood trim and corbels; repair of the leaded glass windows and transoms; repair of the historic front door; repair all windows that could be repaired and replaced in kind those that were beyond repair (23 windows total) at the front of the house, restored the front entry, including flooring, lighting and removing non-historic

detailing; replaced railings at the front entry stairs to be code compliant and historically accurate encased the deteriorated brick foundation in concrete, added structural steel beams, comment frames, sheer walls and steel framing throughout the house to meet seismic standards; leveled the house to improve drainage at grade; removed concrete slabs at front yard and replaced with planter areas and borders (to improve the property); remediated water pooling at the exterior of house by re-grading and installing trench drain repaired existing roof drains; installed new roof drains to correct drainage issues from neighboring houses. Please refer to the attached Rehabilitation Plan for a full description of the proposed work. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; and the foundation. 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.

- f. 56 Potomac St.:** As detailed in the Mills Act application, the Project Sponsor proposes to begin rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves reconstruction and structural repairs to the historic front stairs and porch based on historic photographs. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; attic and the foundation. 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.

- g. 66 Potomac St.:** As detailed in the Mills Act application, the Project Sponsor proposes to continue rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves repairing and painting the historic wood siding and worked with color consultant for historical accuracy; repaired and replaced, as needed, the historic millwork; including the decorative shingles at the front pediment, existing dentils and corbeling; reroof and install moisture and thermal protection; install all new wood windows at the rear of the house; repair all windows at the front of the house, rebuilding all sashes, as needed; replaced the entire compromised brick foundation with a concrete foundation to meet seismic standards, added structural steel and leveled the house to improve drainage at grade; patched and repaired stucco at front façade; rebuilt decks; railings and balconies. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork, stairs and ornamentation; gutters, downspouts and drainage; and the foundation. 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.

- h. 1772 Vallejo St.:** As detailed in the Mills Act application, the Project Sponsor proposes to begin rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with Secretary of Interior's Standards for Rehabilitation and for Restoration.

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 City Landmark until Article 10 of the Planning Code. A Historic Structures 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, 1772 Vallejo St., Exhibit B)

The rehabilitation program involves structural evaluation of unreinforced masonry foundation; removing interior unreinforced chimney (not visible from street); Improve the landscape drainage to redirect water flow from the house; work to rehabilitate the historic garden setting; feasibility study for upgrading the unreinforced foundation of the rear cottage, repair the historic windows at the cottage, repair and reinforced the fireplace and chimney, replace the roofing, and any damaged rafters as needed; study feasibility of demolish non historic garage to restore the historic character of the property; repair and replace historic wood windows as necessary; repair deteriorated wood siding and millwork in-kind; repaint exterior using a color consultant to determine historic paint colors; and replace roofing. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses care of the garden; wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; attic and the foundation

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

PLANNING DEPARTMENT RECOMMENDATION

The Planning Department recommends that the Historic Preservation Commission adopt a resolution recommending approval of these Mills Act Historical Property Contracts, rehabilitation and maintenance plans to the Board of Supervisors.

ISSUES AND OTHER CONSIDERATIONS

The Assessor and Records Office has provided initial review. The Planning Department is continuing to working with the Assessor and Recorder's Office to finalize the final property tax valuations and savings.

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 and the City and County of San Francisco;
2. Approving the proposed Mills Act rehabilitation and maintenance plan for each property.

Attachments:

a. 50 Carmelita St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

b. 66 Carmelita St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

c. 70 Carmelita St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

d. 56 Pierce St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

e. 64 Pierce St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

f. 56 Potomac St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

g. 66 Potomac St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

h. 1772 Vallejo St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Historic Structures Report

Exhibit C: Draft Rehabilitation & Maintenance Plan

Exhibit D: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit E: Mills Act Application

Site Photo



Aerial Photo



SUBJECT PROPERTY



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
64 PIERCE STREET
[Click here to enter text.](#)
SAN FRANCISCO, CALIFORNIA**

THIS AGREEMENT is entered into by and between the City and County of San Francisco, a California municipal corporation ("City") and Jean Paul Balajadia and Ann Balajadia ("Owner(s)").

RECITALS

Owners are the owners of the property located at 64 Pierce Street, in San Francisco, California (Block 0865, Lot 015). The building located at 64 Pierce Street is designated as STATE ELIGIBILITY, E.G. "a City Landmark pursuant to Article 10 of the Planning Code" and is also known as the "PROPERTY NAME, IF ANY" ("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 ONE MILLION ONE HUNDRED TWENTY SEVEN THOUSAND EIGHT HUNDRED AND NINETEEN Dollars (\$1,127,819). (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 THIRTY FOUR THOUSAND TWO HUNDRED AND FIFTY Dollar (\$ 34,250 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: _____
Phil Ting
Assessor-Recorder

DATE: _____

By: _____
John Rahaim
Director of Planning

DATE: _____

APPROVED AS TO FORM:
DENNIS J. HERRERA
CITY ATTORNEY

By: _____
[NAME]
Deputy City Attorney

DATE: _____

OWNERS

By: _____
[NAME], Owner

DATE: _____

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

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

EXHIBIT B:

DRAFT REHABILITATION & MAINTENANCE PLAN

Draft Rehabilitation/Restoration/Maintenance Scope Continued

BUILDING FEATURE:			
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: Annually			
TOTAL COST (rounded to nearest dollar): \$1,000			
DESCRIPTION OF WORK: Inspect and repair any damaged siding; clean the house with hose water or, where necessary, a pressure washer.			

BUILDING FEATURE:			
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: Every 10 years			
TOTAL COST (rounded to nearest dollar): \$27,000			
DESCRIPTION OF WORK: Re-paint the exterior of the house			

BUILDING FEATURE:			
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input checked="" type="checkbox"/>	Proposed <input type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: May 2012			
TOTAL COST (rounded to nearest dollar): \$50,000			
DESCRIPTION OF WORK: Repaired and refurbished all existing wood windows or replaced with wood framed windows any that were beyond repair. Refurbished or replaced all pulleys, cables, lead weights and window frames and sashes. Several windows were cracked, or painted shut and have all been re-glazed and made operable. The total number of windows for the project is (23), including (3) round windows on the front facade of the house facing Pierce Street.			

Draft Rehabilitation/Restoration/Maintenance Scope Continued

BUILDING FEATURE:			
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: Annually			
TOTAL COST (rounded to nearest dollar): \$1000			
DESCRIPTION OF WORK: Inspect and wash all windows and repair or re-paint as necessary			

BUILDING FEATURE:			
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input checked="" type="checkbox"/>	Proposed <input type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: May 2012			
TOTAL COST (rounded to nearest dollar): \$15,000			
DESCRIPTION OF WORK: Repaired existing roof drains; installed new roof drains where none were previously installed; corrected drainage issues from adjacent houses that were draining the adjoining roofs onto our property.			

BUILDING FEATURE:			
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: Annually			
TOTAL COST (rounded to nearest dollar): \$1,000			
DESCRIPTION OF WORK: Inspect, clean and maintain all roof drains, gutters and downspouts			

Draft Rehabilitation/Restoration/Maintenance Scope Continued

BUILDING FEATURE:			
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input checked="" type="checkbox"/>	Proposed <input type="checkbox"/>
CONTRACT YEAR WORK COMPLETION:			
May 2012			
TOTAL COST (rounded to nearest dollar):			
\$3,000			
DESCRIPTION OF WORK:			
Replaced old garage door that had several broken panels and water damage due to water intrusion from driveway with new garage door and frame that are appropriate with the facade of the house.			

BUILDING FEATURE:			
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
CONTRACT YEAR WORK COMPLETION:			
Annually			
TOTAL COST (rounded to nearest dollar):			
\$500			
DESCRIPTION OF WORK:			
Inspect, wash and repair as necessary the garage door.			

BUILDING FEATURE:			
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input checked="" type="checkbox"/>	Proposed <input type="checkbox"/>
CONTRACT YEAR WORK COMPLETION:			
May 2012			
TOTAL COST (rounded to nearest dollar):			
\$25,000			
DESCRIPTION OF WORK:			
Removed concrete slabs from front of the house and replaced with planter areas and borders to protect pedestrians from tripping on the driveway area. The siding of the house, garage door and foundations were experiencing abnormal wear due to water pooling against the exterior walls - slabs were built up to the house with no drainage except for inside the garage area. Planters with landscaping, a new porous concrete driveway, an exterior trench drain and stucco walls with decorative iron work were added to the front of the house. This new green space is more historically accurate and helps remove water without introducing it to the SF storm drains and provides pedestrians protection from tripping into the driveway.			

Draft Rehabilitation/Restoration/Maintenance Scope Continued

BUILDING FEATURE:			
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: Annually			
TOTAL COST (rounded to nearest dollar): \$250			
DESCRIPTION OF WORK: Inspect, clean and maintain all exterior planter walls, concrete and trench drains and repair as necessary.			

BUILDING FEATURE:			
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input checked="" type="checkbox"/>	Proposed <input type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: May 2012			
TOTAL COST (rounded to nearest dollar): \$18,000			
DESCRIPTION OF WORK: Replaced front entry stairs and railing. The existing stairs and railing were non-compliant - stairs had different heights and rails were too low to be safe and were not historically accurate. New wood stairs, rails and caps were installed to match the period details of the house.			

BUILDING FEATURE:			
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: Annually			
TOTAL COST (rounded to nearest dollar): \$1,000			
DESCRIPTION OF WORK: Inspect, wash, maintain and repaint as necessary the front stairs and railing of the house.			

Draft Rehabilitation/Restoration/Maintenance Scope Continued

BUILDING FEATURE:			
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input checked="" type="checkbox"/>	Proposed <input type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: May 2012			
TOTAL COST (rounded to nearest dollar): \$9,500			
DESCRIPTION OF WORK: Removed security fence, repaired and restored main entry to the house, repaired flooring, lighting and non-period detailing in the front entry vestibule of the house.			

BUILDING FEATURE:			
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: Annually			
TOTAL COST (rounded to nearest dollar): \$1,000			
DESCRIPTION OF WORK: Inspect, clean, maintain the walls, floors, and windows of the entry vestibule.			

BUILDING FEATURE:			
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input checked="" type="checkbox"/>	Proposed <input type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: May 2012			
TOTAL COST (rounded to nearest dollar): \$20,000			
DESCRIPTION OF WORK: Replaced roofing for the entire house, replaced or installed flashing where needed, corrected for drainage issues on the roof, restored finial on the top of the roof turret.			

Draft Rehabilitation/Restoration/Maintenance Scope Continued

BUILDING FEATURE:			
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: Annually			
TOTAL COST (rounded to nearest dollar): \$1,500			
DESCRIPTION OF WORK: Inspect, repair or replace roofing, flashing or drainage as needed.			

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:			

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:			

EXHIBIT C:

**DRAFT MARKET ANALYSIS & INCOME APPROACH
PROVIDED BY THE ASSESSOR'S OFFICE**



64 Pierce Street
APN 06-0865-015

MILLS ACT VALUATION



APN: 06-0865-015 SF Landmark: _____
Property Location: 64 Pierce Street Date of Mills Act Application: 9/3/2013
Applicant's Name: Jean Paul Balajadia Property Type: Single Family Dwelling
Agt./Tax Rep./Atty: _____ Date of Sale: 11/9/2007
Applicant supplied appraisal? No Sale Price: \$2,049,000

DATE OF MILLS ACT VALUATION: September 3, 2013

TAXABLE VALUE - THREE WAY VALUE COMPARISON					
FACTORED BASE YEAR VALUE		RESTRICTED MILLS ACT VALUE		CURRENT MARKET VALUE	
Land	\$ 1,529,916	Land	\$ 570,000	Land	\$1,500,000
Imps	\$ 996,276	Imps	\$ 380,000	Imps	\$1,000,000
Total	\$ 2,526,192	Total	\$ 950,000	Total	\$2,500,000

PROPERTY CHARACTERISTICS					
Present Use:	SFR	Neighborhood:	Hayes Valley	Number of Stories:	1
Number of Units	1	Year Built:	1900	Land Area (SF):	2,278
Owner Occupied:		Building Area:	3,207	Zoning:	RH2

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Interior / Exterior Photos	Page 3
Restricted Income Valuation	Page 4
Comparable Rents	Page 5
Sales Comparison Valuation	Page 6
Map of Comparable Sales	Page 7

CONCLUSION AND RECOMMENDATIONS

Based on the three-way value comparison, the lowest of the three values is the restricted Mills Act value.

The taxable Mills Act value on: September 3, 2013 is \$950,000

Appraiser: Timothy Landregan Date: 11/26/13
Principal Appraiser: Cathleen Hoffman

0865-015 - Photos



RESTRICTED INCOME APPROACH

APN 06-0865-015
64 Pierce Street
Restricted Mills Act Value
Lien Date: August 31, 2013

Owner Occupied

	GLA (SF)		Annual Rent / SF		
Potential Gross Income:	3,207	x	\$34.05	=	\$109,200
Less Vacancy & Collection Loss			2%		(\$2,184)
Effective Gross Income					\$107,016
Less Anticipated Operating Expenses*			15%		(\$16,052)
Net Operating Income (before property taxes)					\$90,964
Restricted Capitalization Rate Components:					
Rate Components:					
2013 Interest Rate per SBE			3.7500%		
Risk rate (4% owner occupied / 2% all other property types)			4.0000%		
Property tax rate (2012)			1.1691%		
Amortization rate for the Improvements:					
Remaining Economic Life:	60				
Amortization per Year (reciprocal)	0.0167		1.6667%		
Overall Rates:					
		Land			8.9191%
		Improvements			10.5858%
Weighted Capitalization Rate					
		Land	60%		5.35%
		Improvements	40%		4.23%
		Total			9.59%
RESTRICTED VALUE					\$948,944
ROUNDED TO					\$950,000

Footnotes:

Top line rent potential concluded to be \$9,100 per month, based on rental comps #1 and #8.

*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 actual annual operating expenses of the subject property are \$15,894 (13.5% of EGI), default to 15%

Rental Comps

Comp #1: Parnassus Hts



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

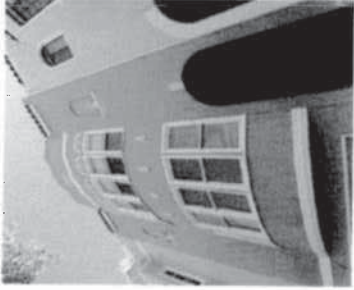
Sotheby's
Not provided
Clayton at Parnassus
2,400
4/2.5, 2 car parking
\$7,700
\$3.21
\$38.50

Comp #2: Cow Hollow



Bay Property Group
2546 Greenwich St
Between Scott and Divisadero
4,350
4/6, 3 car parking
\$13,495
\$3.10
\$37.23

Comp #3: Marina



J Wavro Associates
Not Provided
Scott at Bay
3,000
4/3, 2 car parking
\$8,950
\$2.98
\$35.80

Comp #4: Twin Peaks



By Owner
106 Midcrest Way (Midtown Terrace)
West side of the peaks (Twin Peaks Blvd)
1,950
2/2, 1 car parking
\$4,750
\$2.44
\$29.23

Comp #5: Eureka Valley



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

By Owner
1 Seward Street
Seward at Douglas (Kite Hill)
1,700
2/2, No parking
\$6,900
\$4.06
\$48.71

Comp #6: Twin Peaks



Golden Gate Properties
26 Portola Drive
Portola and Market
1,350
3/1.5, 2 car parking
\$4,300
\$3.19
\$38.22

Comp #7: Twin Peaks







REMax/Westlake Properties
441 Delbrook (@ Panorama)
Panorama @ Clarendon
1,127
3/2, 2 car parking
\$4,200
\$3.73
\$44.72

Comp #8: Eureka Valley



Donnelly Enterprises
Not Provided
Nob Street at Liberty Street
2,600
3/2.5, 2 tandem parking
\$8,200
\$3.15
\$37.85

SINGLE FAMILY MARKET ANALYSIS

APN	Subject 0865-015	Sale 1 0823-015	Sale 2 0869-034	Sale 3 0864-008	
					
Address	64 Pierce St	1021 Hayes	251 Waller	55 Pierce St	
Sale Price / Square Foot		\$2,550,000 \$670	\$2,730,000 \$1,083	\$2,250,000 \$900	
	Description	Description	Adjust.	Description	Adjust.
Date of Valuation/Sale	09/03/13	03/28/13	\$63,750	9/19/2012	\$163,800
Location	Hayes Valley	Alamo Square		Hayes Valley	
Lot Size	2,247	2,060		3,337	(\$54,500)
View	Neighborhood/Open Space	City	(\$50,000)	Neighborhood	
Year Blt/Year Renovated	1900/2012	1900		1900	
Condition	Good/Remodeled	Good/Remodeled		Good/Remodeled	
Construction Quality	Good	Good		Good	
Gross Living Area	3,207	3,804	(\$119,400)	2,520	\$137,400
Total Rooms	10	10		8	
Bedrooms	5	5		6	
Bathrooms	2 Full / 2 Half	5	(\$50,000)	2	\$30,000
Stories	3	3		2	
Garage	2 car	None	\$80,000	2 car	
Other	2012 remodel: horizontal addition and basement conversion.				
Net Adjustments			(\$75,650)	\$276,700	
Indicated Value	\$2,500,000		\$2,474,350	\$3,006,700	\$175,150
Adjust. \$ Per Sq. Ft.	\$780		\$772	\$938	\$756

VALUE RANGE: \$750 to \$880 per foot

VALUE CONCLUSION: \$2,500,000 \$780

Adjustments Lot size adjustment: \$50/foot; Adjustment for view: \$50,000; GLA adjustment: \$200/foot; Adjustment for bath counts: \$25,000 for full bath; \$15,000 for partial bath. Adjustment for garage parking: \$40,000 per space. Market conditions adjustment: 5 to 10% annual growth in value from 2012 to 2013 (.5% per month)

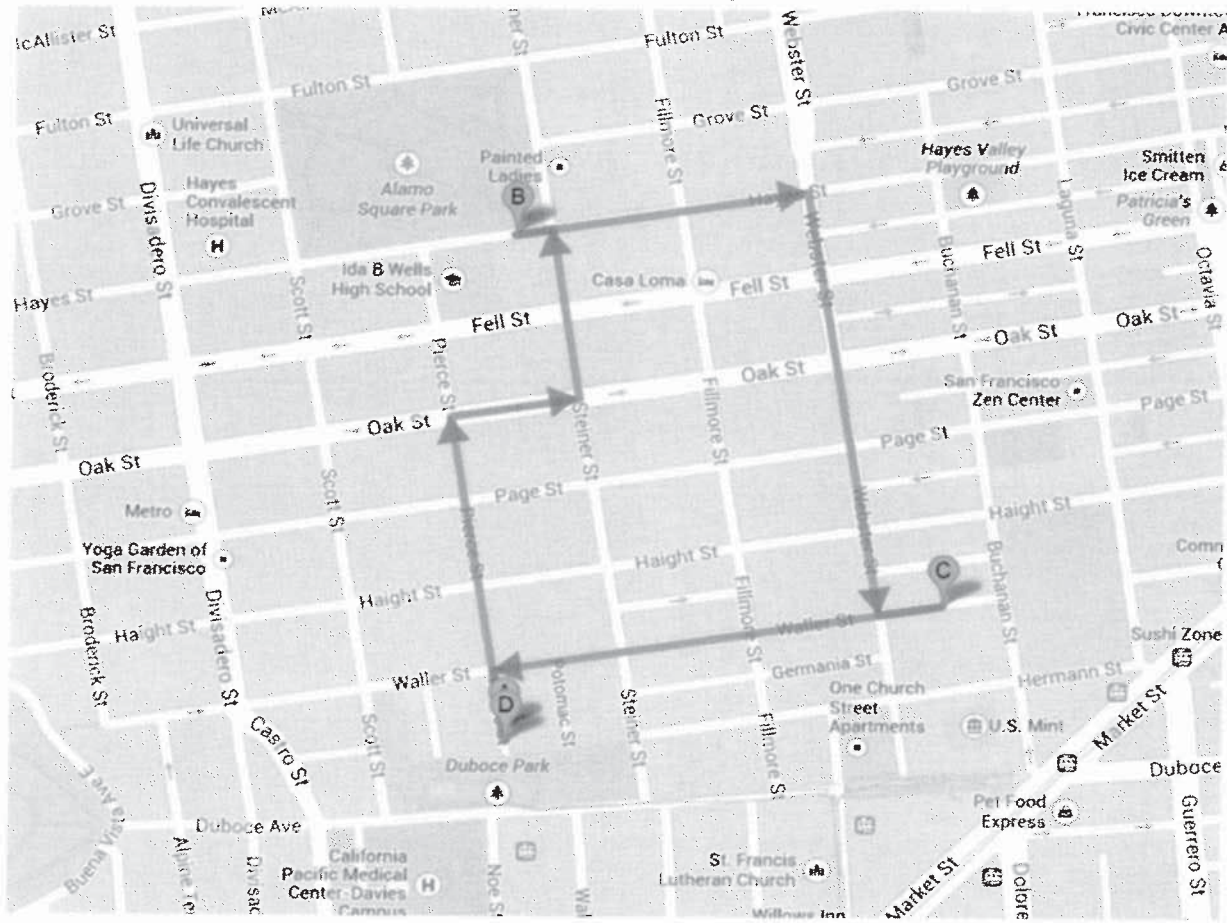
MARKET VALUE

LAND	\$1,500,000
IMPROVEMENTS	\$1,000,000
TOTAL	\$2,500,000
Market Value / Foot	\$780

ASSESSED VALUE

LAND	\$1,529,916
IMPROVEMENTS	\$996,276
TOTAL	\$2,526,192
Assessed Value / Foot	\$788

Map of Subject Property and Comparable Sales



A	Subject Property	56 Potomac
B	Comp #1	1021 Hayes
C	Comp #2	251 Waller
D	Comp #3	55 Pierce

EXHIBIT D:

MILLS ACT APPLICATION

APPLICATION FOR Mills Act Historical Property Contract

1. Owner/Applicant Information



PROPERTY OWNER 1 NAME: Jean Paul Balajadia	TELEPHONE: (415) 552-8222
PROPERTY OWNER 1 ADDRESS: 64 Pierce Street San Francisco, CA 94117	EMAIL: balajadia.jp@gmail.com
PROPERTY OWNER 2 NAME: Ann Balajadia	TELEPHONE: (415) 552-8222
PROPERTY OWNER 2 ADDRESS: 64 Pierce Street San Francisco, CA 94117	EMAIL: annicc.sf@gmail.com
PROPERTY OWNER 3 NAME: N/A	TELEPHONE: ()
PROPERTY OWNER 3 ADDRESS:	EMAIL:

2. Subject Property Information

PROPERTY ADDRESS: 64 Pierce Street San Francisco, CA	ZIP CODE: 94117
PROPERTY PURCHASE DATE: Nov. 9, 2007	ASSESSOR BLOCK/LOT(S): Block#: 0865 Lot#: 015
MOST RECENT ASSESSED VALUE: \$1,560,000	ZONING DISTRICT:

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"/>
Do you own other property in the City and County of San Francisco? <i>If Yes, please list the addresses for all other property owned within the City of San Francisco on a separate sheet.</i>	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
Property is designated as a City Landmark under Article 10 of the Planning Code	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Are there any outstanding enforcement cases on the property from the San Francisco Planning Department or the Department of Building Inspection?	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.

Owner Signature: 
 Owner Signature: 
 Owner Signature: _____

Date: 09/03/2013
 Date: 09/03/2013
 Date: _____

3. Program Priority Criteria

The following criteria are used to rank applications. Please check the appropriate categories as they apply to your building. Use a separate sheet to explain why your building should be considered a priority when awarding a Mills Act Historical Property Contract. Buildings that qualify in three of the five categories are given priority consideration.

