File No. 130577 Committee Item No. 7
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee **Date:** 12/16/2013

Board of Supervisors Meeting **Date:** _____

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Completed by: Victor Young **Date** December 12, 2013
Completed by: Victor Young **Date** _____

FILE NO. 130577 RESOLUTION NO.

[Mills Act Historical Property Contract - 66 Carmelita Street]

Resolution approving a Mills Act historical property contract, under Administrative Code, Chapter 71, between Amy Hockman and Brian Bone, the owners of 66 Carmelita Street, and the City and County of San Francisco; and authorizing the Planning Director and Assessor to execute the Mills Act historical property contract.

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

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

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

WHEREAS, 66 Carmelita Street is a contributor the Duboce Park Landmark District under Article 10 of the Planning Code and thus qualifies as an historical property as defined in Administrative Code Section 71.2; and

WHEREAS, A Mills Act application for an historical property contract has been submitted by Amy Hockman and Brian Bone, the owners of 66 Carmelita Street, detailing completed rehabilitation work and proposing a maintenance plan for the property; and

WHEREAS, As required by Administrative Code Section 71.4(a), the application for the historical property contract for 66 Carmelita Street was reviewed by the Assessor's Office and the Historic Preservation Commission; and

WHEREAS, The Assessor has reviewed the historical property contract and has provided the Board of Supervisors with an estimate of the property tax calculations and the difference in property tax assessments under the different valuation methods permitted by the Mills Act in its report transmitted to the Board of Supervisors on December 10, 2013, which report is on file with the Clerk of the Board of Supervisors in File No. 130577 and is hereby declared to be a part of this motion as if set forth fully herein; and

WHEREAS, The Historic Preservation Commission recommended approval of the historical property contract in its Resolution No. 721, which Resolution is on file with the Clerk of the Board of Supervisors in File No. 130577 and is hereby declared to be a part of this resolution as if set forth fully herein; and

WHEREAS, The draft historical property contract between Amy Hockman and Brian Bone, the owners of 66 Carmelita Street, and the City and County of San Francisco is on file with the Clerk of the Board of Supervisors in File No. 130577 and is hereby declared to be a part of this resolution as if set forth fully herein; and

WHEREAS, The Board of Supervisors has conducted a public hearing pursuant to Administrative Code Section 71.4(d) to review the Historic Preservation Commission's recommendation and the information provided by the Assessor's Office in order to determine whether the City should execute the historical property contract for 66 Carmelita Street; and

WHEREAS, The Board of Supervisors has balanced the benefits of the Mills Act to the owner of 66 Carmelita Street with the cost to the City of providing the property tax reductions authorized by the Mills Act, as well as the historical value of 66 Carmelita Street and the resultant property tax reductions; now, therefore, be it

RESOLVED, That the Board of Supervisors hereby approves the historical property contract between Amy Hockman and Brian Bone the owners of 66 Carmelita Street, and the City and County of San Francisco; and, be it

FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the Planning Director and the Assessor to execute the historical property contract; and, be it

FURTHER RESOLVED, That within thirty (30) days of the contract being fully executed by all parties, the Director of Planning shall provide the final contract to the Clerk of the Board for inclusion into the official file.

CARMEN CHU
ASSESSOR-RECORDER

SAN FRANCISCO
OFFICE OF THE ASSESSOR-RECORDER

MEMORANDUM

Date: December 12, 2013

To: Victor Young, Board of Supervisors

From: Michael Jine, Assessor-Recorder

Subject: **Mills Act Values**

Victor:

Attached is a spreadsheet of the estimated Mills Act value and property tax savings for the following properties:

1. 1019 Market
2. 3769 20th
3. 2550 Webster
4. 1772 Vallejo
5. 50 Carmelita
6. 56 Pierce
7. 56 Potomoc
8. 64 Pierce
9. 66 Carmelita
10. 66 Potomoc
11. 70 Carmelita

Remarks:

(a) The original values for #1 (1019 Market), #2 (3769 20th), and #4 (1772 Vallejo) have been revised due to a change in the tax rate to 1.188% from 1.1691%.
(b) The original value for #3 (2550 Webster) has been revised due to a change in the tax rate to 1.188% from 1.1691% and a change in the use to owner occupied from non-owner occupied.