1. Property meets one of the six criteria for a qualified historic property:

Property is individually listed in the National Register of Historic Places	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
Property is listed as a contributor to an historic district included on the National Register of Historic Places	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
Property is designated as a City Landmark under Article 10 of the Planning Code	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
Property is designated as a contributory building to an historic district designated under Article 10 of the Planning Code	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Property is designated as a Category I or II (significant) to a conservation district under Article 11 of the Planning Code	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
Property is designated as a Category III or IV (contributory) to a conservation district under Article 11 of the Planning Code	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>

2. Property falls under the following Property Tax Value Assessments:

Residential Buildings: \$3,000,000	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Commercial, Industrial or Mixed Use Buildings: \$5,000,000	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>

**If property value exceeds these values please complete Part 4: Application of Exemption*

3. Rehabilitation/Restoration/Maintenance Plan:

A 10 Year Rehabilitation/Restoration/Maintenance Plan will be submitted detailing work to be performed on the subject property	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
--	---	-----------------------------

4. Required Standards:

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"/>
---	---	-----------------------------

**Detail how the proposed work meets the Secretary of Interior Standards on a separate sheet or include as part of Rehabilitation/Restoration/Maintenance Plan.*

5. Mills Act Tax Savings:

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"/>
--	---	-----------------------------

4. Application for Exemption from Property Tax Valuation

If answered "no" to either question under No. 2 "Property fall under the following Property Tax Value Assessments" in the Program Priority Criteria Checklist, on a separate sheet of paper, explain how the property meets the following criteria and should be exempt from the property tax valuations. Also attach a copy of the most recent property tax bill.

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 by a qualified consultant must be submitted to demonstrate meeting this requirement).

NAMES:
TAX ASSESSED VALUE:
PROPERTY ADDRESS:

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: *Joan Paul Bengali*
Owner Signature: *CRB*
Owner Signature: _____

Date: 09/03/2013
Date: 09/03/2013
Date: _____

Planning Department Staff Evaluation

THIS SECTION TO BE COMPLETED EXCLUSIVELY BY PLANNING DEPARTMENT STAFF

Exceptional Structure?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
Specific threat to resource?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
Complete HSR submitted?	YES <input type="checkbox"/>	NO <input type="checkbox"/>

Percent above value limit: _____
No. of criteria satisfied: _____
Planner's Initial: _____

5. Draft Mills Act Historical Agreement

Please use the Planning Department's standard form "Historical Property Contract" located on the Planning Department's Forms page at www.sfplanning.org. Any modifications to the City's standard form contract made by the applicant or the submittal of an independently prepared contract shall be subject to approval by the City Attorney prior to consideration by the Historic Preservation Commission and the Board of Supervisors and may result in additional processing time.

6. Rehabilitation/Restoration/Maintenance Plan

Use this form to outline your rehabilitation, restoration, and maintenance plan. Copy this page as necessary to include all items that apply to your property. Begin by listing recently completed work (if applicable) and continue with work you propose to complete within the next ten years arranging 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 requires 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.

Draft Rehabilitation/Restoration/Maintenance Scope

BUILDING FEATURE:			
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input checked="" type="checkbox"/>	Proposed <input type="checkbox"/>
CONTRACT YEAR WORK COMPLETION:			
01/2012			
TOTAL COST (rounded to nearest dollar):			
\$9,400			
DESCRIPTION OF WORK:			
Rehabilitation of the front facade: this includes character defining features wood trim and corbels; leaded glass windows and transom; and the historic wooden front door. All features were repaired according to best practices.			

BUILDING FEATURE:			
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input checked="" type="checkbox"/>	Proposed <input type="checkbox"/>
CONTRACT YEAR WORK COMPLETION:			
01/2012			
TOTAL COST (rounded to nearest dollar):			
\$87,705			
DESCRIPTION OF WORK:			
Seismic Upgrades: Upgraded the structure of the house to ensure survivability in an earthquake and corrected deficiencies that were causing abnormal and accelerated deteriorations of the house. The original brick foundations were only capped in certain areas that were exposed. Foundation was encased in concrete, added grade beams, added structural steel moment frames in the garage, added engineered steel framing throughout the house, added sheer walls and a new glue-lam beams.			

THIS SECTION TO BE COMPLETED EXCLUSIVELY BY PLANNING DEPARTMENT STAFF

Property Address:	
Block / Lot:	
Board of Supervisors Ordinance Number:	

BUILDING FEATURE:

Rehab/Restoration ☒Maintenance ☐Completed ☒Proposed ☐

CONTRACT YEAR WORK COMPLETION:

2012

TOTAL COST (rounded to nearest dollar):

\$50,000

DESCRIPTION OF WORK:

Repaired all siding that was able to be salvaged and replaced, in kind, all siding damaged beyond repair;
painted all interior and exterior walls

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: Sept-03, 2013 before me, MALOOK SINGH SAINI (Notary Public)
DATE INSERT NAME OF THE OFFICER

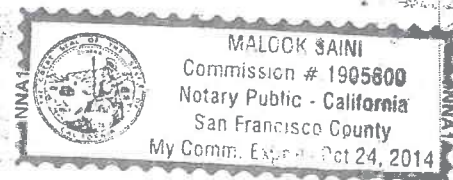
NOTARY PUBLIC personally appeared: JEAN PAUL BALAJADIA ANN CAVNESS BALAJADIA
NAME(S) OF SIGNER(S)

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.

Malook Saini
SIGNATURE



(PLACE NOTARY SEAL ABOVE)

8. Historical Property Tax Adjustment Worksheet Calculation

The following is an example showing the possible tax benefits to the historical property owner of an owner-occupied single-family dwelling. This form is a guideline only. Your reduced property tax under a Mills Act contract is not guaranteed to match this calculation.

Determine Annual Income and Annual Operating Expenses

An \$120,000 potential gross income less a vacancy and collection loss of \$2,400 and less \$17,640 annual expenses for maintenance, repairs, insurance, and utilities yields a net annual income of \$99,960. (Mortgage payments and property taxes are not considered expenses). Estimated vacancy and collection loss is based upon what is typically happening in the marketplace. It can be different for different properties (i.e. - residential properties generally have a lower vacancy and collection loss than commercial properties). The theory is that when estimating a property's value using the income approach (the approach required for Mills Act valuations) it is reasonable to assume some rent loss due to vacancy and inability to collect rents.

Determine Capitalization Rate

Add the following together to determine the Capitalization Rate:

- The Interest Component is determined by the Federal Housing Finance Board and is based on conventional mortgages. While this component will vary from year to year, the State Board of Equalization has set this at 4.75% for 2012.
- The Historical Property Risk Component of 4% (as prescribed in Sec. 439.2 of the State Revenue and Tax Code) applies to owner-occupied single-family dwellings. A 2% risk component applies to all other Properties.
- The Property Tax Component (Post-Prop. 13) of .01 times the assessment ratio of 100% (1%).
- The Amortization Component is a percentage equal to the reciprocal of the remaining life of the structure and is set at the discretion of the County Assessor for each individual property. In this example the remaining life of the building is 60 years and the improvements represent 45% of the total property value. The amortization component is calculated thus: $1/60 = .0167 \times .45 = .0075$.

Calculate New Assessed Value and Estimated Tax Reduction

The new assessed value is determined by dividing the annual net income (\$99,960) by the capitalization rate .1067 (10.67%) to arrive at the new assessed value of \$936,832.

Lastly, determine the amount of taxes to be paid by taking the current tax rate of 1.167 (1%) of the assessed value \$26,652. Compare this with the current property tax rate for land and improvements only (be sure not to include voter indebtedness, direct assessments, tax rate areas and special districts items on your tax bill).

In this example, the annual property taxes have been reduced by \$15,719 (\$26,652 - \$10,933), an approximately 40% property tax reduction.

EXAMPLE:

Simple Property Tax Calculation
Current Assessed Value = \$2,283,810
Current Tax Rate = X 1.167%
Current Property Taxes = @26,652

Assessment Using Mills Act Valuation Methodology

Potential Annual Gross Income Using Market Rent (\$10,000 per month X 12 months)	\$120,000
Estimated Vacancy and Collection Loss of 2%	(\$2,400)
Effective Gross Income	\$117,600
Less Operating Expenses (i.e. utilities, insurance, maintenance, management)	(\$17,640)
Net Income	\$99,960
Restricted Capitalization Rate	10.67%
Historical Property Value	\$936,832
Current Tax Rate	X 1.167%
New Tax Calculation	\$10,933

Property Tax Savings	\$15,719
----------------------	----------

9. Historical Property Tax Adjustment Worksheet Guide

PROPERTY ADDRESS: 64 Pierce Street San Francisco, CA 94117

PROPERTY DESCRIPTION: Single Family Home

OWNER OCCUPIED: YES ☒ NO ☐

STEP 1: Determine Annual Income of Property

ANNUAL PROPERTY INCOME	CURRENT	EXPLANATION
1. Monthly Rental Income	\$ 10,000	For owner-occupied properties estimate a monthly rental income. Include all potential sources of income (filming, advertising, photo shoots, billboard rentals, etc.)
2. Annual Rental Income	\$ 120,000	Multiply Line 1 by 12
3. Deduction for Vacancy	\$ 114,000	5% (subtract %5 from line 2)

STEP 2: Calculate Annual Operating Expenses

ANNUAL OPERATING EXPENSES	CURRENT	EXPLANATION
4. Insurance	\$ 2,994	Fire, Liability, etc.
5. Utilities	\$ 9,000	Water, Gas, Electric, etc.
6. Maintenance*	\$ 3,600	Maintenance includes: Painting, plumbing, electrical, gardening, cleaning, mechanical, heating repairs, structural repairs, security, and property management.
7. Management*	\$ 0	
8. Other Operating Expenses	\$ 300	Security, services, etc. Provide breakdown on separate sheet.
9. Total Expenses†	\$ 15,894	Add Lines 4 through 8

* If calculating for commercial property, provide the following back-up documentation where applicable:

- Rent Roll (include rent for on-site manager's unit as income if applicable)
- Maintenance Records (provide detailed break-down; all costs should be recurring annually)
- Management Expenses (include expense of on-site manager's unit and 5% off-site management fee; and describe other management costs. Provide breakdown on separate sheet.)

† Annual operating expenses do not include mortgage payments, property taxes, depletion charges, corporate income taxes or interest on funds invested in the property.

STEP 3: Determine Annual Net Income

NET OPERATING INCOME	CURRENT	EXPLANATION
9. Net Operating Income	\$ 98,106	Line 3 minus Line 9

STEP 4: Determine Capitalization Rate

CAPITALIZATION RATE	CURRENT	EXPLANATION
10. Interest Component	6.50%	As determined by the State Board of Equalization for 2009/2010
11. Historic Property Risk Component	4%	Single-family home = 4% All other property = 2%
12. Property Tax Component	1%	.01 times the assessment ratio of 100%
13. Amortization Component (Reciprocal of life of property)	5%	If the life of the improvements is 20 years Use $100\% \times 1/20 = 5\%$
14. Capitalization Rate	13.75%	Add Lines 10 through 13

STEP 5: Calculate New Assessed Value

NEW ASSESSED VALUE	CURRENT	EXPLANATION
15. Mills Act Assessed Value	\$ 713,498	Line 9 divided by Line 14

STEP 6: Determine Estimated Tax Reduction

NEW TAX ASSESSMENT	CURRENT	EXPLANATION
16. Current Tax (Exclude voter indebtedness, direct assessments, tax rate areas and special districts)	\$ 24,886.40	General tax levy only – do not include voted indebtedness or other direct assessments
17. Tax under Mills Act	\$ 7,134.98	Line 15 x .01
18. Estimated Tax Reduction	\$ 17,751.42	Line 16 minus Line 17

The Assessor Recorder's Office may request additional information. A timely response is required to maintain hearing and review schedules.

Application Checklist to be Submitted with all Materials

Utilize this list to ensure a complete application package is submitted.

- | | | |
|-----------|--|---|
| 1 | Historical Property Contract Application
Have all owners signed and dated the application? | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |
| <hr/> | | |
| 2 | Priority Consideration Criteria Worksheet
Have three priorities been checked and adequately justified? | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |
| <hr/> | | |
| 3 | Exemption Form & Historic Structure Report
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? | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |
| <hr/> | | |
| 4 | Draft Mills Act Historical Property Agreement
Are you using the Planning Department's standard form "Historical Property Contract?"
Have all owners signed and dated the contract?
Have all signatures been notarized? | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |
| <hr/> | | |
| 5 | Notary Acknowledgement Form
Is the Acknowledgement Form complete?
Do the signatures match the names and capacities of signers? | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |
| <hr/> | | |
| 6 | Draft Rehabilitation/Restoration/Maintenance Plan
Have you identified and completed the Rehabilitation, Restoration, and Maintenance Plan organized by contract year and including all supporting documentation related to the scopes of work? | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |
| <hr/> | | |
| 7 | Historical Property Tax Adjustment Worksheet
Did you provide back-up documentation (for commercial property only)? | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |
| <hr/> | | |
| 8 | Photographic Documentation
Have you provided both interior and exterior images?
Are the images properly labeled? | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |
| <hr/> | | |
| 9 | Site Plan
Does your site plan show all buildings on the property including lot boundary lines, street name(s), north arrow and dimensions? | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |
| <hr/> | | |
| 10 | Tax Bill
Did you include a copy of your most recent tax bill? | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |
| <hr/> | | |
| 11 | Payment
Did you include a check payable to the San Francisco Planning Department? | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |



Central Reception

1650 Mission Street, Suite 400
San Francisco CA 94103-2479

TEL: 415.558.6378

FAX: 415.558.6409

WEB: <http://www.sfplanning.org>

Planning Information Center (PIC)

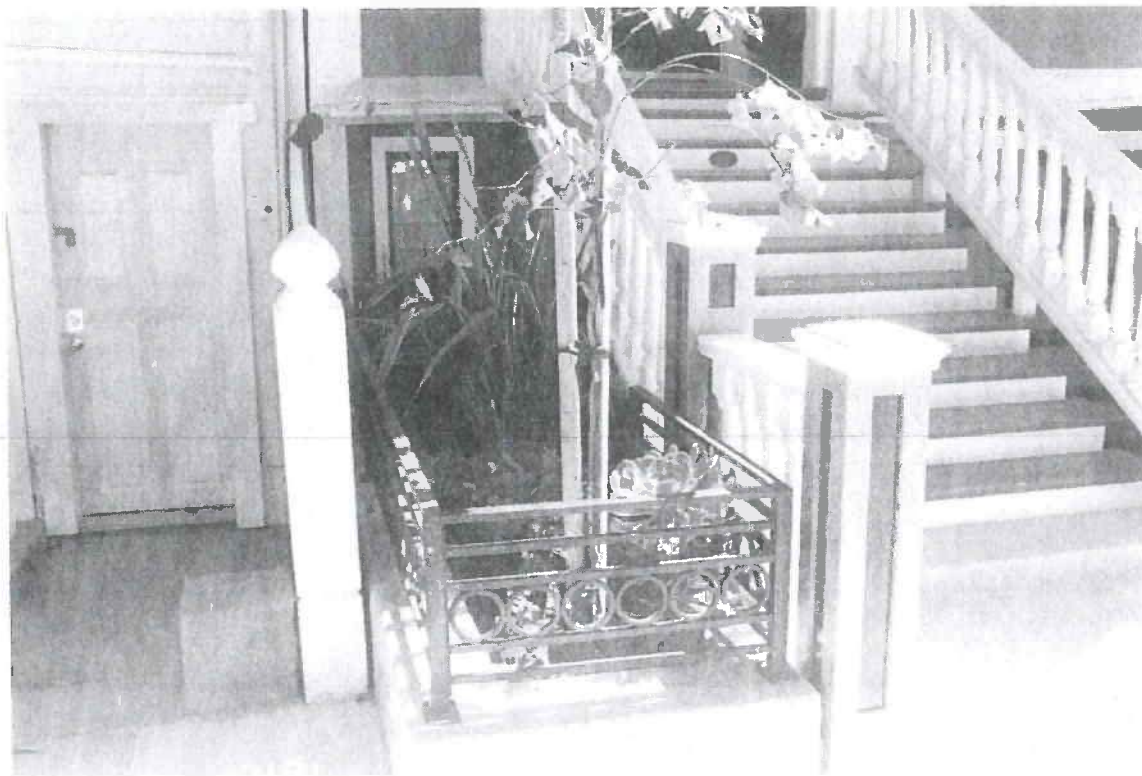
1660 Mission Street, First Floor
San Francisco CA 94103-2479

TEL: 415.559.6377

*Planning staff are available by phone and at the PIC counter.
No appointment is necessary.*



64 Pierce Street facade



Front stair and planter box with stucco finish and ironwork surround



Siding below entry stair, stucco wall finish and permeable concrete driveway



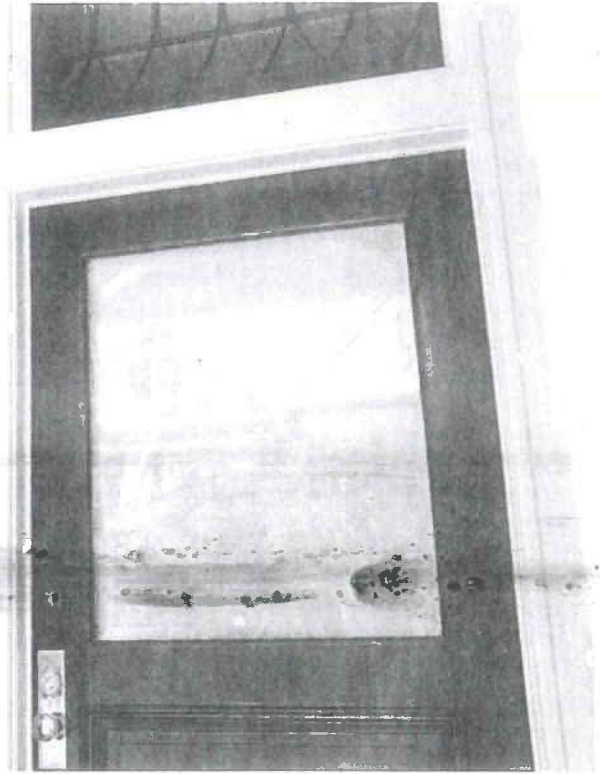
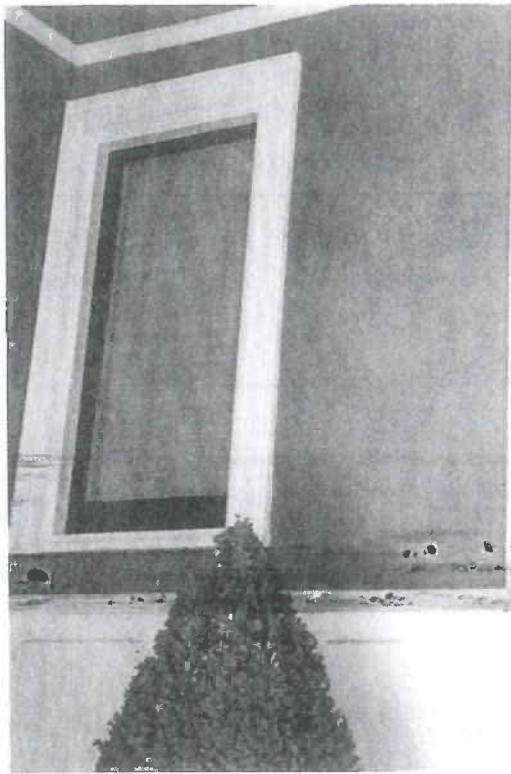
64 Pierce Street roof and facade



64 Pierce Street roof and facade



Garage door, trench drain and permeable concrete driveway



Front entry vestibule with seating area and operable window above door with decorative ironwork.



Front door and entry vestibule

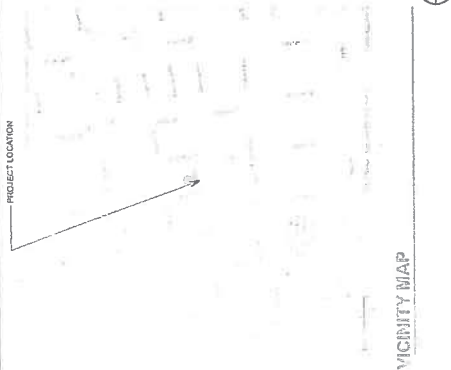
Balajadia Residence

64 Pierce Street, San Francisco CA

SVEN LAVINE ARCHITECTURE
320 Fulton Street
San Francisco, CA 94102
Tel: 415.607.7011
Fax: 415.616.1795

Balajadia Residence
64 Pierce Street
San Francisco, CA
94102

PROJECT LOCATION



VICINITY MAP

BUILDING INFORMATION & CODE DATA

PROJECT INFORMATION

PROJECT NAME	64 PIERCE STREET
OWNER	SVEN LAVINE ARCHITECTURE
DESIGNER	SVEN LAVINE ARCHITECTURE
DATE	08/23/10

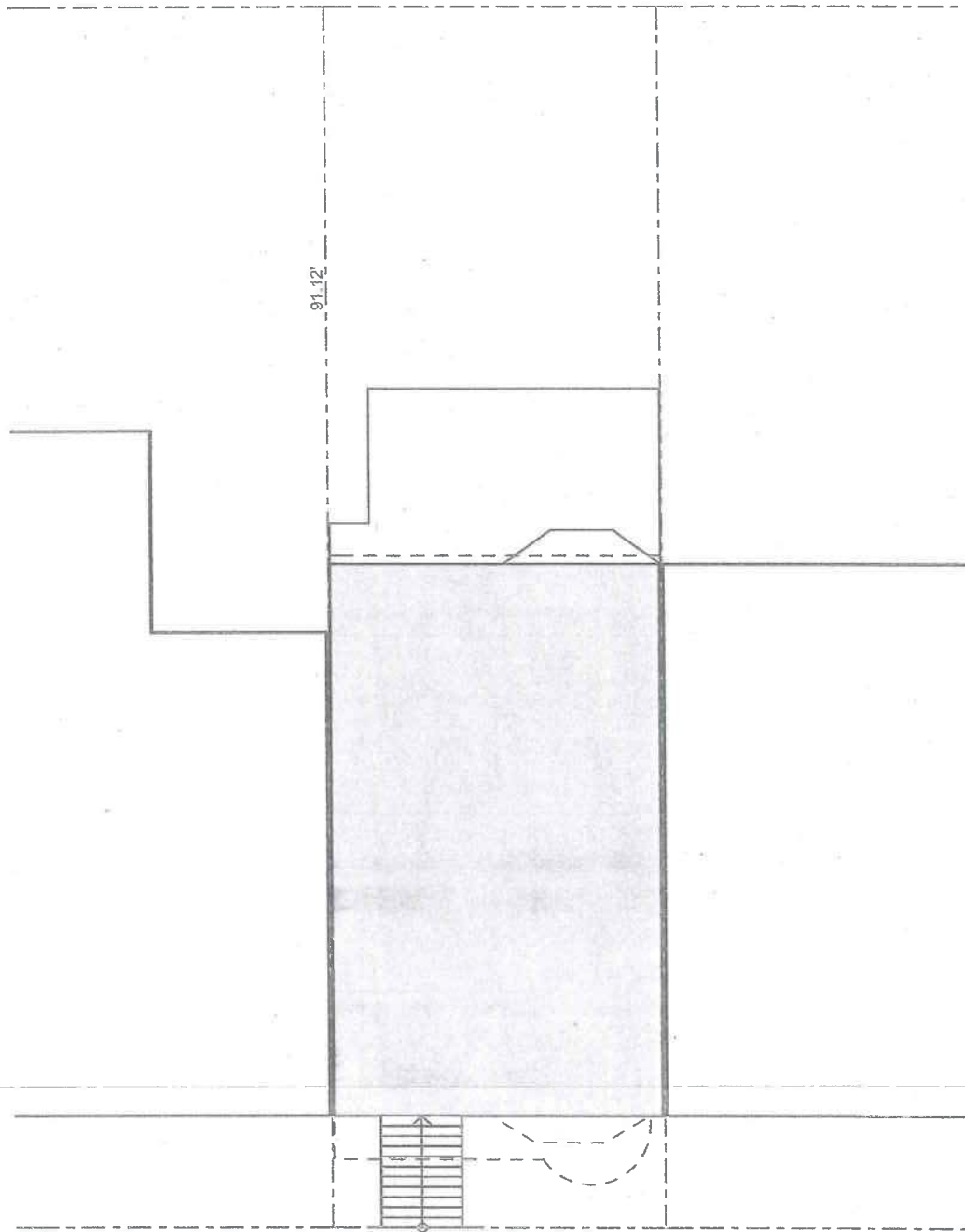
LEGAL DESCRIPTION & AREA CALCULATIONS

USE	EXISTING	PROPOSED
RESIDENTIAL	1.0	1.0
COMMERCIAL	1.0	1.0
INDUSTRIAL	1.0	1.0
RECREATION	1.0	1.0
TRANSPORTATION	1.0	1.0
UTILITY	1.0	1.0
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WATER TREATMENT	1.0	1.0
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WATER TREATMENT	1.0	1.0
WASTE TREATMENT	1.0	1.0
WATER TREATMENT	1.	

SCOPE OF WORK

Add a two-story horizontal addition in rear of existing building. Addition includes two bedrooms, two bathrooms, a kitchen, a living area, and a terrace. Addition also includes a new roof and foundation. Addition is located on the rear lot of the property.

ID	DESCRIPTION	STATUS
A-101	FOUNDATION	COMPLETED
A-102	ROOF	COMPLETED
A-103	WALLS	COMPLETED
A-104	FLOORING	COMPLETED
A-105	CEILING	COMPLETED
A-106	PAINT	COMPLETED
A-107	LANDSCAPE	COMPLETED
A-108	PERMITS	COMPLETED
A-109	INSULATION	COMPLETED
A-110	MECHANICAL	COMPLETED
A-111	ELECTRICAL	COMPLETED
A-112	PLUMBING	COMPLETED
A-113	FINISHES	COMPLETED
A-114	EXTERIOR	COMPLETED
A-115	INTERIOR	COMPLETED
A-116	LANDSCAPE	COMPLETED
A-117	PERMITS	COMPLETED
A-118	INSULATION	COMPLETED
A-119	MECHANICAL	COMPLETED
A-120	ELECTRICAL	COMPLETED
A-121	PLUMBING	COMPLETED
A-122	FINISHES	COMPLETED
A-123	EXTERIOR	COMPLETED
A-124	INTERIOR	COMPLETED
A-125	LANDSCAPE	COMPLETED
A-126	PERMITS	COMPLETED
A-127	INSULATION	COMPLETED
A-128	MECHANICAL	COMPLETED
A-129	ELECTRICAL	COMPLETED
A-130	PLUMBING	COMPLETED
A-131	FINISHES	COMPLETED
A-132	EXTERIOR	COMPLETED
A-133	INTERIOR	COMPLETED
A-134	LANDSCAPE	COMPLETED
A-135	PERMITS	COMPLETED
A-136	INSULATION	COMPLETED
A-137	MECHANICAL	COMPLETED
A-138	ELECTRICAL	COMPLETED
A-139	PLUMBING	COMPLETED
A-140	FINISHES	COMPLETED
A-141	EXTERIOR	COMPLETED
A-142	INTERIOR	COMPLETED
A-143	LANDSCAPE	COMPLETED
A-144	PERMITS	COMPLETED
A-145	INSULATION	COMPLETED
A-146	MECHANICAL	COMPLETED
A-147	ELECTRICAL	COMPLETED
A-148	PLUMBING	COMPLETED
A-149	FINISHES	COMPLETED
A-150	EXTERIOR	COMPLETED
A-151	INTERIOR	COMPLETED
A-152	LANDSCAPE	COMPLETED
A-153	PERMITS	COMPLETED
A-154	INSULATION	COMPLETED
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A-163	INSULATION	COMPLETED
A-164	MECHANICAL	COMPLETED
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A-166	PLUMBING	COMPLETED
A-167	FINISHES	COMPLETED
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A-170	LANDSCAPE	COMPLETED
A-171	PERMITS	COMPLETED
A-172	INSULATION	COMPLETED
A-173	MECHANICAL	COMPLETED
A-174	ELECTRICAL	COMPLETED
A-175	PLUMBING	COMPLETED
A-176	FINISHES	COMPLETED
A-177	EXTERIOR	COMPLETED
A-178	INTERIOR	COMPLETED
A-179	LANDSCAPE	COMPLETED
A-180	PERMITS	COMPLETED
A-181	INSULATION	COMPLETED
A-182	MECHANICAL	COMPLETED
A-183	ELECTRICAL	COMPLETED
A-184	PLUMBING	COMPLETED
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A-193	PLUMBING	COMPLETED
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A-203	FINISHES	COMPLETED
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A-215	LANDSCAPE	COMPLETED
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A-283	PLUMBING	COMPLETED
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A-404	LANDSCAPE	COMPLETED
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A-410	FINISHES	COMPLETED
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A-422	LANDSCAPE	COMPLETED
A-423	PERMITS	COMPLETED
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A-425	MECHANICAL	COMPLETED
A-426	ELECTRICAL	COMPLETED
A-427	PLUMBING	COMPLETED
A-428	FINISHES	COMPLETED
A-429	EXTERIOR	COMPLETED
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A-449	LANDSCAPE	COMPLETED
A-450	PERMITS	COMPLETED
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A-452	MECHANICAL	COMPLETED
A-453	ELECTRICAL	COMPLETED
A-454	PLUMBING	COMPLETED
A-455	FINISHES	COMPLETED
A-456	EXTERIOR	COMPLETED
A-457	INTERIOR	COMPLETED
A-458	LANDSCAPE	COMPLETED
A-459	PERMITS	COMPLETED
A-460	INSULATION	COMPLETED
A-461	MECHANICAL	COMPLETED
A-462	ELECTRICAL	COMPLETED
A-463	PLUMBING	COMPLETED
A-464	FINISHES	COMPLETED

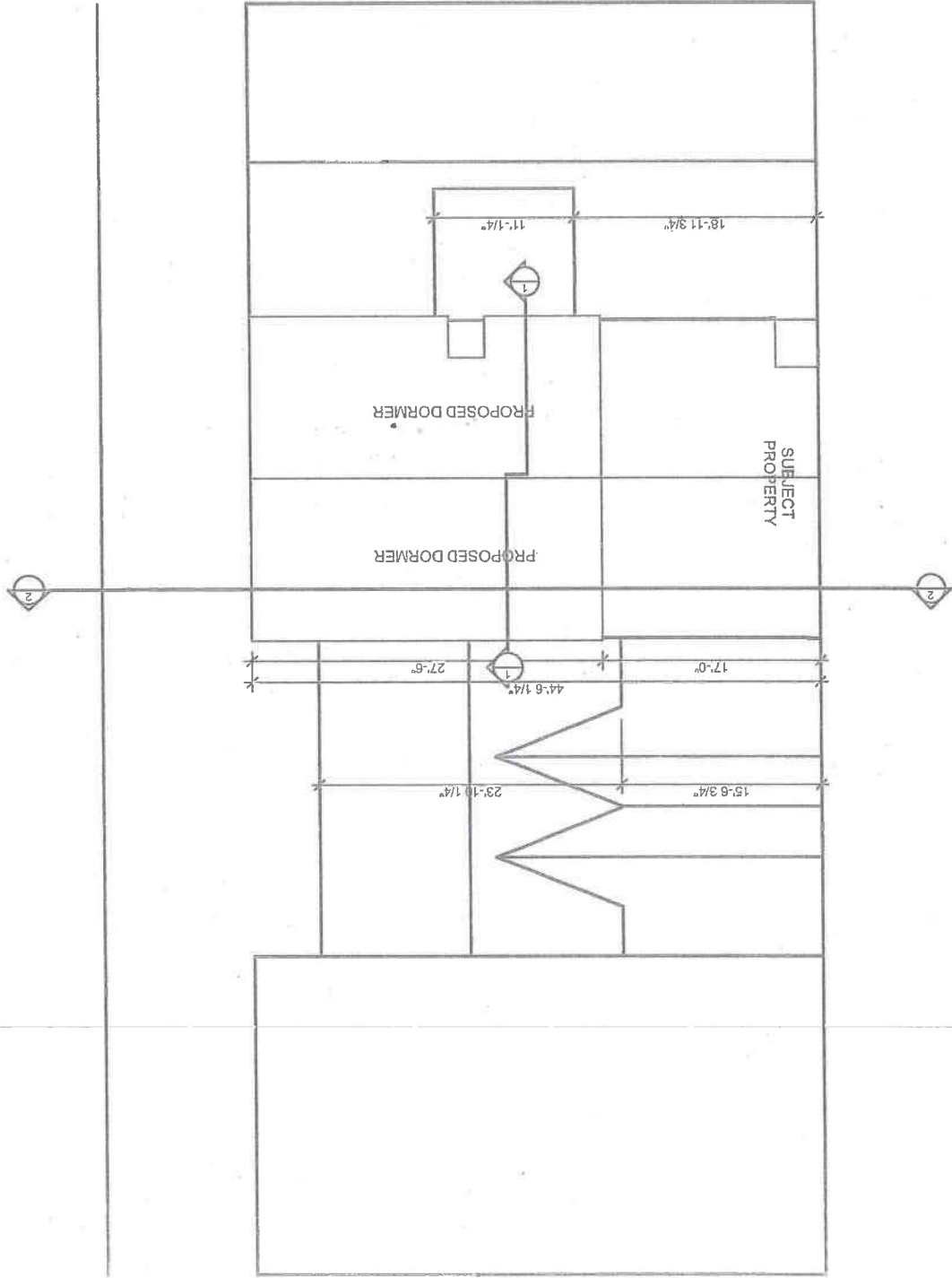


1 PROPOSED SITE

SCALE: 1/8" = 1'-0"

SD, OPTION 1

© SVEN L'AMINE ARCHITECTURE	415 647-7061	3/25/10	Balajadia Residence	64 Pierce Street
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ROOF PLAN

PIERCE STREET

SD, OPTION 1

© SVEN LAVINE ARCHITECTURE	415 647-7061	3/25/10	Baleajadia Residence	64 Pierce Street
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FRONT ELEVATION

SCALE: 3/16" = 1'-0"

SD, OPTION 1

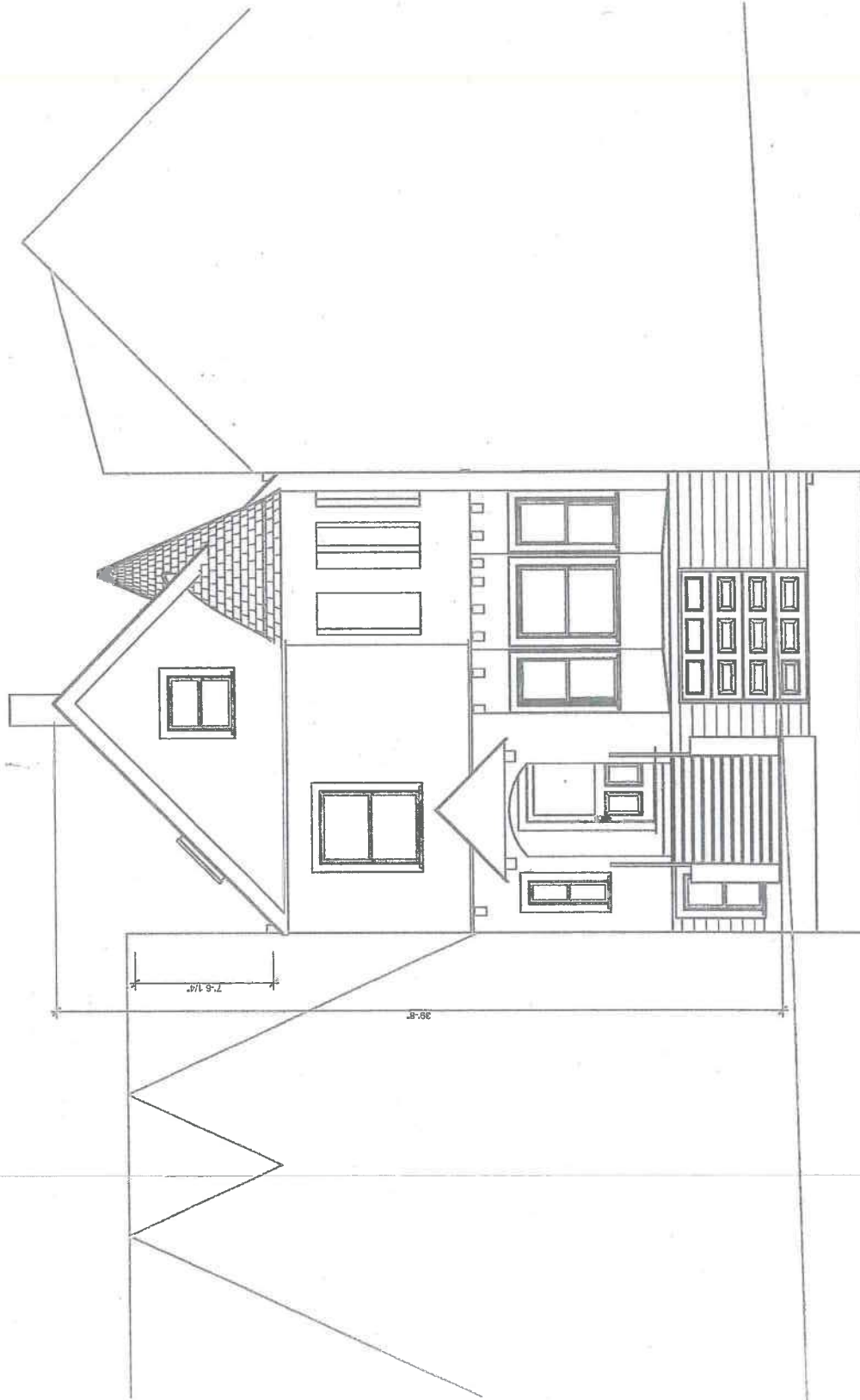
© SVEN LAVINE ARCHITECTURE

415 647-7061

3/25/10

Balajadia Residence

64 Pierce Street



1 (E) FRONT ELEVATION

SCALE: 3/16" = 1'-0"

SD, OPTION 1

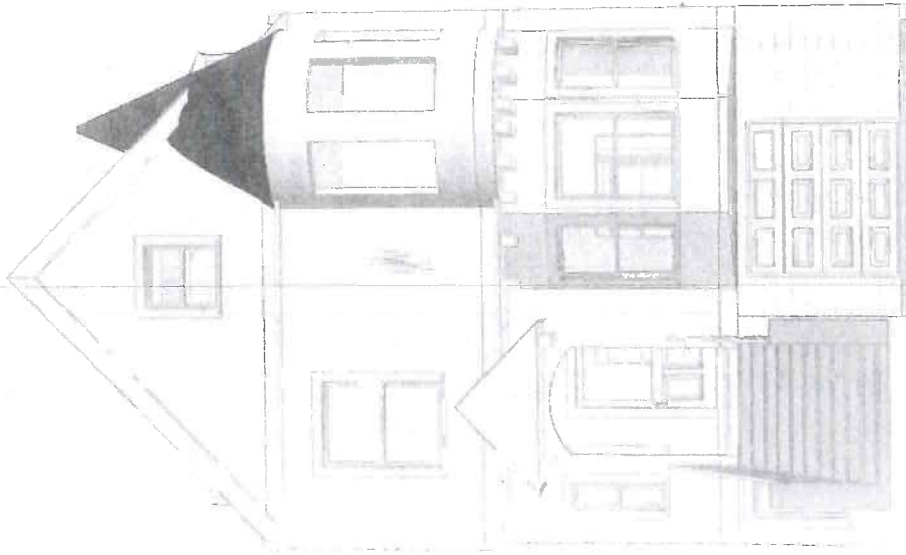
© SVEN LAVINE ARCHITECTURE

415 647-7061

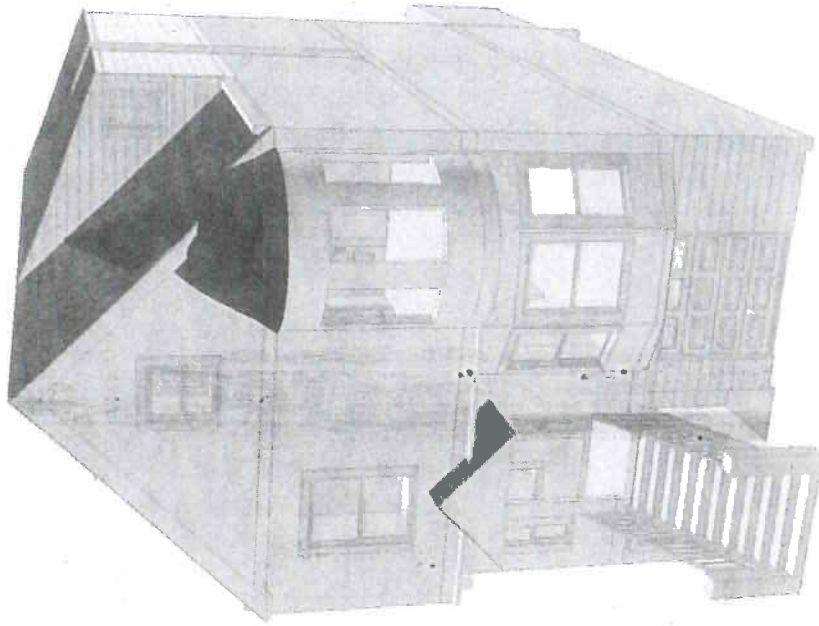
3/25/10

Balajadia Residence

64 Pierce Street



PERSPECTIVE FROM ACROSS THE STREET. You start to see the dormer at street level from about 70 feet away.



SD, OPTION 1

© SVEN L. VINE ARCHITECTURE	415 647-7061	3/25/10	Balajadia Residence	64 Pierce Street
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**SECURED PROPERTY TAX BILL 2012 - 2013**

FOR FISCAL YEAR BEGINNING July 1, 2012 AND ENDING June 30, 2013

City and County of San Francisco – José Cisneros, Treasurer and Tax Collector – WWW.SFTREASURER.ORG**INTERNET COPY**

VOL	BLOCK NO.	LOT NO.	ACCOUNT NO.	TAX BILL NO.	TAX RATE	PROPERTY LOCATION
06	0865	015	086500150	036967	1.1691 %	64 PIERCE ST

Assessed on January 1, 2012

INFORMATION

Property Valuation: 415-554-5596 (Assessor-Recorder)
Homeowner's/Other Exemptions: 415-554-5596 (Assessor-Recorder)
Current Year Taxes: 415-554-4400 (Taxpayer Assistance)
Prior Year Delinquencies: 415-554-4499
E-mail: Treasurer.TaxCollector@sfgov.org

PAYMENT OPTIONS

Online: <http://www.sftreasurer.org> (VISA, Mastercard, Discover or AMEX credit cards, Star, NYCE or PULSE debit cards, E-check)
In Person: City Hall (Check, Cash)
Phone: 1-800-890-1950 (VISA, Mastercard, Discover, or AMEX credit cards, Star, NYCE or PULSE debit cards)

ASSESSMENT INFORMATION

ASSESSMENT	FULL VALUE	TAX RATE	TAX AMOUNT
LAND	\$1,092,000.00	1.1691 %	\$12,766.57
IMPR/STRUCTURAL	\$468,000.00		\$5,471.38
IMPR/FIXTURES	\$0.00		\$0.00
PERSONAL PROPERTY	\$0.00		\$0.00
GROSS TAXABLE VALUE	\$1,560,000.00		\$18,237.96
LESS: EXEMPTIONS			
HOMEOWNER'S	\$0.00		\$0.00
OTHER	\$0.00		\$0.00
NET TAXABLE VALUE	\$1,560,000.00		\$18,237.96

DIRECT CHARGES AND/OR SPECIAL ASSESSMENTS:

(Call For Information)

CODE	TYPE	PHONE NO.	
29	Rent Stabilization Fee	(415) 554-4452	\$29.00
89	SFUSD Facilities District	(415) 355-2203	\$33.30
98	SF – Teacher Support	(415) 355-2203	\$213.90

TOTAL DIRECT CHARGES AND SPECIAL ASSESSMENTS **\$276.20****DUE NOVEMBER 1, 2012****FIRST INSTALLMENT:**

\$9,257.08

DUE FEBRUARY 1, 2013**SECOND INSTALLMENT:**

\$9,257.08

TOTAL DUE: \$18,514.16

2012 - 2013 CITY AND COUNTY OF SAN FRANCISCO TAX SECOND INSTALLMENT PAYMENT STUB 2012 - 2013

VOL	BLOCK NO.	LOT NO.	TAX BILL NO.	TAX RATE	PROPERTY LOCATION
06	0865	015	036967	1.1691 %	64 PIERCE ST

PAYMENTS WITH LATE U.S. POSTAL SERVICE POSTMARKS WILL BE RETURNED FOR PENALTY.

Make check payable to SF Tax Collector and include block & lot numbers on your check			PAY THIS AMOUNT IF PAYMENT IS MADE BY APRIL 10, 2013		
MAIL TO:	or	BRING TO:	\$0.00		
SF Tax Collector's Office P.O. Box 7426 San Francisco, CA 94120-7426		City Hall, Room 140 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102			
REMINDER:			AFTER APRIL 10, 2013 ADD:		
Check if contributions to Arts Fund is enclosed. For other donation opportunities, goto www.Give2SF.org .			2	10% PENALTY	\$925.70
				AND \$45.00 COST	\$45.00
				TOTAL DELINQUENT	\$10,227.78
				KEEP THIS NO. 2 STUB AND RETURN WITH YOUR 2nd INSTALLMENT PAYMENT.	

2012 - 2013 CITY AND COUNTY OF SAN FRANCISCO TAX FIRST INSTALLMENT PAYMENT STUB 2012 - 2013

VOL	BLOCK NO.	LOT NO.	TAX BILL NO.	TAX RATE	PROPERTY LOCATION
06	0865	015	036967	1.1691 %	64 PIERCE ST

PAYMENTS WITH LATE U.S. POSTAL SERVICE POSTMARKS WILL BE RETURNED FOR PENALTY.

Make check payable to SF Tax Collector and include block & lot numbers on your check			PAY THIS AMOUNT IF PAYMENT IS MADE BY DECEMBER 10, 2012		
MAIL TO:	or	BRING TO:	\$0.00		
SF Tax Collector's Office P.O. Box 7426 San Francisco, CA 94120-7426		City Hall, Room 140 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102			
REMINDER:			AFTER DECEMBER 10, 2012 ADD:		
Check if contributions to Arts Fund is enclosed. For other donation opportunities, goto www.Give2SF.org .			1	10% PENALTY	\$925.70
				TOTAL DELINQUENT	\$10,182.78
				DETACH AND RETURN THIS NO. 1 STUB WITH YOUR 1st INSTALLMENT PAYMENT.	



SAN FRANCISCO PLANNING DEPARTMENT

Historic Preservation Commission Draft Resolution

HEARING DATE DECEMBER 4, 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: December 4, 2013
Filing Dates: September 3, 2013
Case No.: 2013.1259U
Project Address: **56 Potomac St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential - House, Two Family)
40-X Height and Bulk District
Block/Lot: 0866/012
Applicant: Karli Sager & Jason Monberg
56 Potomac St.
San Francisco, CA 94117
Staff Contact: Susan Parks – (415) 575-9101
susan.parks@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 56 POTOMAC 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 existing building located at 56 Potomac Street and is listed under Article 10 of the San Francisco Planning Code Planning Code as a contributor to the Duboce Park 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 56 Potomac Street, which are located in Case

Docket No. 2013.1259U. 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 56 Potomac 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 December 4, 2013, 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 56 Potomac Street, which are located in Case Docket No. 2013.1259U. The Historic Preservation Commission recommends approval of the Mills Act historical property contract, rehabilitation program, and maintenance plan.

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 56 Potomac 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 56 Potomac Street, and other pertinent materials in the case file 2013.1259U to the Board of Supervisors.

I hereby certify that the foregoing Resolution was ADOPTED by the Historic Preservation Commission on December 4, 2013.

Jonas P. Ionin
Commissions Secretary

AYES: Hasz, Wolfram, Hyland, Johnck, Johns, Mastuda, Pearlman

NOES:

ABSENT:

ADOPTED: 7-0



SAN FRANCISCO PLANNING DEPARTMENT

Mills Act Contracts Case Report

Hearing Date: December 4, 2013

- a. *Filing Dates:* September 3, 2013
Case No.: 2013.1261U
Project Address: **50 Carmelita St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential - House, Two Family)
40-X Height and Bulk District
Block/Lot: 0864/011
Applicant: Adam Speigel & Guillemette Broulliat-Speigel
50 Carmelita St.
San Francisco, CA 94117
- b. *Filing Date:* September 3, 2013
Case No.: 2013.1230U
Project Address: **66 Carmelita St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential House, Two Family)
40-X Height and Bulk District
Block/Lot: 0864/015
Applicant: Amy Hockman & Brian Bone
66 Carmelita St.
San Francisco, CA 94117
- c. *Filing Date:* September 3, 2013
Case No.: 2013.1260U
Project Address: **70 Carmelita St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential House, Two Family)
40-X Height and Bulk District
Block/Lot: 0864/016
Applicant: Elise Sommerville
70 Carmelita St.
San Francisco, CA 94117
- d. *Filing Date:* September 3, 2013
Case No.: 2013.1258U
Project Address: **56 Pierce St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential House, Two Family)
40-X Height and Bulk District
Block/Lot: 0865/013

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Mill Act Applications	2013.1261U; 2013.1230U; 2013.1260U; 2013.1528U; 2013.1254U; 2013.1259U; 2013.1257U; 2013.0575U
December 4, 2013	50 Carmelita St.; 66 Carmelita St.; 70 Carmelita St.; 56 Pierce St.; 64 Pierce St.; 64 Pierce St.; 56 Potomac St.; 66 Potomac St.; 1772 Vallejo St.

e. *Filing Date:* September 3, 2013
Case No.: 2013.1254U
Project Address: **64 Pierce St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential House, Two Family)
40-X Height and Bulk District
Block/Lot: 0865/015
Applicant: Jean Paul Balajadia
64 Pierce St.
San Francisco, CA 94117

f. *Filing Date:* September 3, 2013
Case No.: 2013.1259U
Project Address: **56 Potomac St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential House, Two Family)
40-X Height and Bulk District
Block/Lot: 0866/012
Applicant: Karli Sager & Jason Monberg
56 Potomac St.
San Francisco, CA 94117

g. *Filing Date:* September 3, 2013
Case No.: 2013.1257U
Project Address: **66 Potomac St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential House, Two Family)
40-X Height and Bulk District
Block/Lot: 0866/015
Applicant: Adam Wilson & Quyen Nguyen
66 Potomac St.
San Francisco, CA 94117

h. *Filing Date:* May 1, 2013
Case No.: 2013.0575U
Project Address: **1772 Vallejo St.**
Historic Landmark: Landmark No. 31, Burr Mansion
Zoning: RH-2 (Residential House, Two Family)
40-X Height and Bulk District
Block/Lot: 0552/029
Applicant: John Moran

1772 Vallejo St.
San Francisco, CA 94123

Staff Contact: Susan Parks – (415) 575-9101
susan.parks@sfgov.org
Reviewed By: Tim Frye – (415) 575-6822
tim.frye@sfgov.org

PROPERTY DESCRIPTION

- a. **50 Carmelita St.:** The subject property is located on the east side of Carmelita Street between Waller and Duboce Streets, the lot is adjacent to Duboce Park. Assessor's Block 0864, Lot 011. It is located in a RH-2 (Residential House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 2 1/2 story frame house was built in 1899 in a combination of the Queen Anne and Shingle styles.
- b. **66 Carmelita St.:** The subject property is located on the east side of Carmelita Street between Waller and Duboce Streets. Assessor's Block 0864, Lot 015. It is located in a RH-2 (Residential-House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 1 1/2 story-over-basement frame house was built in 1900 by master builder Fernando Nelson in the Queen Anne style.
- c. **70 Carmelita St.:** The subject property is located on the east side of Carmelita Street between Waller and Duboce Streets. Assessor's Block 0864, Lot 016. It is located in a RH-2 (Residential-House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 1 1/2 story-over-basement frame house was built in 1900 by master builder Fernando Nelson in the Queen Anne style.
- d. **56 Pierce St.:** The subject property is located on the east side of Pierce Street between Waller and Duboce Streets. Assessor's Block 0865, Lot 013. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 2 1/2 story-over-basement frame house was built c. 1905 by master builder Fernando Nelson in the Queen Anne style and features applied stick work reminiscent of the Tudor style.
- e. **64 Pierce St.:** The subject property is located on the east side of Pierce Street between Waller and Duboce Streets. Assessor's Block 0865, Lot 015. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 2 1/2 story-over-basement frame house was built c. 1905 by master builder Fernando Nelson in the Queen Anne style and features applied stick work reminiscent of the Tudor style.

- f. 56 Potomac St.:** The subject property is located on the east side of Potomac Street between Waller and Duboce Streets. Assessor's Block 0866, Lot 012. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 1 1/2 story-over-basement frame house was built in 1899 by neighborhood builders George Moore & Charles Olinger in the Queen Anne style. This property was the informal sales office and home of George Moore and his family.
- g. 66 Potomac St.:** The subject property is located on the east side of Potomac Street between Waller and Duboce Streets. Assessor's Block 0866, Lot 015. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 1 1/2 story-over-basement frame house was built in 1899 by neighborhood builders George Moore & Charles Olinger in the Queen Anne style.
- h. 1772 Vallejo St.:** The subject property is located on the north side of Vallejo Street between Gough and Franklin Streets. Assessor's Block 0522, Lot 029. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as City Landmark #31. It is also listed in Here Today (page 22) and the Planning Department 1976 Architectural Survey. The three-story-over-basement house was designed primarily in the Italianate style with French Second Empire influences.

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 and recommendation on the historical property contract, proposed rehabilitation program, and proposed maintenance plan. The Historic Preservation Commission shall conduct a public hearing on the Mills Act application and contract 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's Office to execute the historical property contract.

MILLS ACT REVIEW PROCEDURES

The Historic Preservation Commission is requested to review each and make to recommendation 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 program 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 as to whether to recommend to the Board of Supervisors if the valuation exemption shall 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 Project Sponsor, Planning Department Staff, and the Office of the City Attorney have negotiated the attached draft historical property contracts, which include a draft maintenance plan for the historic building. Department staff believes that the draft historical property contracts and maintenance plans are adequate.

- a. 50 Carmelita St.:** As detailed in the Mills Act application, the Project Sponsor proposes to 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 and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The property was fully rehabilitated at the time of purchase two years ago. The Project Sponsors have developed a thorough maintenance plan that involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan includes; painting and repairing the historic shingled siding and wood trim as needed; inspecting the roof, flashing and vents regularly and replacing elements or the entire roof when needed; inspection of the gutters, downspouts, grading to ensure there is no damage to the foundation; maintenance of the exterior doors, stairways, balustrades, and decking for dry rot; and routine inspections of the historic wood windows and non-historic skylights checking for dry rot, damage, or leaks, and repairing any damage found according to best practices. No changes to the use are proposed. Please refer to the attached Rehabilitation 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. 66 Carmelita St.:** As detailed in the Mills Act application, the Project Sponsor proposes to continue rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves in-kind custom replacement of historic elements including rotted entry stairs, balustrades and porch decking; repainting of the stairs and porch; repair (or replace, if needed) non-functional double hung windows at the front bay on main floor and rear parlor; replacing the roof; and replacing deteriorated non-historic skylights and resealing others; repair and repainting of historic siding; and completing repairs based on structural engineers inspection to the brick foundation (previous repairs were undertaken in sections by different homeowners). No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; and the foundation. 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. 70 Carmelita St.:** As detailed in the Mills Act application, the Project Sponsor proposes to continue rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves historic wood siding and millwork; reroofing and installing a Dutch gutter on the south side of roof (shared with 66 Carmelita St.; and installing a trench drain to remediate water run-off that is flooding the basement and damaging foundation, and walls. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; and the foundation. 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.

- d. 56 Pierce St.:** As detailed in the Mills Act application, the Project Sponsor proposes to begin maintenance efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The property was fully rehabilitated prior to the Mills Act Application. No changes to the use are proposed.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses the repair, maintenance and repainting of the wood siding, windows/glazing, roof, millwork, stairs and ornamentation; gutters, downspouts and drainage; and the foundation and sheer walls. 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.

- e. 64 Pierce St.:** As detailed in the Mills Act application, the Project Sponsor proposes to continue rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves repairing and painting historic wood siding; repaired and replaced, as needed, historic millwork; including wood trim and corbels; repair of the leaded glass windows and transoms; repair of the historic front door; repair all windows that could be repaired and replaced in kind those that were beyond repair (23 windows total) at the front of the house, restored the front entry, including flooring, lighting and removing non-historic

detailing; replaced railings at the front entry stairs to be code compliant and historically accurate encased the deteriorated brick foundation in concrete, added structural steel beams, comment frames, sheer walls and steel framing throughout the house to meet seismic standards; leveled the house to improve drainage at grade; removed concrete slabs at front yard and replaced with planter areas and borders (to improve the property); remediated water pooling at the exterior of house by re-grading and installing trench drain repaired existing roof drains; installed new roof drains to correct drainage issues from neighboring houses. Please refer to the attached Rehabilitation Plan for a full description of the proposed work. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; and the foundation. 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.

- f. 56 Potomac St.:** As detailed in the Mills Act application, the Project Sponsor proposes to begin rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves reconstruction and structural repairs to the historic front stairs and porch based on historic photographs. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; attic and the foundation. 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.

- g. 66 Potomac St.:** As detailed in the Mills Act application, the Project Sponsor proposes to continue rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves repairing and painting the historic wood siding and worked with color consultant for historically accuracy; repaired and replaced, as needed, the historic millwork; including the decorative shingles at the front pediment, existing dentils and corbeling; reroof and install moisture and thermal protection; install all new wood windows at the rear of the house; repair all windows at the front of the house, rebuilding all sashes, as needed; replaced the entire compromised brick foundation with a concrete foundation to meet seismic standards, added structural steel and leveled the house to improve drainage at grade; patched and repaired stucco at front façade; rebuilt decks; railings and balconies. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork, stairs and ornamentation; gutters, downspouts and drainage; and the foundation. 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.

h. 1772 Vallejo St.: As detailed in the Mills Act application, the Project Sponsor proposes to begin rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with Secretary of Interior's Standards for Rehabilitation and for Restoration.

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 City Landmark until Article 10 of the Planning Code. A Historic Structures 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, 1772 Vallejo St., Exhibit B)

The rehabilitation program involves structural evaluation of unreinforced masonry foundation; removing interior unreinforced chimney (not visible from street); Improve the landscape drainage to redirect water flow from the house; work to rehabilitate the historic garden setting; feasibility study for upgrading the unreinforced foundation of the rear cottage, repair the historic windows at the cottage, repair and reinforced the fireplace and chimney, replace the roofing, and any damaged rafters as needed; study feasibility of demolish non historic garage to restore the historic character of the property; repair and replace historic wood windows as necessary; repair deteriorated wood siding and millwork in-kind; repaint exterior using a color consultant to determine historic paint colors; and replace roofing. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses care of the garden; wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; attic and the foundation

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

PLANNING DEPARTMENT RECOMMENDATION

The Planning Department recommends that the Historic Preservation Commission adopt a resolution recommending approval of these Mills Act Historical Property Contracts, rehabilitation and maintenance plans to the Board of Supervisors.

ISSUES AND OTHER CONSIDERATIONS

The Assessor and Records Office has provided initial review. The Planning Department is continuing to working with the Assessor and Recorder's Office to finalize the final property tax valuations and savings.

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 and the City and County of San Francisco;
2. Approving the proposed Mills Act rehabilitation and maintenance plan for each property.

Attachments:

a. 50 Carmelita St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

b. 66 Carmelita St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

c. 70 Carmelita St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

d. 56 Pierce St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

e. 64 Pierce St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

f. 56 Potomac St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

g. 66 Potomac St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

h. 1772 Vallejo St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Historic Structures Report

Exhibit C: Draft Rehabilitation & Maintenance Plan

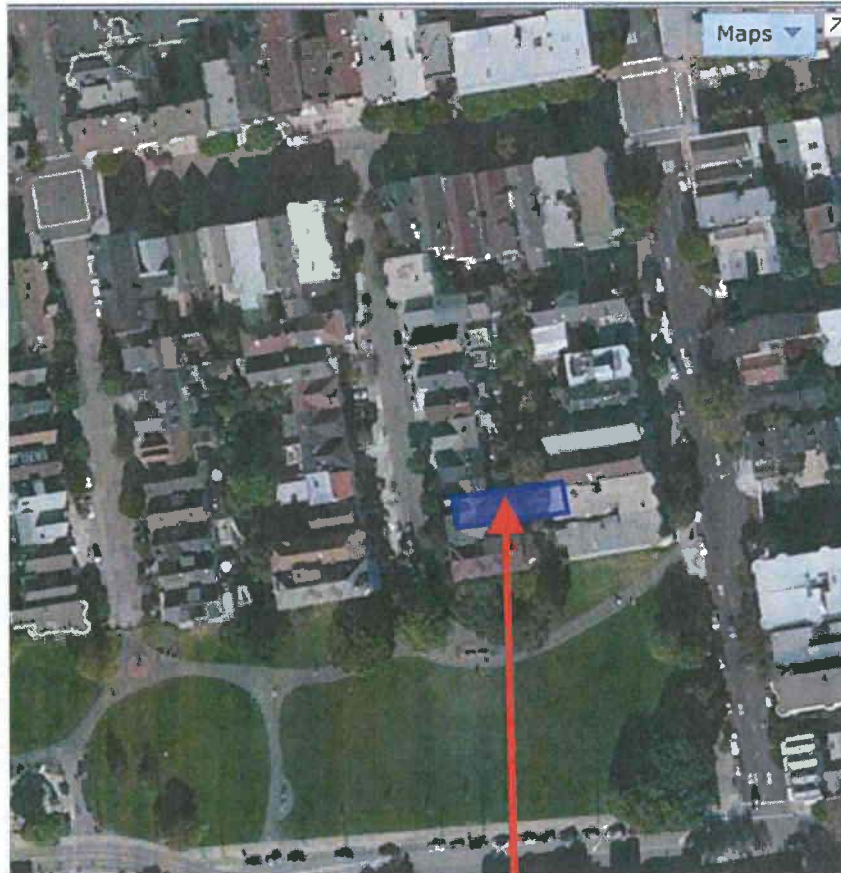
Exhibit D: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit E: Mills Act Application

Site Photo



Aerial Photo



SUBJECT PROPERTY



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
56 POTOMAC STREET
N/A
SAN FRANCISCO, CALIFORNIA**

THIS AGREEMENT is entered into by and between the City and County of San Francisco, a California municipal corporation ("City") and JASON MONBERG ("Owner(s)").

RECITALS

Owners are the owners of the property located at 56 POTOMAC STREET, in San Francisco, California (Block 0866, Lot 012). The building located at 56 POTOMAC STREET is designated as a CONTRIBUTORY BUILDING TO A HISTORIC DISTRICT DESIGNATED UNDER ARTICLE 10 OF THE PLANNING CODE and is also known as the "N/A" ("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 TWENTY-FIVE THOUSAND Dollars (\$25,000). (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 FOUR HUNDRED Dollar (\$ 400 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: _____
Phil Ting
Assessor-Recorder

DATE: _____

By: _____
John Rahaim
Director of Planning

DATE: _____

APPROVED AS TO FORM:
DENNIS J. HERRERA
CITY ATTORNEY

By: _____
[NAME]
Deputy City Attorney

DATE: _____

OWNERS

By:  _____
[NAME], Owner

DATE: 9/2/13

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

OWNER(S)' SIGNATURE(S) MUST BE NOTARIZED.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

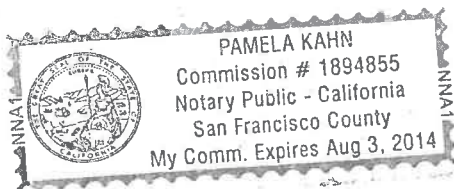
County of San Francisco

On 09-03-2013 before me,

Here Insert Name and Title of the Officer

personally appeared

Name(s) of Signer(s)



who proved to me on the basis of satisfactory evidence to be the person(s) whose 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

Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document:

Document Date:

Number of Pages:

Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)

Signer's Name:

- ☐ Individual
- ☐ Corporate Officer — Title(s):
- ☐ Partner — ☐ Limited ☐ General
- ☐ Attorney in Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other:

Signer Is Representing:

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

Signer's Name:

- ☐ Individual
- ☐ Corporate Officer — Title(s):
- ☐ Partner — ☐ Limited ☐ General
- ☐ Attorney in Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other:

Signer Is Representing:

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

ATTACH PUBLIC NOTARY FORMS HERE.

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: 09.03.2013 before me, Pamela Kahn,
DATE INSERT NAME OF THE OFFICER

NOTARY PUBLIC personally appeared: Jason Monberg,
NAME(S) OF SIGNER(S)

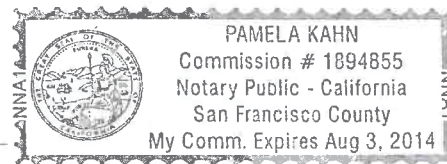
who proved to me on the basis of satisfactory evidence to be the person(s) who name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s),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

Pamela Kahn
SIGNATURE

California Mills
act Historic Property
agreement



(PLACE NOTARY SEAL ABOVE)

EXHIBIT B:

DRAFT REHABILITATION & MAINTENANCE PLAN

Application for Mills Act Historical Property Contract

Property Owner: Jason Monberg
Property Address: 56 Potomac Street

2. Subject Property Information

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.

1. 138 Whitney Street, San Francisco

56 Potomac Rehabilitation Plan

Rehab restoration X Completed in 2017 cost 13,500

Reconstruct the front stairs. Will hire an architect, structural engineer and contractor to design and build new wooden front stairs constructed in historically appropriate materials; including stairs, handrails, and the porch railing. Historic photos or images of neighboring properties will be used as inspiration. The stair will match the configuration of neighboring historic stairs and will contribute to the overall restoration of the front façade of the property.

Rehab/restoration X Completed in 2019 Cost \$1,500

Repaint the entire house: Prepare, prime, and repaint house using historic paint colors.

Rehab/restoration X Completed in 2021 Cost \$11,500

Replacement of six deteriorated wooden windows with double-hung wooden windows (in-kind) on the first floor front and historically appropriate wood windows on the rear facades.

56 Potomac Maintenance Plan

The following items will be inspected annually:

Roof, gutters and drainage systems to check for leaks, blockages or other issues that may cause damage to the roof, or the envelope of the house. This includes removing leaves and other debris and checking for biological growth that erodes the roofing. Any damages or loose shingles will be replaced in kind to match. Any loose, damaged, or rusted flashing will be replaced.

Attic will be checking annual for dampness and water infiltration. If signs of mold, deterioration, or structural issues are discovered, they will be repaired and replaced immediately.

Stucco (front façade). Inspect stucco for moisture or water damage. If damage can be repaired, it will be repaired according to best practices and will be replaced in-kind only if necessary.

Wood siding (rear façade)? Will annual inspect the exterior wood siding for dryrot and water damage. If damage can be repaired, it will be repaired according to best practices and will be replaced in-kind only if necessary.

Windows. Windows will be inspected annually, Sashes, sills, and trim will be checked for dryrot or damage, and will be repaired or patched according to best practices. Glazing putty will be inspected and replaced as necessary.

Porch Inspect the porch and repair areas where wood has decayed. Removed damaged boards and replaced with wood to match existing. Porch will be repainted every ten years or as needed.

Basement, foundation, and grade. Annual inspection of the foundation for buckling, water damage, or other structural issues. If any structural damage is found, a structural engineer will be contacted for assistance.

Draft Rehabilitation/Restoration/Maintenance Chart
56 Potomac Street

YEAR	REHABILITATION	MAINTENANCE	ESTIMATED COST	ACTUAL COST
2014		Ongoing maintenance: inspect roof, roof drainage, exterior walls, windows, foundation and grade, building perimeter, entryways, doors, attic, basement. Repair features as funds are available.	\$250	
2015		Ongoing maintenance: inspect roof, roof drainage, exterior walls, windows, foundation and grade, building perimeter, entryways, doors, attic, basement. Repair features as funds are available.	\$250	
2016	Plans and engineering for stairs	Ongoing maintenance: inspect roof, roof drainage, exterior walls, windows, foundation and grade, building perimeter, entryways, doors, attic, basement. Repair features as funds are available.	\$3,500	
2017	Wood stairs with wood railings construction	Ongoing maintenance: inspect roof, roof drainage, exterior walls, windows, foundation and grade, building perimeter, entryways, doors, attic, basement. Repair features as funds are available.	\$10,000	
2018		Ongoing maintenance: inspect roof, roof drainage, exterior walls, windows, foundation and grade, building perimeter, entryways, doors, attic, basement. Repair features as funds are available.	\$250	

2019		<p>Prepare, prime and repaint the house with historic paint color.</p> <p>Ongoing maintenance: inspect roof, roof drainage, exterior walls, windows, foundation and grade, building perimeter, entryways, doors, attic, basement. Repair features as funds are available.</p>	<p>\$250</p> <p>\$1,500</p>	
2020	Wood replacement windows on façade	Ongoing maintenance: inspect roof, roof drainage, exterior walls, windows, foundation and grade, building perimeter, entryways, doors, attic, basement. Repair features as funds are available.	\$11,500	
2021		Ongoing maintenance: inspect roof, roof drainage, exterior walls, windows, foundation and grade, building perimeter, entryways, doors, attic, basement. Repair features as funds are available.	\$250	
2022		Ongoing maintenance: inspect roof, roof drainage, exterior walls, windows, foundation and grade, building perimeter, entryways, doors, attic, basement. Repair features as funds are available.	\$250	
2023		Ongoing maintenance: inspect roof, roof drainage, exterior walls, windows, foundation and grade, building perimeter, entryways, doors, attic, basement. Repair features as funds are available.	\$250	

			\$26,750	

EXHIBIT C:

**DRAFT MARKET ANALYSIS & INCOME APPROACH
PROVIDED BY THE ASSESSOR'S OFFICE**



56 Potomac Street
APN 06-0866-012

MILLS ACT VALUATION



APN: 06-0866-012 SF Landmark: _____
Property Location: 56 Potomac Street Date of Mills Act Application: 9/1/2013
Applicant's Name: Jason Monberg Property Type: Single Family Dwelling
Agt./Tax Rep./Atty: _____ Date of Sale: 6/20/2003
Applicant supplied appraisal? No Sale Price: \$905,000

DATE OF MILLS ACT VALUATION: September 1, 2013

TAXABLE VALUE - THREE WAY VALUE COMPARISON					
FACTORED BASE YEAR VALUE		RESTRICTED MILLS ACT VALUE		CURRENT MARKET VALUE	
Land	\$ 638,641	Land	\$ 380,000	Land	\$1,000,000
Imps	\$ 425,762	Imps	\$ 250,000	Imps	\$700,000
Total	\$ 1,064,403	Total	\$ 630,000	Total	\$1,700,000

PROPERTY CHARACTERISTICS					
Present Use:	SFR	Neighborhood:	Hayes Valley	Number of Stories:	2
Number of Units	1	Year Built:	1900	Land Area (SF):	2,247
Owner Occupied:		Building Area:	1,745	Zoning:	RH2

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Interior / Exterior Photos	Page 3
Restricted Income Valuation	Page 4
Comparable Rents	Page 5
Sales Comparison Valuation	Page 6
Map of Comparable Sales	Page 7

CONCLUSION AND RECOMMENDATIONS

Based on the three-way value comparison, the lowest of the three values is the restricted Mills Act Value

The taxable Mills Act value on: September 1, 2013 is \$630,000

Appraiser: Timothy Landregan Date: 11/26/13
Principal Appraiser: Cathleen Hoffman

0866-012 - Photos



RESTRICTED INCOME APPROACH

APN 06-0866-012
56 Potomac Street
Restricted Mills Act Value
Lien Date: August 31, 2013

Owner Occupied

	GLA (SF)		Annual Rent / SF		
Potential Gross Income:	1,745	x	\$41.26	=	\$72,000
Less Vacancy & Collection Loss			2%		<u>(\$1,440)</u>
Effective Gross Income					\$70,560
Less Anticipated Operating Expenses*			15%		<u>(\$10,584)</u>
Net Operating Income (before property tax)					\$59,976
Restricted Capitalization Rate Components:					
Rate Components:					
2013 Interest Rate per SBR			3.7500%		
Risk rate (4% owner occupied / 2% all other property types)			4.0000%		
Property tax rate (2012)			1.1691%		
Amortization rate for the Improvements:					
Remaining Economic Life:	60				
Amortization per Year (reciprocal)	0.0167		1.6667%		
Overall Rates:					
		Land			8.9191%
		Improvements			10.5858%
Weighted Capitalization Rate					
		Land	60%		5.35%
		Improvements	40%		<u>4.23%</u>
		Total			9.59%

RESTRICTED VALUE **\$625,682**

ROUNDED TO **\$630,000**

Footnotes:

Top line rent potential concluded to be \$6,000 per month, based on comp #5 and #8, or \$41.25 per foot on an annual basis. Owner's opinion of monthly rent potential also \$6,000 per month.

*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 actual annual operating expenses of the subject property are \$7,400 (10.5% of EGI). Default to 15%.

Rental Comps

Comp #1: Parnassus Hts



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

Softieby's
 Not provided
 Clayton at Parnassus
 2,400
 4/2.5, 2 car parking
 \$7,700
\$3.21
\$38.50

Comp #2: Cow Hollow



Bay Property Group
 2546 Greenwich St
 Between Scott and Divisadero
 4,350
 4/6, 3 car parking
 \$13,495
\$3.10
\$37.23

Comp #3: Marina



J Wavro Associates
 Not Provided
 Scott at Bay
 3,000
 4/3, 2 car parking
 \$8,950
\$2.98
\$35.80

Comp #4: Twin Peaks



By Owner
 106 Midcrest Way (Midtown Terrace)
 West side of the peaks (Twin Peaks Blvd)
 1,950
 2/2, 1 car parking
\$4,750
\$2.44
\$29.23

Comp #5: Eureka Valley



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

By Owner
 1 Seward Street
 Seward at Douglas/Kite Hill
 1,700
 2/2, No parking
 \$6,900
\$4.06
\$48.71

Comp #6: Twin Peaks



Golden Gate Properties
 26 Portola Drive
 Portola and Market
 1,350
 3/1.5, 2 car parking
 \$4,300
\$3.19
\$38.22

Comp #7: Twin Peaks







REMax/Westlake Properties
 441 Delbrook (@ Panorama)
 Panorama @ Clarendon
 1,127
 3/2, 2 car parking
 \$4,200
\$3.73
\$44.72

Comp #8: Eureka Valley



Donnelly Enterprises
 Not Provided
 Nbe Street at Liberty Street
 2,600
 3/2.5, 2 tandem parking
 \$8,200
\$3.15
\$37.85

SINGLE FAMILY MARKET ANALYSIS

APN	Subject 0866-012	Sale 1 3561-046	Sale 2 1243-027	Sale 3 0864-008	
					
Address	56 Potomac St	51 Beaver	1214 Masonic Ave	55 Pierce St	
Sale Price / Square Foot		\$1,733,300	\$1,555,000	\$2,250,000	
		\$928	\$622	\$900	
	Description	Description	Adjust.	Description	Adjust.
Date of Valuation/Sale	09/01/13	09/26/12	\$103,998	6/21/2013	\$15,550
Location	Hayes Valley	Duboce Triangle	\$80,000	Buena Vista	\$100,000
Lot Size	2,247	2,875	(\$31,400)	2,187	
View	Neighborhood/Open Space	Neighborhood		Neighborhood	
Year Blt/Year Renovated	1900	1902		1900	
Condition	Average/updated	average/updated		Average/Updated	
Construction Quality	Good	Good		Good	
Gross Living Area	1,745	1,867	(\$24,400)	2,498	(\$150,600)
Total Rooms	5	7		8	
Bedrooms	2	2		4	
Bathrooms	2	2.5	(\$15,000)	3	(\$25,000)
Stories	2	3		3	
Garage	1 car	1 car	\$0	1 car	\$0
				2 car	(\$40,000)
Net Adjustments		\$113,198		(\$60,050)	
Indicated Value	\$1,700,000	\$1,846,498		\$1,494,950	
Adjust. \$ Per Sq. Ft.	\$974	\$1,058		\$857	
					\$1,099

VALUE RANGE: \$900 to \$1100 per foot

VALUE CONCLUSION:

\$1,700,000 \$974 / foot

Adjustments

Lot size adjustment: \$50/foot; Adjustment for view: \$50,000, GLA adjustment: \$200/foot; Adjustment for bath counts: \$25,000 for full bath, \$15,000 for partial bath. Adjustment for garage parking: \$40,000 per space.

Comp #1 sold in average condition (older remodel) with mostly original condition. Very similar in design as subject, condition is the significant difference. Also, comp #1 is located in Duboce Triangle, a slightly inferior location to subject (at park, Hayes Valley); Comp #2 is located adjacent to commercial property and has higher traffic, and is inferior in location to the subject. Market conditions adjustment: 5 to 10% increase in values from 2012 to 2013 (.5% per month).

Subject is in mostly original condition with some updates. Per owner, since purchase in 2003, they did some updating and remodeling of the master bedroom. A more substantive remodel is planned for the near future.

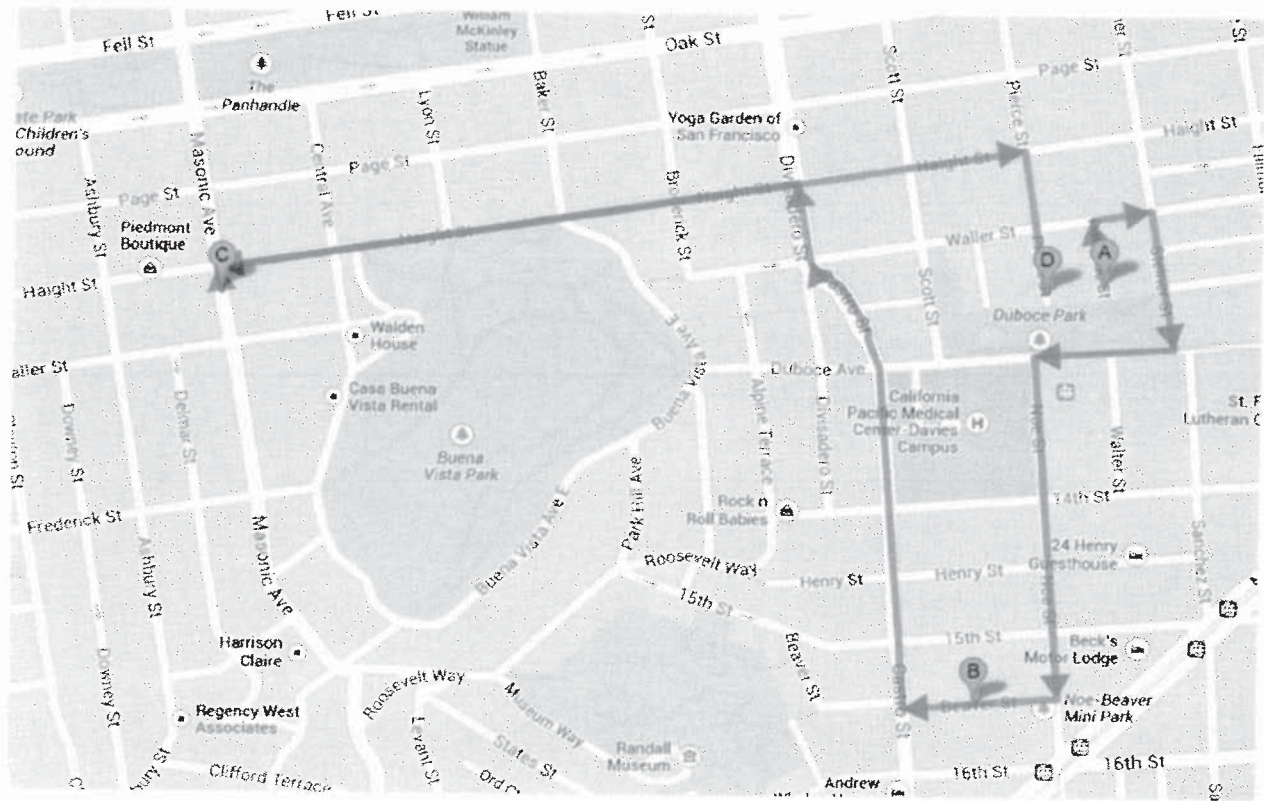
MARKET VALUE

LAND	\$1,000,000
IMPROVEMENTS	\$700,000
TOTAL	\$1,700,000
Market Value / Foot	\$974

ASSESSED VALUE

LAND	\$638,641
IMPROVEMENTS	\$425,762
TOTAL	\$1,064,403
Assessed Value / Foot	\$610

Map of Subject Property and Comparable Sales



A	Subject Property	56 Potomac
B	Comp #1	51 Beaver
C	Comp #2	1214 Masonic
D	Comp #3	55 Pierce

EXHIBIT D:

MILLS ACT APPLICATION

APPLICATION FOR Mills Act Historical Property Contract

1. Owner/Applicant Information

PROPERTY OWNER 1 NAME: Jason Monberg	TELEPHONE: (415) 722-4972
PROPERTY OWNER 1 ADDRESS: 56 Potomac Street, San Francisco, CA 94117	EMAIL: jasonmonberg@gmail.com

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: 56 Potomac Street, San Francisco, CA		ZIP CODE: 94117
PROPERTY PURCHASE DATE: June 2003	ASSESSOR BLOCK/LOT(S): 0866-012	
MOST RECENT ASSESSED VALUE: \$905,000 (June 2003)	ZONING DISTRICT: Duboce Park Historic 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"/>
Do you own other property in the City and County of San Francisco? <i>If Yes, please list the addresses for all other property owned within the City of San Francisco on a separate sheet.</i>	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Property is designated as a City Landmark under Article 10 of the Planning Code	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Are there any outstanding enforcement cases on the property from the San Francisco Planning Department or the Department of Building Inspection?	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.

Owner Signature: 

Date: **7/1/13**

Owner Signature: _____

Date: _____

Owner Signature: _____

Date: _____

3. Program Priority Criteria

The following criteria are used to rank applications. Please check the appropriate categories as they apply to your building. Use a separate sheet to explain why your building should be considered a priority when awarding a Mills Act Historical Property Contract. Buildings that qualify in three of the five categories are given priority consideration.

1. Property meets one of the six criteria for a qualified historic property:

Property is individually listed in the National Register of Historic Places	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
Property is listed as a contributor to an historic district included on the National Register of Historic Places	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
Property is designated as a City Landmark under Article 10 of the Planning Code	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
Property is designated as a contributory building to an historic district designated under Article 10 of the Planning Code	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Property is designated as a Category I or II (significant) to a conservation district under Article 11 of the Planning Code	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
Property is designated as a Category III or IV (contributory) to a conservation district under Article 11 of the Planning Code	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>

2. Property falls under the following Property Tax Value Assessments:

Residential Buildings: \$3,000,000	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Commercial, Industrial or Mixed Use Buildings: \$5,000,000	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>

**If property value exceeds these values please complete Part 4: Application of Exemption*

3. Rehabilitation/Restoration/Maintenance Plan:

A 10 Year Rehabilitation/Restoration/Maintenance Plan will be submitted detailing work to be performed on the subject property	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
--	---	-----------------------------

4. Required Standards:

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"/>
---	---	-----------------------------

**Detail how the proposed work meets the Secretary of Interior Standards on a separate sheet or include as part of Rehabilitation/Restoration/Maintenance Plan.*

5. Mills Act Tax Savings:

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"/>
--	---	-----------------------------

4. Application for Exemption from Property Tax Valuation

If answered "no" to either question under No. 2 "Property fall under the following Property Tax Value Assessments" in the Program Priority Criteria Checklist, on a separate sheet of paper, explain how the property meets the following criteria and should be exempt from the property tax valuations. Also attach a copy of the most recent property tax bill.

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 by a qualified consultant must be submitted to demonstrate meeting this requirement).

NAMES:
TAX ASSESSED VALUE:
PROPERTY ADDRESS:

By signing below, I/we acknowledge that I/we am/are the owner(s) of the structure referenced above and by applying for exemption from the limitations certify, under the penalty of perjury, that the information attached and provided is accurate.

Owner Signature: _____

Date: _____

Owner Signature: _____

Date: _____

Owner Signature: _____

Date: _____

Planning Department Staff Evaluation

THIS SECTION TO BE COMPLETED EXCLUSIVELY BY PLANNING DEPARTMENT STAFF

Exceptional Structure?

YES ☐ NO ☐

Specific threat to resource?

YES ☐ NO ☐

Complete HSR submitted?

YES ☐ NO ☐

Percent above value limit: _____

No. of criteria satisfied: _____

Planner's Initial: _____

5. Draft Mills Act Historical Agreement

Please use the Planning Department's standard form "Historical Property Contract" located on the Planning Department's Forms page at www.sfplanning.org. Any modifications to the City's standard form contract made by the applicant or the submittal of an independently prepared contract shall be subject to approval by the City Attorney prior to consideration by the Historic Preservation Commission and the Board of Supervisors and may result in additional processing time.

8. Historical Property Tax Adjustment Worksheet Calculation

The following is an example showing the possible tax benefits to the historical property owner of an owner-occupied single-family dwelling. This form is a guideline only. Your reduced property tax under a Mills Act contract is not guaranteed to match this calculation.

Determine Annual Income and Annual Operating Expenses

An \$120,000 potential gross income less a vacancy and collection loss of \$2,400 and less \$17,640 annual expenses for maintenance, repairs, insurance, and utilities yields a net annual income of \$99,960. (Mortgage payments and property taxes are not considered expenses). Estimated vacancy and collection loss is based upon what is typically happening in the marketplace. It can be different for different properties (i.e. - residential properties generally have a lower vacancy and collection loss than commercial properties). The theory is that when estimating a property's value using the income approach (the approach required for Mills Act valuations) it is reasonable to assume some rent loss due to vacancy and inability to collect rents.

Determine Capitalization Rate

Add the following together to determine the Capitalization Rate:

- The Interest Component is determined by the Federal Housing Finance Board and is based on conventional mortgages. While this component will vary from year to year, the State Board of Equalization has set this at 4.75% for 2012.
- The Historical Property Risk Component of 4% (as prescribed in Sec. 439.2 of the State Revenue and Tax Code) applies to owner-occupied single-family dwellings. A 2% risk component applies to all other Properties.
- The Property Tax Component (Post-Prop. 13) of .01 times the assessment ratio of 100% (1%).
- The Amortization Component is a percentage equal to the reciprocal of the remaining life of the structure and is set at the discretion of the County Assessor for each individual property. In this example the remaining life of the building is 60 years and the improvements represent 45% of the total property value. The amortization component is calculated thus: $1/60 = .0167 \times .45 = .0075$.

Calculate New Assessed Value and Estimated Tax Reduction

The new assessed value is determined by dividing the annual net income (\$99,960) by the capitalization rate .1067 (10.67%) to arrive at the new assessed value of \$936,832.

Lastly, determine the amount of taxes to be paid by taking the current tax rate of 1.167 (1%) of the assessed value \$26,652. Compare this with the current property tax rate for land and improvements only (be sure not to include voter indebtedness, direct assessments, tax rate areas and special districts items on your tax bill).

In this example, the annual property taxes have been reduced by \$15,719 (\$26,652 - \$10,933), an approximately 40% property tax reduction.

EXAMPLE:

Simple Property Tax Calculation
Current Assessed Value = \$2,283,810
Current Tax Rate = X 1.167%
Current Property Taxes = @26,652

Assessment Using Mills Act Valuation Methodology

Potential Annual Gross Income Using Market Rent (\$10,000 per month X 12 months)	\$120,000
Estimated Vacancy and Collection Loss of 2%	(\$2,400)
Effective Gross Income	\$117,600
Less Operating Expenses (i.e. utilities, insurance, maintenance, management)	(\$17,640)
Net Income	\$99,960
Restricted Capitalization Rate	10.67%
Historical Property Value	\$936,832
Current Tax Rate	X 1.167%
New Tax Calculation	\$10,933

Property Tax Savings	\$15,719
----------------------	----------

9. Historical Property Tax Adjustment Worksheet Guide

PROPERTY ADDRESS: 56 Potomac Street, San Francisco, CA 94117

PROPERTY DESCRIPTION: Single family home, 1,800 sq ft, 3 bedrooms, 1.5 baths, stucco facade

OWNER OCCUPIED: YES ☒ NO ☐

STEP 1: Determine Annual Income of Property

ANNUAL PROPERTY INCOME	CURRENT	EXPLANATION
1. Monthly Rental Income	\$ 6,000	For owner-occupied properties estimate a monthly rental income. Include all potential sources of income (filming, advertising, photo shoots, billboard rentals, etc.)
2. Annual Rental Income	\$ 72,000	Multiply Line 1 by 12
3. Deduction for Vacancy	\$ 68,400	5% (subtract %5 from line 2)

STEP 2: Calculate Annual Operating Expenses

ANNUAL OPERATING EXPENSES	CURRENT	EXPLANATION
4. Insurance	\$ 2,000	Fire, Liability, etc.
5. Utilities	\$ 2,400	Water, Gas, Electric, etc
6. Maintenance*	\$ 3,000	Maintenance includes: Painting, plumbing, electrical, gardening, cleaning, mechanical, heating repairs, structural repairs, security, and property management.
7. Management*	\$	
8. Other Operating Expenses	\$	Security, services, etc. Provide breakdown on separate sheet.
9. Total Expenses†	\$ 7,400	Add Lines 4 through 8

* If calculating for commercial property, provide the following back-up documentation where applicable:

- Rent Roll (include rent for on-site manager's unit as income if applicable)
- Maintenance Records (provide detailed break-down; all costs should be recurring annually)
- Management Expenses (include expense of on-site manager's unit and 5% off-site management fee; and describe other management costs. Provide breakdown on separate sheet.)

† Annual operating expenses do not include mortgage payments, property taxes, depletion charges, corporate income taxes or interest on funds invested in the property.

STEP 3: Determine Annual Net Income

NET OPERATING INCOME	CURRENT	EXPLANATION
9. Net Operating Income	\$ 61,000	Line 3 minus Line 9

STEP 4: Determine Capitalization Rate

CAPITALIZATION RATE	CURRENT	EXPLANATION
10. Interest Component	6.50%	As determined by the State Board of Equalization for 2009/2010
11. Historic Property Risk Component	4%	Single-family home = 4% All other property = 2%
12. Property Tax Component	1%	.01 times the assessment ratio of 100%
13. Amortization Component (Reciprocal of life of property)	5%	If the life of the improvements is 20 years Use $100\% \times 1/20 = 5\%$
14. Capitalization Rate	14.75%	Add Lines 10 through 13

STEP 5: Calculate New Assessed Value

NEW ASSESSED VALUE	CURRENT	EXPLANATION
15. Mills Act Assessed Value	\$ 413,560	Line 9 divided by Line 14

STEP 6: Determine Estimated Tax Reduction

NEW TAX ASSESSMENT	CURRENT	EXPLANATION
16. Current Tax (Exclude voter indebtedness, direct assessments, tax rate areas and special districts)	\$ 12,200	General tax levy only – do not include voted indebtedness or other direct assessments
17. Tax under Mills Act	\$ 4,136	Line 15 x .01
18. Estimated Tax Reduction	\$ 8,064	Line 16 minus Line 17

The Assessor Recorder's Office may request additional information. A timely response is required to maintain hearing and review schedules.

Application Checklist to be Submitted with all Materials

Utilize this list to ensure a complete application package is submitted.

1	Historical Property Contract Application	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
	Have all owners signed and dated the application?	
2	Priority Consideration Criteria Worksheet	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
	Have three priorities been checked and adequately justified?	
3	Exemption Form & Historic Structure Report	YES <input type="checkbox"/> NO <input checked="" 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?	
4	Draft Mills Act Historical Property Agreement	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
	Are you using the Planning Department's standard form "Historical Property Contract?" Have all owners signed and dated the contract? Have all signatures been notarized?	
5	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?	
6	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 and including all supporting documentation related to the scopes of work?	
7	Historical Property Tax Adjustment Worksheet	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
	Did you provide back-up documentation (<i>for commercial property only</i>)?	
8	Photographic Documentation	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
	Have you provided both interior and exterior images? Are the images properly labeled?	
9	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?	
10	Tax Bill	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
	Did you include a copy of your most recent tax bill?	
11	Payment	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
	Did you include a check payable to the San Francisco Planning Department?	



City & County of San Francisco
José Cisneros, Treasurer and Tax Collector
Secured Property Tax Bill
For Fiscal Year July 1, 2012 through June 30, 2013

1 Dr. Carlton B. Goodlett Place
City Hall, Room 140
San Francisco, CA 94102
www.sftreasurer.org

Vol	Block	Lot	Account Number	Tax Rate	Statement Date	Property Location
06	0866	012	086600120	1.1691%	10/11/2012	56 POTOMAC ST

Assessed on January 1, 2012
To: MONBERG JASON E

MONBERG JASON E
56 POTOMAC ST
SAN FRANCISCO CA 94117-3323

Assessed Value		
Description	Full Value	Tax Amount
Land	626,119	7,319.95
Structure	417,414	4,879.98
Fixtures		
Personal Property		
Gross Taxable Value	1,043,533	12,199.94
Less HO Exemption		
Less Other Exemption		
Net Taxable Value	1,043,533	\$12,199.94

Direct Charges and Special Assessments

Code	Type	Telephone	Amount Due
89	SFUSD FACILITY DIST	(415) 355-2203	33.30
98	SF - TEACHER SUPPORT	(415) 355-2203	213.90
Total Direct Charges and Special Assessments			\$247.20

► **TOTAL DUE**

1st Installment	2nd Installment
\$6,223.57	\$6,223.57

Due: November 1, 2012
Delinquent after Dec 10, 2012

Due: February 1, 2013
Delinquent after April 10, 2013

Keep this portion for your records. See back of bill for payment options and additional information.



1 EXISTING SITE PLAN
7/20/2011 10:40:00 AM

56 POTOMAC STREET
SAN FRANCISCO, CA 94117

1000 314 8889

WWW.ASBUILTSERVICES.COM

1000 314 8889

WWW.ASBUILTSERVICES.COM

1000 314 8889

WWW.ASBUILTSERVICES.COM

1000 314 8889

WWW.ASBUILTSERVICES.COM

1000 314 8889

WWW.ASBUILTSERVICES.COM

DRAWING SHEET IDENTIFICATION	
A-101	ARCHITECTURAL SITE PLAN
A-102	ROOF PLAN
A-103	FLOOR PLANS
A-201	EXTERIOR ELEVATIONS
A-301	BUILDING SECTIONS

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SAN FRANCISCO PLANNING DEPARTMENT

Historic Preservation Commission Draft Resolution

HEARING DATE DECEMBER 4, 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: December 4, 2013
Filing Dates: September 3, 2013
Case No.: 2013.1257U
Project Address: **66 Potomac St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential - House, Two Family)
40-X Height and Bulk District
Block/Lot: 0866/015
Applicant: Adam Wilson & Quyen Nguyen
66 Potomac St.
San Francisco, CA 94117
Staff Contact: Susan Parks – (415) 575-9101
susan.parks@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 66 Potomac 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 existing building located at 66 Potomac Street and is listed under Article 10 of the San Francisco Planning Code Planning Code as a contributor to the Duboce Park 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 66 Potomac Street, which are located in Case

Docket No. 2013.1257U. 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 66 Potomac 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 December 4, 2013, 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 66 Potomac Street, which are located in Case Docket No. 2013.1257U. The Historic Preservation Commission recommends approval of the Mills Act historical property contract, rehabilitation program, and maintenance plan.

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 66 Potomac 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 66 Potomac Street, and other pertinent materials in the case file 2013.1257U to the Board of Supervisors.

I hereby certify that the foregoing Resolution was ADOPTED by the Historic Preservation Commission on December 4, 2013.

Jonas P. Ionin
Commissions Secretary

AYES: Hasz, Wolfram, Hyland, Johnck, Johns, Mastuda, Pearlman

NOES:

ABSENT:

ADOPTED: 7-0



SAN FRANCISCO PLANNING DEPARTMENT

Mills Act Contracts Case Report

Hearing Date: December 4, 2013

- a. *Filing Dates:* September 3, 2013
Case No.: 2013.1261U
Project Address: **50 Carmelita St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential - House, Two Family)
40-X Height and Bulk District
Block/Lot: 0864/011
Applicant: Adam Speigel & Guillemette Broulliat-Speigel
50 Carmelita St.
San Francisco, CA 94117
- b. *Filing Date:* September 3, 2013
Case No.: 2013.1230U
Project Address: **66 Carmelita St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential House, Two Family)
40-X Height and Bulk District
Block/Lot: 0864/015
Applicant: Amy Hockman & Brian Bone
66 Carmelita St.
San Francisco, CA 94117
- c. *Filing Date:* September 3, 2013
Case No.: 2013.1260U
Project Address: **70 Carmelita St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential House, Two Family)
40-X Height and Bulk District
Block/Lot: 0864/016
Applicant: Elise Sommerville
70 Carmelita St.
San Francisco, CA 94117
- d. *Filing Date:* September 3, 2013
Case No.: 2013.1258U
Project Address: **56 Pierce St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential House, Two Family)
40-X Height and Bulk District
Block/Lot: 0865/013

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Mill Act Applications	2013.1261U; 2013.1230U; 2013.1260U; 2013.1528U; 2013.1254U; 2013.1259U; 2013.1257U; 2013.0575U
December 4, 2013	50 Carmelita St.; 66 Carmelita St.; 70 Carmelita St.; 56 Pierce St.; 64 Pierce St.; 64 Pierce St.; 56 Potomac St.; 66 Potomac St.; 1772 Vallejo St.

e. *Filing Date:* September 3, 2013
Case No.: 2013.1254U
Project Address: **64 Pierce St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential House, Two Family)
40-X Height and Bulk District
Block/Lot: 0865/015
Applicant: Jean Paul Balajadia
64 Pierce St.
San Francisco, CA 94117

f. *Filing Date:* September 3, 2013
Case No.: 2013.1259U
Project Address: **56 Potomac St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential House, Two Family)
40-X Height and Bulk District
Block/Lot: 0866/012
Applicant: Karli Sager & Jason Monberg
56 Potomac St.
San Francisco, CA 94117

g. *Filing Date:* September 3, 2013
Case No.: 2013.1257U
Project Address: **66 Potomac St.**
Landmark District: Duboce Park Landmark District
Zoning: RH-2 (Residential House, Two Family)
40-X Height and Bulk District
Block/Lot: 0866/015
Applicant: Adam Wilson & Quyen Nguyen
66 Potomac St.
San Francisco, CA 94117

h. *Filing Date:* May 1, 2013
Case No.: 2013.0575U
Project Address: **1772 Vallejo St.**
Historic Landmark: Landmark No. 31, Burr Mansion
Zoning: RH-2 (Residential House, Two Family)
40-X Height and Bulk District
Block/Lot: 0552/029
Applicant: John Moran

1772 Vallejo St.
San Francisco, CA 94123

Staff Contact: Susan Parks – (415) 575-9101
susan.parks@sfgov.org
Reviewed By: Tim Frye – (415) 575-6822
tim.frye@sfgov.org

PROPERTY DESCRIPTION

- a. **50 Carmelita St.:** The subject property is located on the east side of Carmelita Street between Waller and Duboce Streets, the lot is adjacent to Duboce Park. Assessor's Block 0864, Lot 011. It is located in a RH-2 (Residential House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 2 1/2 story frame house was built in 1899 in a combination of the Queen Anne and Shingle styles.
- b. **66 Carmelita St.:** The subject property is located on the east side of Carmelita Street between Waller and Duboce Streets. Assessor's Block 0864, Lot 015. It is located in a RH-2 (Residential-House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 1 1/2 story-over-basement frame house was built in 1900 by master builder Fernando Nelson in the Queen Anne style.
- c. **70 Carmelita St.:** The subject property is located on the east side of Carmelita Street between Waller and Duboce Streets. Assessor's Block 0864, Lot 016. It is located in a RH-2 (Residential-House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 1 1/2 story-over-basement frame house was built in 1900 by master builder Fernando Nelson in the Queen Anne style.
- d. **56 Pierce St.:** The subject property is located on the east side of Pierce Street between Waller and Duboce Streets. Assessor's Block 0865, Lot 013. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 2 1/2 story-over-basement frame house was built c. 1905 by master builder Fernando Nelson in the Queen Anne style and features applied stick work reminiscent of the Tudor style.
- e. **64 Pierce St.:** The subject property is located on the east side of Pierce Street between Waller and Duboce Streets. Assessor's Block 0865, Lot 015. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 2 1/2 story-over-basement frame house was built c. 1905 by master builder Fernando Nelson in the Queen Anne style and features applied stick work reminiscent of the Tudor style.

- f. 56 Potomac St.:** The subject property is located on the east side of Potomac Street between Waller and Duboce Streets. Assessor's Block 0866, Lot 012. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 1 1/2 story-over-basement frame house was built in 1899 by neighborhood builders George Moore & Charles Olinger in the Queen Anne style. This property was the informal sales office and home of George Moore and his family.
- g. 66 Potomac St.:** The subject property is located on the east side of Potomac Street between Waller and Duboce Streets. Assessor's Block 0866, Lot 015. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as a contributor to the Duboce Park Landmark District. The 1 1/2 story-over-basement frame house was built in 1899 by neighborhood builders George Moore & Charles Olinger in the Queen Anne style.
- h. 1772 Vallejo St.:** The subject property is located on the north side of Vallejo Street between Gough and Franklin Streets. Assessor's Block 0522, Lot 029. It is located in a RH-2 (Residential- House, Two Family) Zoning District and a 40-X Height and Bulk District. The property was designated under Article 10 as City Landmark #31. It is also listed in Here Today (page 22) and the Planning Department 1976 Architectural Survey. The three-story-over-basement house was designed primarily in the Italianate style with French Second Empire influences.

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 and recommendation on the historical property contract, proposed rehabilitation program, and proposed maintenance plan. The Historic Preservation Commission shall conduct a public hearing on the Mills Act application and contract 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's Office to execute the historical property contract.

MILLS ACT REVIEW PROCEDURES

The Historic Preservation Commission is requested to review each and make to recommendation 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 program 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 as to whether to recommend to the Board of Supervisors if the valuation exemption shall 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 Project Sponsor, Planning Department Staff, and the Office of the City Attorney have negotiated the attached draft historical property contracts, which include a draft maintenance plan for the historic building. Department staff believes that the draft historical property contracts and maintenance plans are adequate.

- a. 50 Carmelita St.:** As detailed in the Mills Act application, the Project Sponsor proposes to 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 and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The property was fully rehabilitated at the time of purchase two years ago. The Project Sponsors have developed a thorough maintenance plan that involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan includes; painting and repairing the historic shingled siding and wood trim as needed; inspecting the roof, flashing and vents regularly and replacing elements or the entire roof when needed; inspection of the gutters, downspouts, grading to ensure there is no damage to the foundation; maintenance of the exterior doors, stairways, balustrades, and decking for dry rot; and routine inspections of the historic wood windows and non-historic skylights checking for dry rot, damage, or leaks, and repairing any damage found according to best practices. No changes to the use are proposed. Please refer to the attached Rehabilitation 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. 66 Carmelita St.:** As detailed in the Mills Act application, the Project Sponsor proposes to continue rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves in-kind custom replacement of historic elements including rotted entry stairs, balustrades and porch decking; repainting of the stairs and porch; repair (or replace, if needed) non-functional double hung windows at the front bay on main floor and rear parlor; replacing the roof; and replacing deteriorated non-historic skylights and resealing others; repair and repainting of historic siding; and completing repairs based on structural engineers inspection to the brick foundation (previous repairs were undertaken in sections by different homeowners). No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; and the foundation. 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. 70 Carmelita St.:** As detailed in the Mills Act application, the Project Sponsor proposes to continue rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves historic wood siding and millwork; reroofing and installing a Dutch gutter on the south side of roof (shared with 66 Carmelita St.; and installing a trench drain to remediate water run-off that is flooding the basement and damaging foundation, and walls. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; and the foundation. 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.

- d. 56 Pierce St.:** As detailed in the Mills Act application, the Project Sponsor proposes to begin maintenance efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The property was fully rehabilitated prior to the Mills Act Application. No changes to the use are proposed.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses the repair, maintenance and repainting of the wood siding, windows/glazing, roof, millwork, stairs and ornamentation; gutters, downspouts and drainage; and the foundation and sheer walls. 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.

- e. 64 Pierce St.:** As detailed in the Mills Act application, the Project Sponsor proposes to continue rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves repairing and painting historic wood siding; repaired and replaced, as needed, historic millwork; including wood trim and corbels; repair of the leaded glass windows and transoms; repair of the historic front door; repair all windows that could be repaired and replaced in kind those that were beyond repair (23 windows total) at the front of the house, restored the front entry, including flooring, lighting and removing non-historic

detailing; replaced railings at the front entry stairs to be code compliant and historically accurate encased the deteriorated brick foundation in concrete, added structural steel beams, comment frames, sheer walls and steel framing throughout the house to meet seismic standards; leveled the house to improve drainage at grade; removed concrete slabs at front yard and replaced with planter areas and borders (to improve the property); remediated water pooling at the exterior of house by re-grading and installing trench drain repaired existing roof drains; installed new roof drains to correct drainage issues from neighboring houses. Please refer to the attached Rehabilitation Plan for a full description of the proposed work. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; and the foundation. 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.

- f. 56 Potomac St.:** As detailed in the Mills Act application, the Project Sponsor proposes to begin rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves reconstruction and structural repairs to the historic front stairs and porch based on historic photographs. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; attic and the foundation. 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.

- g. 66 Potomac St.:** As detailed in the Mills Act application, the Project Sponsor proposes to continue rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with the Secretary of Interior's Standards for Rehabilitation and for Restoration.

The subject property is currently valued by the Assessor's Office as under \$3,000,000 (see attached Market Analysis and Income Approach reports) and does not require an exemption.

The rehabilitation program involves repairing and painting the historic wood siding and worked with color consultant for historically accuracy; repaired and replaced, as needed, the historic millwork; including the decorative shingles at the front pediment, existing dentils and corbeling; reroof and install moisture and thermal protection; install all new wood windows at the rear of the house; repair all windows at the front of the house, rebuilding all sashes, as needed; replaced the entire compromised brick foundation with a concrete foundation to meet seismic standards, added structural steel and leveled the house to improve drainage at grade; patched and repaired stucco at front façade; rebuilt decks; railings and balconies. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses maintenance of the wood siding, windows/glazing, roof, millwork, stairs and ornamentation; gutters, downspouts and drainage; and the foundation. 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.

h. 1772 Vallejo St.: As detailed in the Mills Act application, the Project Sponsor proposes to begin rehabilitation efforts. Staff determined that the proposed work, detailed in the attached exhibits, is consistent with Secretary of Interior's Standards for Rehabilitation and for Restoration.

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 City Landmark until Article 10 of the Planning Code. A Historic Structures 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, 1772 Vallejo St., Exhibit B)

The rehabilitation program involves structural evaluation of unreinforced masonry foundation; removing interior unreinforced chimney (not visible from street); Improve the landscape drainage to redirect water flow from the house; work to rehabilitate the historic garden setting; feasibility study for upgrading the unreinforced foundation of the rear cottage, repair the historic windows at the cottage, repair and reinforced the fireplace and chimney, replace the roofing, and any damaged rafters as needed; study feasibility of demolish non historic garage to restore the historic character of the property; repair and replace historic wood windows as necessary; repair deteriorated wood siding and millwork in-kind; repaint exterior using a color consultant to determine historic paint colors; and replace roofing. No changes to the use are proposed. Please refer to the attached Rehabilitation Plan for a full description of the proposed work.

The maintenance plan involves a cycle of annual inspections and maintenance and a longer-term maintenance cycle to be performed as necessary. The maintenance plan addresses care of the garden; wood siding, windows/glazing, roof, millwork and ornamentation; gutters, downspouts and drainage; attic and the foundation

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

PLANNING DEPARTMENT RECOMMENDATION

The Planning Department recommends that the Historic Preservation Commission adopt a resolution recommending approval of these Mills Act Historical Property Contracts, rehabilitation and maintenance plans to the Board of Supervisors.

ISSUES AND OTHER CONSIDERATIONS

The Assessor and Records Office has provided initial review. The Planning Department is continuing to working with the Assessor and Recorder's Office to finalize the final property tax valuations and savings.

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 and the City and County of San Francisco;
2. Approving the proposed Mills Act rehabilitation and maintenance plan for each property.

Attachments:

a. 50 Carmelita St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

b. 66 Carmelita St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

c. 70 Carmelita St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

d. 56 Pierce St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

e. 64 Pierce St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

f. 56 Potomac St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

g. 66 Potomac St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

Exhibit B: Draft Rehabilitation & Maintenance Plan

Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit D: Mills Act Application

h. 1772 Vallejo St.

Draft Resolution

Exhibit A: Draft Mills Act Historical Property Contract

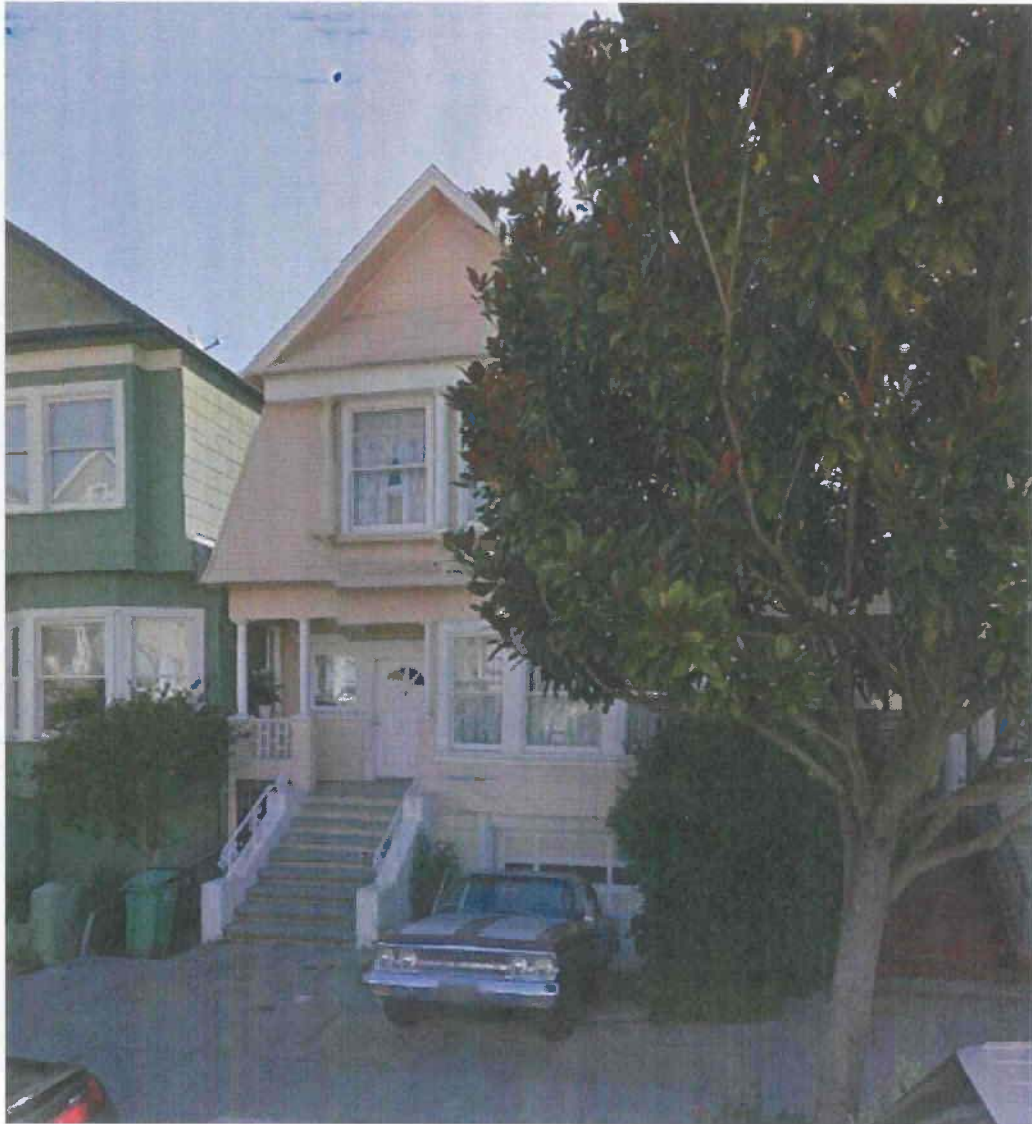
Exhibit B: Draft Historic Structures Report

Exhibit C: Draft Rehabilitation & Maintenance Plan

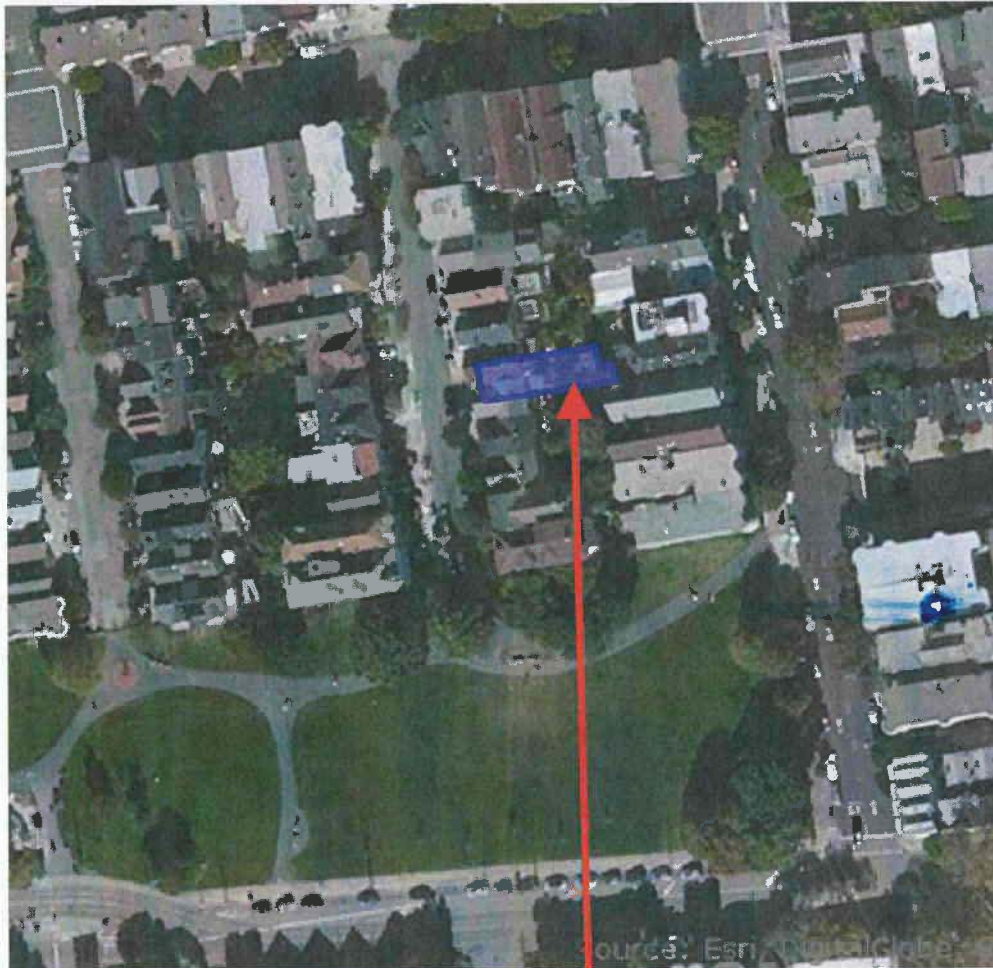
Exhibit D: Draft Market Analysis and Income Approach provided by the Assessor's Office

Exhibit E: Mills Act Application

Site Photo



Aerial Photo



SUBJECT PROPERTY



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
66 POTOMAC STREET
("[NAME OF PROPERTY, IF ANY]")
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 Wilson Family Revocable Trust ("Owner(s)").

RECITALS

Owners are the owners of the property located at 66 Potomac Street, in San Francisco, California (Block 0866, Lot 015). The building located at 66 Potomac Street is designated as STATE ELIGIBILITY, E.G. "a City Landmark pursuant to Article 10 of the Planning Code" and is also known as the "PROPERTY NAME, IF ANY" ("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 One Hundred Eighty Nine Thousand Dollars (\$189,000.00). (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 Six Thousand Eight Hundred Dollar (\$ 6,800.00 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: _____
Phil Ting
Assessor-Recorder

DATE: _____

By: _____
John Rahaim
Director of Planning

DATE: _____

APPROVED AS TO FORM:
DENNIS J. HERRERA
CITY ATTORNEY

By: _____
[NAME]
Deputy City Attorney

DATE: _____

OWNERS

By: f. J. [Signature], Trustee
[NAME], Owner

DATE: 7/3/13

[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.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

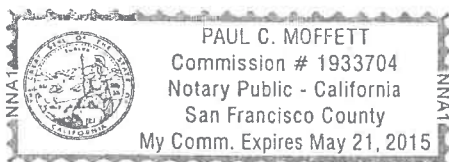
State of California

County of San Francisco

On Sept. 3, 2013 before me, Paul C. Moffett, Notary Public

personally appeared Quyen Nguyen & A. Adam Wilson

who proved to me on the basis of satisfactory evidence to be the person(s) whose 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

Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- ☐ Individual
- ☐ Corporate Officer — Title(s): _____
- ☐ Partner — ☐ Limited ☐ General
- ☐ Attorney in Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

- ☐ Individual
- ☐ Corporate Officer — Title(s): _____
- ☐ Partner — ☐ Limited ☐ General
- ☐ Attorney in Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

EXHIBIT B:

DRAFT REHABILITATION & MAINTENANCE PLAN

6. Rehabilitation/Restoration/Maintenance Plan

Use this form to outline your rehabilitation, restoration, and maintenance plan. Copy this page as necessary to include all items that apply to your property. Begin by listing recently completed work (if applicable) and continue with work you propose to complete within the next ten years arranging 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 requires 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.

Draft Rehabilitation/Restoration/Maintenance Scope

BUILDING FEATURE: Roof			
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: Every 30 years			
TOTAL COST (rounded to nearest dollar): \$23K			
DESCRIPTION OF WORK: <ul style="list-style-type: none">• Replace shingles• Inspect and repair flashing• Check for appropriate venting and water proofing• Replace decking that must be removed to gain access to roof			

BUILDING FEATURE: Windows			
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: Every 20 years			
TOTAL COST (rounded to nearest dollar): \$40K			
DESCRIPTION OF WORK: <ul style="list-style-type: none">• Inspect windows, frames, and sashes for dry rot• Replace, or repair damaged windows in keeping with historic standards• Inspect waterproofing-- Caulk and re-seal as required			

THIS SECTION TO BE COMPLETED EXCLUSIVELY BY PLANNING DEPARTMENT STAFF

Property Address:	
Block / Lot:	
Board of Supervisors Ordinance Number:	

Draft Rehabilitation/Restoration/Maintenance Scope Continued

BUILDING FEATURE: Exterior			
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: Every 10 years			
TOTAL COST (rounded to nearest dollar): \$30K			
DESCRIPTION OF WORK: <ul style="list-style-type: none">• Inspect siding for dry rot and repair• If beyond repair, replace in-kind to match historic siding• Patch, sand, paint• Use color consultant to ensure historically appropriate scheme			

BUILDING FEATURE: Foundation			
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: Every 20 years			
TOTAL COST (rounded to nearest dollar): TBD			
DESCRIPTION OF WORK: <ul style="list-style-type: none">• Inspect foundation integrity and repair as required• Inspect sheering and repair as required			

BUILDING FEATURE: Front Steps & Planters			
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: Every 10 years			
TOTAL COST (rounded to nearest dollar): \$10K			
DESCRIPTION OF WORK: <ul style="list-style-type: none">• Sand and reseal front steps, repair as required• Patch and paint cracks in stucco			

BUILDING FEATURE: Fence & decks

Rehab/Restoration ☐

Maintenance ☒

Completed ☐

Proposed ☐

CONTRACT YEAR WORK COMPLETION: Every 10 years

TOTAL COST (rounded to nearest dollar): \$10K

DESCRIPTION OF WORK:

- Repair dry rot and replace damaged wood in kind
- Patch and caulk railings, bannisters, etc.
- Seal and stain

BUILDING FEATURE: Roof

Rehab/Restoration ☒

Maintenance ☐

Completed ☒

Proposed ☐

CONTRACT YEAR WORK COMPLETION: 2012

TOTAL COST (rounded to nearest dollar): \$23K

DESCRIPTION OF WORK:

- Fully replaced roof
- Replaced all moisture and thermal protection—flashing, vapor barrier, etc.

BUILDING FEATURE: Windows

Rehab/Restoration ☒

Maintenance ☐

Completed ☒

Proposed ☐

CONTRACT YEAR WORK COMPLETION: 2012 and 2013

TOTAL COST (rounded to nearest dollar): \$26K

DESCRIPTION OF WORK:

- All new windows on the back of house
- Repair all windows on front of house
- Rebuilt all sashes

Draft Rehabilitation/Restoration/Maintenance Scope Continued

BUILDING FEATURE: Exterior			
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input checked="" type="checkbox"/>	Proposed <input type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: 2012			
TOTAL COST (rounded to nearest dollar): \$74K			
DESCRIPTION OF WORK: <ul style="list-style-type: none">• Repaired decorative shingles in pediment.• Added back and repaired original dentels, corbeling• Replace in-kind to match historic siding• Patched, sanded, painted entire façade• Used color consultant to ensure historically appropriate scheme			

BUILDING FEATURE: Foundation			
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input checked="" type="checkbox"/>	Proposed <input type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: 2012			
TOTAL COST (rounded to nearest dollar): \$51K			
DESCRIPTION OF WORK: <ul style="list-style-type: none">• Completely replaced compromised brick foundation with concrete• Updated to new seismic standards—including full sheering, rebar, etc.• Added structural steel• Leveled house and improved drainage			

BUILDING FEATURE: Front Planters			
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input checked="" type="checkbox"/>	Proposed <input type="checkbox"/>
CONTRACT YEAR WORK COMPLETION: Every 10 years			
TOTAL COST (rounded to nearest dollar): \$5K			
DESCRIPTION OF WORK: <ul style="list-style-type: none">• Patch and paint cracks in stucco in front			

BUILDING FEATURE: Fence & decks

Rehab/Restoration ✓

Maintenance ☐

Completed ✓

Proposed ☐

CONTRACT YEAR WORK COMPLETION: 2012

TOTAL COST (rounded to nearest dollar): \$10K

DESCRIPTION OF WORK:

- Rebuilt all decks, railings and fences
- Replaced and upgraded balcony
- Added deck off of master bedroom

EXHIBIT C:

**DRAFT MARKET ANALYSIS & INCOME APPROACH
PROVIDED BY THE ASSESSOR'S OFFICE**



66 Potomac St
APN 06-0866-015

MILLS ACT VALUATION



APN: 06-0866-015 SF Landmark: _____
Property Location: 66 Potomac Date of Mills Act Application: 9/3/2013
Applicant's Name: The Wilson Family Trust Property Type: Single Family Dwelling
Agt./Tax Rep./Atty: _____ Date of Sale: 10/9/2009
Applicant supplied appraisal? No Sale Price: \$1,627,000

DATE OF MILLS ACT VALUATION: September 3, 2013

TAXABLE VALUE - THREE WAY VALUE COMPARISON					
FACTORED BASE YEAR VALUE		RESTRICTED MILLS ACT VALUE		CURRENT MARKET VALUE	
Land	\$ 1,193,832	Land	\$ 540,000	Land	\$1,440,000
Imps	\$ 702,042	Imps	\$ 360,000	Imps	\$960,000
Total	\$ 1,895,874	Total	\$ 900,000	Total	\$2,400,000

Permits for vertical addition and remodel completed in February 2013, adding over 800 SF of living area.

DBI valued permits at about \$275,000.

PROPERTY CHARACTERISTICS					
Present Use:	SFR	Neighborhood:	Hayes Valley	Number of Stories:	3
Number of Units	1	Year Built:	1900	Land Area (SF):	2,125
Owner Occupied:	Yes	Building Area:	2,970	Zoning:	RH2

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

CONCLUSION AND RECOMMENDATIONS

Based on the three-way value comparison, the lowest of the three values is the restricted Mills Act value.

The taxable Mills Act value on: September 3, 2013 is \$900,000

Appraiser: Timothy Landregan Date: 11/26/13
Principal Appraiser: Cathleen Hoffman

0866-015 Photos



RESTRICTED INCOME APPROACH

APN 06-0866-015
66 Potomac St
Restricted Mills Act Value
Lien Date: September 3, 2013

Owner Occupied

	GLA (SF)		Annual Rent / SF		
Potential Gross Income:	2,970	x	\$35.15	=	\$104,400
Less Vacancy & Collection Loss			2%		<u>(\$2,088)</u>
Effective Gross Income					\$102,312
Less Anticipated Operating Expenses*			15%		<u>(\$15,347)</u>
Net Operating Income (before property tax)					\$86,966
Restricted Capitalization Rate Components:					
Rate Components:					
2013 Interest Rate per SBE			3.7500%		
Risk rate (4% owner occupied / 2% all other property types)			4.0000%		
Property tax rate (2012)			1.1691%		
Amortization rate for the Improvements:					
Remaining Economic Life:	60				
Amortization per Year (reciprocal)	0.0167		<u>1.6667%</u>		
Overall Rates:					
			Land		8.9191%
			Improvements		10.5858%
Weighted Capitalization Rate					
			Land	60%	5.35%
			Improvements	40%	<u>4.23%</u>
			Total		9.59%

RESTRICTED VALUE **\$907,236**

ROUNDED TO **\$900,000**

Footnotes:

Topline rent potential concluded to be \$8,700 per month, based on rent comps #1, #5 and #8, or \$35 per foot on an annual basis.

*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 actual annual operating expenses of the subject property are \$14,588 (13.2% of EGI). Default to 15%.

Rental Comps

Comp #1: Parnassus Hts



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

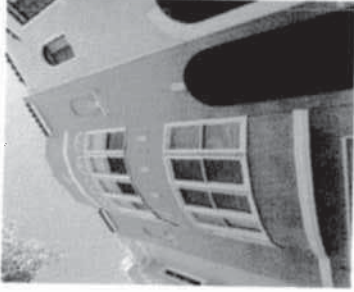
Saltieby's
Not provided
Clayton at Parnassus
2,400
4/2.5, 2 car parking
\$7,700
\$3.21
\$38.50

Comp #2: Cow Hollow



Bay Property Group
2546 Greenwich St
Between Scott and Divisadero
4,350
4/6, 3 car parking
\$13,495
\$3.10
\$37.23

Comp #3: Marina



J Wavo Associates
Not Provided
Scott at Bay
3,000
4/3, 2 car parking
\$8,950
\$2.98
\$35.80

Comp #4: Twin Peaks



By Owner
106 Midcrest Way (Midtown Terrace)
West side of the peaks (Twin Peaks Blvd)
1,950
2/2, 1 car parking
\$4,750
\$2.44
\$29.23

Comp #5: Eureka Valley



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

By Owner
1 Seward Street
Seward at Douglas (Kite Hill)
1,700
2/2, No parking
\$6,500
\$4.06
\$48.71

Comp #6: Twin Peaks



Golden Gate Properties
26 Portola Drive
Portola and Market
1,350
3/1.5, 2 car parking
\$4,300
\$3.19
\$38.22

Comp #7: Twin Peaks







REMax/Westlake Properties
441 Delbrook (@ Panorama)
Panorama @ Clarendon
1,127
3/2, 2 car parking
\$4,200
\$3.73
\$44.72

Comp #8: Eureka Valley



Donnelly Enterprises
Not Provided
Nee Street at Liberty Street
2,600
3/2.5, 2 tandem parking
\$8,200
\$3.15
\$37.85

SINGLE FAMILY MARKET ANALYSIS

APN	Subject 0866-015	Sale 1 0823-015	Sale 2 0869-034	Sale 3 0864-008			
							
Address	66 Potomac	1021 Hayes	251 Waller St	55 Pierce St			
Sale Price / Square Foot		\$2,550,000 \$670	\$2,730,000 \$1,083	\$2,250,000 \$900			
	Description	Description	Adjust.	Description	Adjust.		
Date of Valuation/Sale	09/03/13	03/28/13	\$63,750	9/19/2012	\$163,800	05/22/13	\$33,750
Location	Hayes Valley	Alamo Square		Hayes Valley		Hayes Valley	
Proximity to Subject							
Lot Size	2,125	2,060		3,337	(\$60,600)	2,374	(\$12,450)
View	Neighborhood/Open Space	City	(\$50,000)			Neighborhood	
Year Blt/Year Renovated	1900 / 2013	1900		1900		1900	
Condition	Excellent /Remodeled	Good/Remodeled				Good/Remodeled	
Construction Quality	Good	Good				Good	
Gross Living Area	2,970	3,804		2,520	\$90,000	2,500	\$94,000
Total Rooms	10	10		8		6	
Bedrooms	4	5				3	
Bathrooms	3.5	5	(\$40,000)	2	\$40,000	3	\$15,000
Stories	3	3		3		3	
Garage	2 car	No	\$80,000	2 car		2 car	
Net Adjustments			\$53,750		\$233,200		\$130,300
Indicated Value	\$2,400,000	\$2,603,750		\$2,963,200		\$2,380,300	
Adjust. \$ Per Sq. Ft.	\$808	\$877		\$998		\$801	

VALUE RANGE: \$800 to \$1000 per Sq Ft GLA

VALUE CONCLUSION: \$2,400,000 \$808

Adjustments Lot size adjustment: \$50/foot; Adjustment for view: \$50,000, GLA adjustment: \$200/foot; Adjustment for bath counts: \$25,000 for full bath, \$15,000 for partial bath. Adjustment for garage parking: \$40,000 per space.
Market Conditions Adjustment: 5 to 10% increase in value between 2012 and 2013 (.5% per month)

subject completed a substantial remodel in 2013 adding about 800 SF of living area (attic was finished adding two beds, full bath and study; master suite was remodeled on 2nd level adding a new full bath. Garage was extended to accommodate a second tandem parking spot. The recency of the remodel yielded a conclusion that the property is in excellent condition, although there was no interior inspection.

MARKET VALUE

LAND	\$1,440,000
IMPROVEMENTS	\$960,000
TOTAL	\$2,400,000
Market Value / Foot	\$808

ASSESSED VALUE

LAND	\$1,834,408
IMPROVEMENTS	\$786,174
TOTAL	\$2,620,582
Assessed Value / Foot	\$882

Map of Subject Property and Comparable Sales



A	Subject Property	66 Potomac
B	Comp #1	1021 Hayes St
C	Comp #2	251 Waller St
D	Comp #3	55 Pierce St

EXHIBIT D:

MILLS ACT APPLICATION

APPLICATION FOR Mills Act Historical Property Contract

1. Owner/Applicant Information

PROPERTY OWNER 1 NAME: The Wilson Family Trust	TELEPHONE: (415) 626-7280
PROPERTY OWNER 1 ADDRESS: 66 Potomac Street, San Francisco, CA 94117	EMAIL: aawilson@gmail.com
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: **66 Potomac Street, San Francisco, CA**

ZIP CODE: **94117**

PROPERTY PURCHASE DATE: **10/09/2009**

ASSESSOR BLOCK/LOT(S): **0866/015**

MOST RECENT ASSESSED VALUE: **\$1,895,865.00**

ZONING DISTRICT: **RH-2**

Are taxes on all property owned within the City and County of San Francisco paid to date?

YES ☒ NO ☐

Do you own other property in the City and County of San Francisco?

YES ☒ NO ☐

If Yes, please list the addresses for all other property owned: **56 Pierce Street, San Francisco, CA 94117**

Property is designated as a City Landmark under Article 10 of the Planning Code

YES ☒ NO ☐

Are there any outstanding enforcement cases on the property from the San Francisco Planning Department or the Department of Building Inspection?

YES ☐ NO ☒

I/we am/are the present owner(s) of the property described above and hereby apply for an historical property contract.

Owner Signature: _____

Date: 9/3/13

Owner Signature: _____

Date: 9/3/13

Owner Signature: _____

Date: _____

3. Program Priority Criteria

The following criteria are used to rank applications. Please check the appropriate categories as they apply to your building. Use a separate sheet to explain why your building should be considered a priority when awarding a Mills Act Historical Property Contract. Buildings that qualify in three of the five categories are given priority consideration.

1. Property meets one of the six criteria for a qualified historic property:

Property is individually listed in the National Register of Historic Places	YES <input type="checkbox"/>	NO <input type="checkbox"/>
Property is listed as a contributor to an historic district included on the National Register of Historic Places	YES <input type="checkbox"/>	NO <input type="checkbox"/>
Property is designated as a City Landmark under Article 10 of the Planning Code	YES <input type="checkbox"/>	NO <input type="checkbox"/>
Property is designated as a contributory building to an historic district designated under Article 10 of the Planning Code	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Property is designated as a Category I or II (significant) to a conservation district under Article 11 of the Planning Code	YES <input type="checkbox"/>	NO <input type="checkbox"/>
Property is designated as a Category III or IV (contributory) to a conservation district under Article 11 of the Planning Code	YES <input type="checkbox"/>	NO <input type="checkbox"/>

2. Property falls under the following Property Tax Value Assessments:

Residential Buildings: \$3,000,000	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
Commercial, Industrial or Mixed Use Buildings: \$5,000,000	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>

**If property value exceeds these values please complete Part 4: Application of Exemption*

3. Rehabilitation/Restoration/Maintenance Plan:

A 10 Year Rehabilitation/Restoration/Maintenance Plan will be submitted detailing work to be performed on the subject property	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
--	---	-----------------------------

4. Required Standards:

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"/>
---	---	-----------------------------

**Detail how the proposed work meets the Secretary of Interior Standards on a separate sheet or include as part of Rehabilitation/Restoration/Maintenance Plan.*

5. Mills Act Tax Savings:

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"/>
--	---	-----------------------------

4. Application for Exemption from Property Tax Valuation

If answered "no" to either question under No. 2 "Property fall under the following Property Tax Value Assessments" in the Program Priority Criteria Checklist, on a separate sheet of paper, explain how the property meets the following criteria and should be exempt from the property tax valuations. Also attach a copy of the most recent property tax bill.

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 by a qualified consultant must be submitted to demonstrate meeting this requirement).

NAMES:
TAX ASSESSED VALUE:
PROPERTY ADDRESS:

By signing below, I/we acknowledge that I/we am/are the owner(s) of the structure referenced above and by applying for exemption from the limitations certify, under the penalty of perjury, that the information attached and provided is accurate.

Owner Signature: _____

Date: 9/3/13

Owner Signature: _____

Date: 9/3/13

Owner Signature: _____

Date: _____

Planning Department Staff Evaluation

THIS SECTION TO BE COMPLETED EXCLUSIVELY BY PLANNING DEPARTMENT STAFF

Exceptional Structure?	YES <input type="checkbox"/> NO <input type="checkbox"/>
Specific threat to resource?	YES <input type="checkbox"/> NO <input type="checkbox"/>
Complete HSR submitted?	YES <input type="checkbox"/> NO <input type="checkbox"/>

Percent above value limit: _____

No. of criteria satisfied: _____

Planner's Initial: _____

5. Draft Mills Act Historical Agreement

Please use the Planning Department's standard form "Historical Property Contract" located on the Planning Department's Forms page at www.sfplanning.org. Any modifications to the City's standard form contract made by the applicant or the submittal of an independently prepared contract shall be subject to approval by the City Attorney prior to consideration by the Historic Preservation Commission and the Board of Supervisors and may result in additional processing time.

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: Sept. 3, 2013 before me, Paul C. Moffett
DATE INSERT NAME OF THE OFFICER

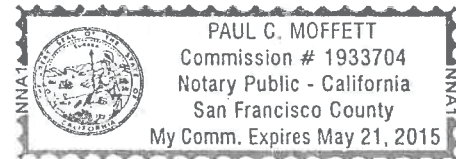
NOTARY PUBLIC personally appeared: Quyen Nguyen & A. Adam Wilson
NAME(S) OF SIGNER(S)

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.

Paul C. Moffett
SIGNATURE



(PLACE NOTARY SEAL ABOVE)

8. Historical Property Tax Adjustment Worksheet Calculation

The following is an example showing the possible tax benefits to the historical property owner of an owner-occupied single-family dwelling. This form is a guideline only. Your reduced property tax under a Mills Act contract is not guaranteed to match this calculation.

Determine Annual Income and Annual Operating Expenses

An \$120,000 potential gross income less a vacancy and collection loss of \$2,400 and less \$17,640 annual expenses for maintenance, repairs, insurance, and utilities yields a net annual income of \$99,960. (Mortgage payments and property taxes are not considered expenses). Estimated vacancy and collection loss is based upon what is typically happening in the marketplace. It can be different for different properties (i.e. - residential properties generally have a lower vacancy and collection loss than commercial properties). The theory is that when estimating a property's value using the income approach (the approach required for Mills Act valuations) it is reasonable to assume some rent loss due to vacancy and inability to collect rents.

Determine Capitalization Rate

Add the following together to determine the Capitalization Rate:

- Ⓒ The Interest Component is determined by the Federal Housing Finance Board and is based on conventional mortgages. While this component will vary from year to year, the State Board of Equalization has set this at 4.75% for 2012.
- Ⓒ The Historical Property Risk Component of 4% (as prescribed in Sec. 439.2 of the State Revenue and Tax Code) applies to owner-occupied single-family dwellings. A 2% risk component applies to all other Properties.
- Ⓒ The Property Tax Component (Post-Prop. 13) of .01 times the assessment ratio of 100% (1%).
- Ⓒ The Amortization Component is a percentage equal to the reciprocal of the remaining life of the structure and is set at the discretion of the County Assessor for each individual property. In this example the remaining life of the building is 60 years and the improvements represent 45% of the total property value. The amortization component is calculated thus: $1/60 = .0167 \times .45 = .0075$.

Calculate New Assessed Value and Estimated Tax Reduction

The new assessed value is determined by dividing the annual net income (\$99,960) by the capitalization rate .1067 (10.67%) to arrive at the new assessed value of \$936,832.

Lastly, determine the amount of taxes to be paid by taking the current tax rate of 1.167 (1%) of the assessed value \$26,652. Compare this with the current property tax rate for land and improvements only (be sure not to include voter indebtedness, direct assessments, tax rate areas and special districts items on your tax bill).

In this example, the annual property taxes have been reduced by \$15,719 (\$26,652 - \$10,933), an approximately 40% property tax reduction.

EXAMPLE:

Simple Property Tax Calculation
Current Assessed Value = \$2,283,810
Current Tax Rate = X 1.167%
Current Property Taxes = @26,652

Assessment Using Mills Act Valuation Methodology

Potential Annual Gross Income Using Market Rent (\$10,000 per month X 12 months)	\$120,000
Estimated Vacancy and Collection Loss of 2%	(\$2,400)
Effective Gross Income	\$117,600
Less Operating Expenses (i.e. utilities, insurance, maintenance, management)	(\$17,640)
Net Income	\$99,960
Restricted Capitalization Rate	10.67%
Historical Property Value	\$936,832
Current Tax Rate	X 1.167%
New Tax Calculation	\$10,933

Property Tax Savings	\$15,719
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9. Historical Property Tax Adjustment Worksheet Guide

PROPERTY ADDRESS: 66 Potomac Street, San Francisco, CA 94117

PROPERTY DESCRIPTION: Single Family Home

OWNER OCCUPIED: YES ☒ NO ☐

STEP 1: Determine Annual Income of Property

ANNUAL PROPERTY INCOME	CURRENT	EXPLANATION
1. Monthly Rental Income	\$7,000.00	For owner-occupied properties estimate a monthly rental income. Include all potential sources of income (filming, advertising, photo shoots, billboard rentals, etc.)
2. Annual Rental Income	\$70,000.00	Multiply Line 1 by 12
3. Deduction for Vacancy	\$66,500.00	5% (subtract %5 from line 2)

STEP 2: Calculate Annual Operating Expenses

ANNUAL OPERATING EXPENSES	CURRENT	EXPLANATION
4. Insurance	\$1,438.00	Fire, Liability, etc.
5. Utilities	\$3,500.00	Water, Gas, Electric, etc
6. Maintenance*	\$3,000.00	Maintenance includes: Painting, plumbing, electrical, gardening, cleaning, mechanical, heating repairs, structural repairs, security, and property management.
7. Management*	\$6,650	
8. Other Operating Expenses	\$	Security, services, etc. Provide breakdown on separate sheet.
9. Total Expenses†	\$14,588.00	Add Lines 4 through 8

* If calculating for commercial property, provide the following back-up documentation where applicable:

- Rent Roll (include rent for on-site manager's unit as income if applicable)
- Maintenance Records (provide detailed breakdown; all costs should be recurring annually)
- Management Expenses (include expense of on-site manager's unit and 5% off-site management fee; and describe other management costs. Provide breakdown on separate sheet.)

† Annual operating expenses do not include mortgage payments, property taxes, depletion charges, corporate income taxes or interest on funds invested in the property.

STEP 3: Determine Annual Net Income

NET OPERATING INCOME	CURRENT	EXPLANATION
9. Net Operating Income	\$51,912.00	Line 3 minus Line 9

STEP 4: Determine Capitalization Rate

CAPITALIZATION RATE	CURRENT	EXPLANATION
10. Interest Component	3.75%	As determined by the State Board of Equalization for 2009/2010
11. Historic Property Risk Component	4%	Single-family home = 4% All other property = 2%
12. Property Tax Component	1%	.01 times the assessment ratio of 100%
13. Amortization Component (Reciprocal of life of property)	5.0%	If the life of the improvements is 20 years Use $100\% \times 1/20 = 5\%$
14. Capitalization Rate	13.75%	Add Lines 10 through 13

STEP 5: Calculate New Assessed Value

NEW ASSESSED VALUE	CURRENT	EXPLANATION
15. Mills Act Assessed Value	\$377,541.81	Line 9 divided by Line 14

STEP 6: Determine Estimated Tax Reduction

NEW TAX ASSESSMENT	CURRENT	EXPLANATION
16. Current Tax (Exclude voter indebtedness, direct assessments, tax rate areas and special districts)	\$22,164.66	General tax levy only – do not include voted indebtedness or other direct assessments
17. Tax under Mills Act	\$3,775.42	Line 15 x .01
18. Estimated Tax Reduction	\$18,389.24	Line 16 minus Line 17

The Assessor Recorder's Office may request additional information. A timely response is required to maintain hearing and review schedules.

Application Checklist to be Submitted with all Materials

Utilize this list to ensure a complete application package is submitted.

1	Historical Property Contract Application Have all owners signed and dated the application?	YES <input type="checkbox"/> NO <input type="checkbox"/>
2	Priority Consideration Criteria Worksheet Have three priorities been checked and adequately justified?	YES <input type="checkbox"/> NO <input type="checkbox"/>
3	Exemption Form & Historic Structure Report 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?	YES <input type="checkbox"/> NO <input type="checkbox"/>
4	Draft Mills Act Historical Property Agreement Are you using the Planning Department's standard form "Historical Property Contract?" Have all owners signed and dated the contract? Have all signatures been notarized?	YES <input type="checkbox"/> NO <input type="checkbox"/>
5	Notary Acknowledgement Form Is the Acknowledgement Form complete? Do the signatures match the names and capacities of signers?	YES <input type="checkbox"/> NO <input type="checkbox"/>
6	Draft Rehabilitation/Restoration/Maintenance Plan Have you identified and completed the Rehabilitation, Restoration, and Maintenance Plan organized by contract year and including all supporting documentation related to the scopes of work?	YES <input type="checkbox"/> NO <input type="checkbox"/>
7	Historical Property Tax Adjustment Worksheet Did you provide back-up documentation (for commercial property only)?	YES <input type="checkbox"/> NO <input type="checkbox"/>
8	Photographic Documentation Have you provided both interior and exterior images? Are the images properly labeled?	YES <input type="checkbox"/> NO <input type="checkbox"/>
9	Site Plan Does your site plan show all buildings on the property including lot boundary lines, street name(s), north arrow and dimensions?	YES <input type="checkbox"/> NO <input type="checkbox"/>
10	Tax Bill Did you include a copy of your most recent tax bill?	YES <input type="checkbox"/> NO <input type="checkbox"/>
11	Payment Did you include a check payable to the San Francisco Planning Department?	YES <input type="checkbox"/> NO <input type="checkbox"/>



**SAN FRANCISCO
PLANNING
DEPARTMENT**

FOR MORE INFORMATION:

Call or visit the **San Francisco Planning Department**

Central Reception

1650 Mission Street, Suite 400
San Francisco CA 94103-2479

TEL: 415.558.6378

FAX: 415.558.6409

WEB: <http://www.sfplanning.org>

Planning Information Center (PIC)

1660 Mission Street, First Floor
San Francisco CA 94103-2479

TEL: 415.558.6377

*Planning staff are available by phone and at the PIC counter.
No appointment is necessary.*

THESE BARBON MAPS ARE DATED TO THE MID 1940'S
USE ONLY FOR HISTORICAL CONTEXT

352

STEINER

POT

PIERCE

CARMELITA

SCOTT

374

363

360

WALLER

DUBOIS

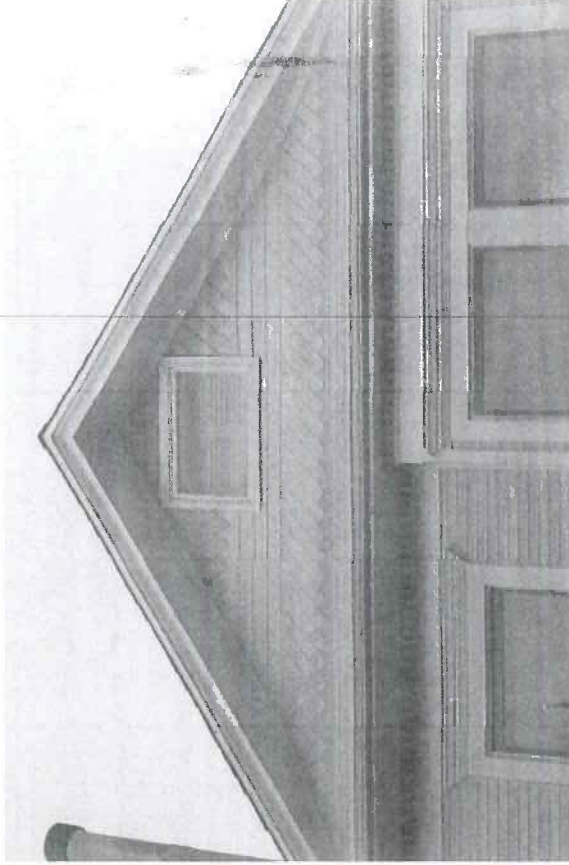
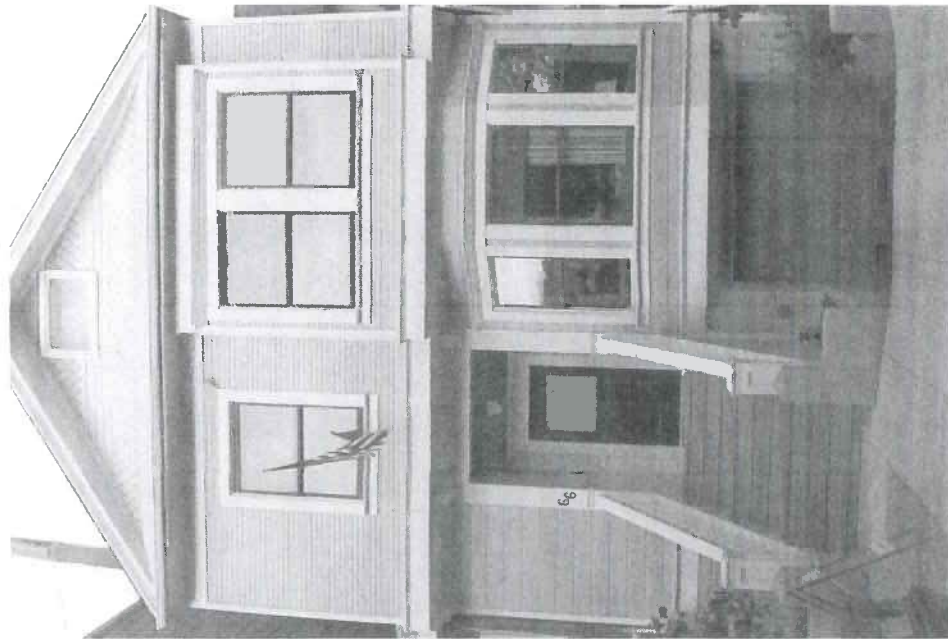
Scale of Feet

© 1945 MAP MADE BY BARBON MAP CO. INC.

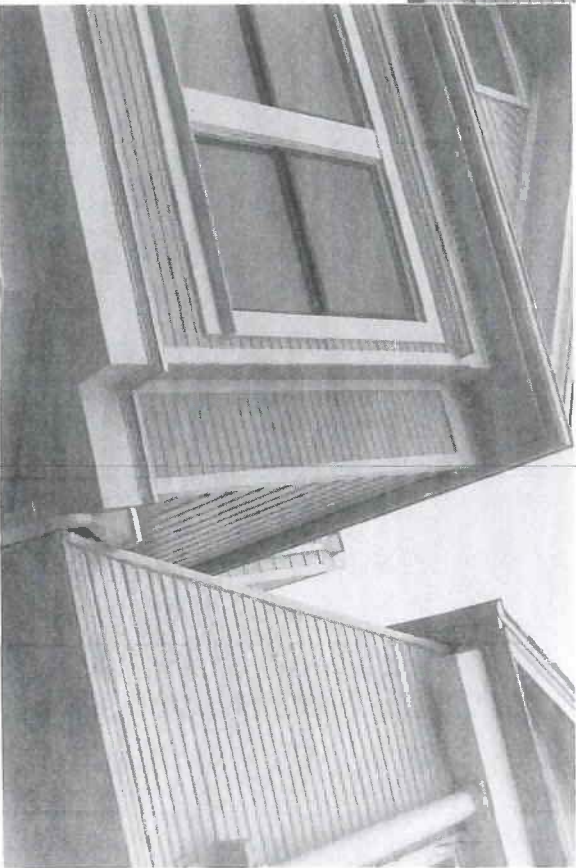
66 Potomac Street

SF CA 94117

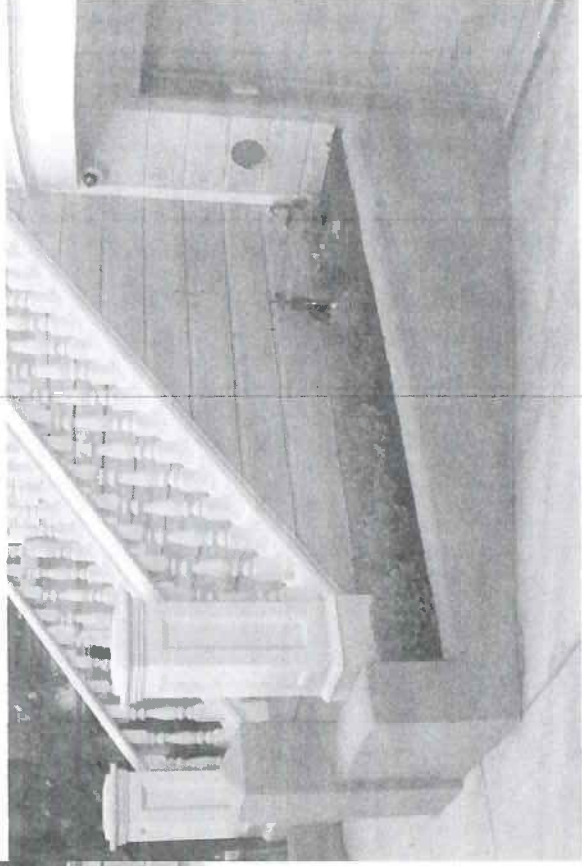
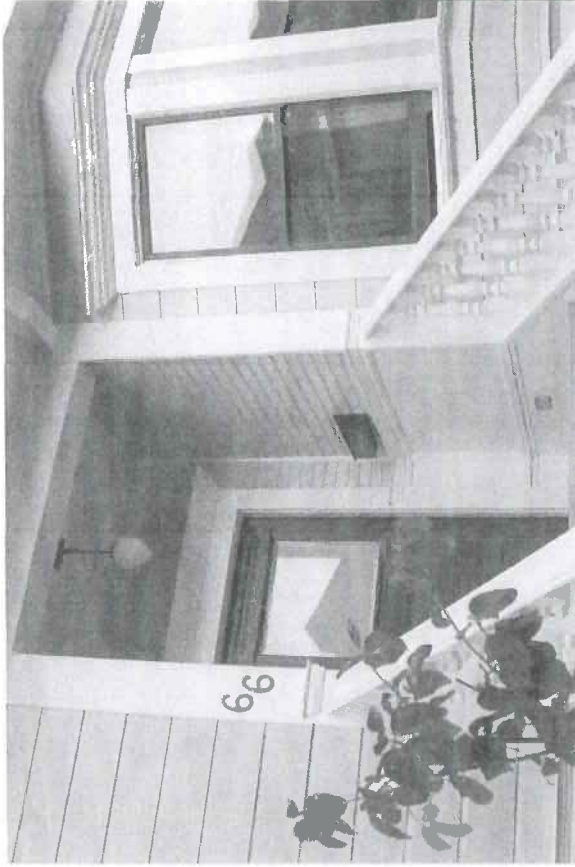
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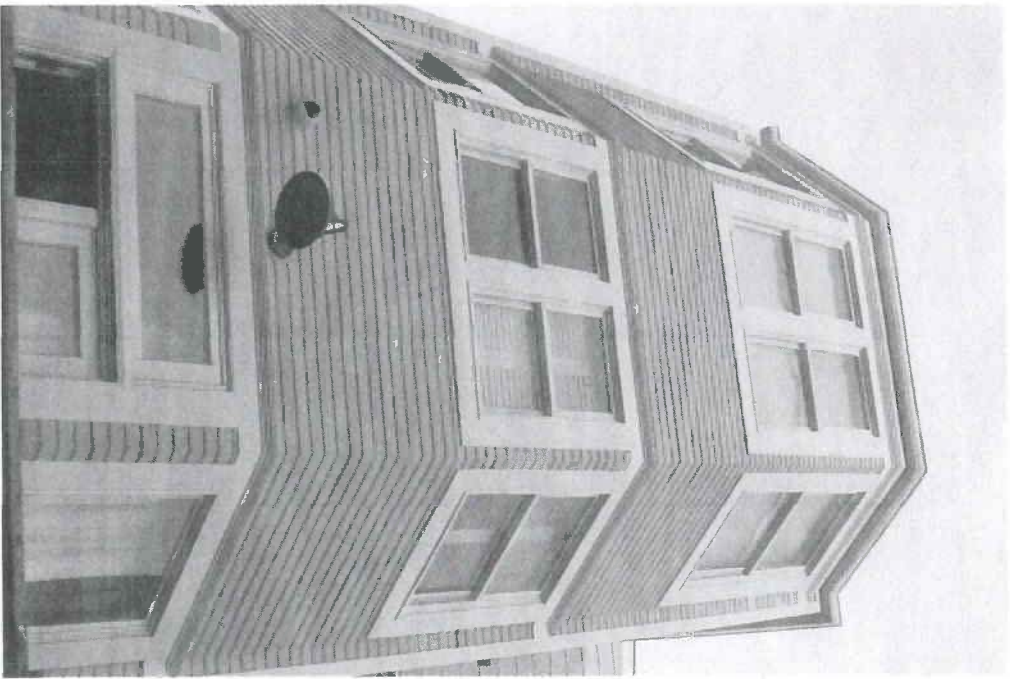
Front



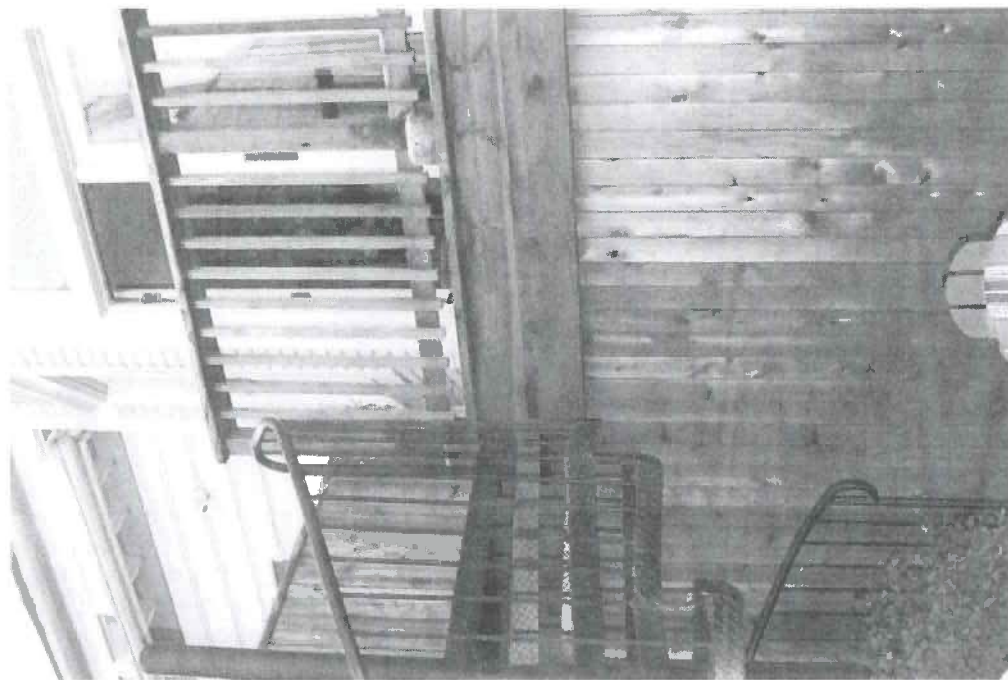
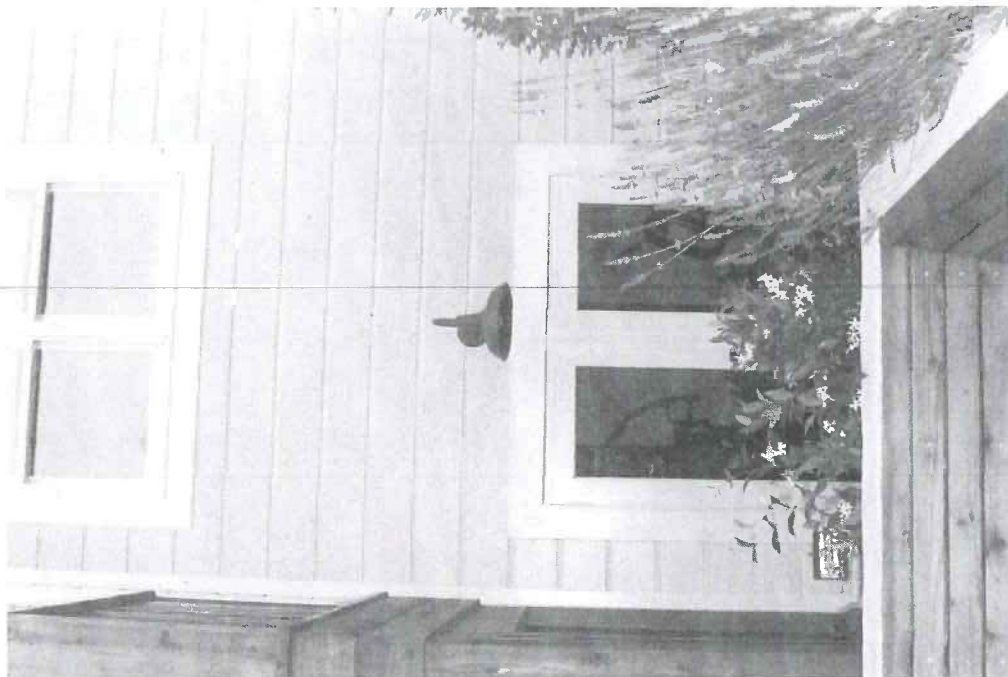
Front



Back



Back



**SECURED PROPERTY TAX BILL 2012 - 2013**

FOR FISCAL YEAR BEGINNING July 1, 2012 AND ENDING June 30, 2013

City and County of San Francisco – José Cisneros, Treasurer and Tax Collector – WWW.SFTREASURER.ORG**INTERNET COPY**

VOL	BLOCK NO.	LOT NO.	ACCOUNT NO.	TAX BILL NO.	TAX RATE	PROPERTY LOCATION
06	0866	015	086600150	036999	1.1691 %	66 POTOMAC ST

Assessed on January 1, 2012

INFORMATION

Property Valuation: 415-554-5596 (Assessor-Recorder)
Homeowner's/Other Exemptions: 415-554-5596 (Assessor-Recorder)
Current Year Taxes: 415-554-4400 (Taxpayer Assistance)
Prior Year Delinquencies: 415-554-4499
E-mail: Treasurer.TaxCollector@sfgov.org

PAYMENT OPTIONS

Online: <http://www.sftreasurer.org> (VISA, Mastercard, Discover or AMEX credit cards, Star, NYCE or PULSE debit cards, E-check)
In Person: City Hall (Check, Cash)
Phone: 1-800-890-1950 (VISA, Mastercard, Discover, or AMEX credit cards, Star, NYCE or PULSE debit cards)

ASSESSMENT INFORMATION

ASSESSMENT	FULL VALUE	TAX RATE	TAX AMOUNT
LAND	\$1,170,424.00	1.1691 %	\$13,683.42
IMPR/STRUCTURAL	\$521,610.00		\$6,098.14
IMPR/FIXTURES	\$0.00		\$0.00
PERSONAL PROPERTY	\$0.00		\$0.00
GROSS TAXABLE VALUE	\$1,692,034.00		\$19,781.56
LESS: EXEMPTIONS			
HOMEOWNER'S	\$7,000.00		\$81.83
OTHER	\$0.00		\$0.00
NET TAXABLE VALUE	\$1,685,034.00		\$19,699.73

DIRECT CHARGES AND/OR SPECIAL ASSESSMENTS:

(Call For Information)

CODE	TYPE	PHONE NO.	
89	SFUSD Facilities District	(415) 355-2203	\$33.30
98	SF – Teacher Support	(415) 355-2203	\$213.90

TOTAL DIRECT CHARGES AND SPECIAL ASSESSMENTS**\$247.20****DUE NOVEMBER 1, 2012****FIRST INSTALLMENT:****\$9,973.46****DUE FEBRUARY 1, 2013****SECOND INSTALLMENT:****\$9,973.46****TOTAL DUE: \$19,946.92**

2012 - 2013 CITY AND COUNTY OF SAN FRANCISCO TAX SECOND INSTALLMENT PAYMENT STUB 2012 - 2013

VOL	BLOCK NO.	LOT NO.	TAX BILL NO.	TAX RATE	PROPERTY LOCATION
06	0866	015	036999	1.1691 %	66 POTOMAC ST

PAYMENTS WITH LATE U.S. POSTAL SERVICE POSTMARKS WILL BE RETURNED FOR PENALTY.

Make check payable to SF Tax Collector and include block & lot numbers on your check			PAY THIS AMOUNT IF PAYMENT IS MADE BY APRIL 10, 2013	
MAIL TO:	or	BRING TO:	\$0.00	
SF Tax Collector's Office P.O. Box 7426 San Francisco, CA 94120-7426		City Hall, Room 140 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102		
REMINDER:			AFTER APRIL 10, 2013 ADD:	
Check if contributions to Arts Fund is enclosed. For other donation opportunities, goto www.Give2SF.org .		2	10% PENALTY	\$997.34
			AND \$45.00 COST	\$45.00
			TOTAL DELINQUENT	\$11,015.80
KEEP THIS NO. 2 STUB AND RETURN WITH YOUR 2nd INSTALLMENT PAYMENT.				

2012 - 2013 CITY AND COUNTY OF SAN FRANCISCO TAX FIRST INSTALLMENT PAYMENT STUB 2012 - 2013

VOL	BLOCK NO.	LOT NO.	TAX BILL NO.	TAX RATE	PROPERTY LOCATION
06	0866	015	036999	1.1691 %	66 POTOMAC ST

PAYMENTS WITH LATE U.S. POSTAL SERVICE POSTMARKS WILL BE RETURNED FOR PENALTY.

Make check payable to SF Tax Collector and include block & lot numbers on your check			PAY THIS AMOUNT IF PAYMENT IS MADE BY DECEMBER 10, 2012	
MAIL TO:	or	BRING TO:	\$0.00	
SF Tax Collector's Office P.O. Box 7426 San Francisco, CA 94120-7426		City Hall, Room 140 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102		
REMINDER:			AFTER DECEMBER 10, 2012 ADD:	
Check if contributions to Arts Fund is enclosed. For other donation opportunities, goto www.Give2SF.org .		1	10% PENALTY	\$997.34
			TOTAL DELINQUENT	\$10,970.80
DETACH AND RETURN THIS NO. 1 STUB WITH YOUR 1st INSTALLMENT PAYMENT.				