City Hall Office: 1 Dr. Carlton B. Goodlett Place
Room 190, San Francisco, CA 94102-4698
Tel: (415) 554-5596 Fax: (415) 554-7151
www.sfassessor.org
e-mail: assessor@sfgov.org

Address	Property Type	Owner Occupied	Three Way Value Comparison: 2013 Factored Base Year Value	Restricted Value by Income	Market Value	Lesser of the 3 Comparisons: Taxable Mills Act Value	Reduction in Assessed Value	Percentage of Reduction From FBYV	2013 Property Tax Rate	Estimated Property Tax Savings
1019 Market	Office	No	$ 17,500,000	$ 16,540,000	$ 25,180,000	$ 16,540,000	$ (960,000)	-5.49%	1.188%	($11,405)
3769 20th	SFR	Yes	$ 1,785,000	$ 932,783	$ 1,780,000	$ 932,783	$ (852,217)	-47.74%	1.188%	($10,124)
2550 Webster	SFR	Yes	$ 2,924,570	$ 2,523,438	$ 10,670,000	$ 2,523,438	$ (401,132)	-13.72%	1.188%	($4,765)
1772 Vallejo	SFR	Yes	$ 6,250,000	$ 2,220,625	$ 6,350,000	$ 2,220,625	$ (4,029,375)	-64.47%	1.188%	($47,869)
50 Carmelita	SFR	Yes	$ 2,620,582	$ 970,000	$ 2,600,000	$ 970,000	$ (1,650,582)	-62.99%	1.188%	($19,609)
56 Pierce	3 units	No	$ 1,535,568	$ 910,000	$ 1,490,000	$ 910,000	$ (625,568)	-40.74%	1.188%	($7,432)
56 Potomac	SFR	Yes	$ 1,064,403	$ 630,000	$ 1,700,000	$ 630,000	$ (434,403)	-40.81%	1.188%	($5,161)
64 Pierce	SFR	Yes	$ 2,526,192	$ 950,000	$ 2,500,000	$ 950,000	$ (1,576,192)	-62.39%	1.188%	($18,725)
66 Carmelita	SFR	Yes	$ 1,999,993	$ 720,000	$ 2,100,000	$ 720,000	$ (1,279,993)	-64.00%	1.188%	($15,206)
66 Potomac	SFR	Yes	$ 1,895,874	$ 900,000	$ 2,400,000	$ 900,000	$ (995,874)	-52.53%	1.188%	($11,831)
70 Carmelita	SFR	Yes	$ 635,263	$ 780,000	$ 2,200,000	$ 635,263	$ -	0.00%	1.188%	$0

SAN FRANCISCO
PLANNING DEPARTMENT

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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

Re: **Transmittal of Planning Department Case Number 2013.1230U**
66 Carmelita St (Contributor 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 Resolution*.

The Resolution recommends that the Board of Supervisors approve the Mills Act Historical Property Contract, rehabilitation program and maintenance plan for the property located at 66 Carmelita Street, a contributor to the Duboce Park Landmark District.

Please note that the Project Sponsor submitted the Mills Act application on September 3, 2013.

The contract involves a rehabilitation plan which includes the following;

- Replacing entry stairs
- Replacing wood windows in-kind
- Repairing the historic siding
- Repairs to the foundation

The 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;
- gutters, downspouts and drainage; and
- the foundation

1/30/77

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

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

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

Sincerely,

AnMarie Rodgers
Manager of Legislative Affairs

Attachments:

Historic Preservation Commission Resolution No. 0721
Mills Act Contract Case Report, dated December 4, 2013, including the following:
- Exhibit A: Mills Act Historical Property Contract
- Exhibit B: Rehabilitation & Maintenance Plan
- Exhibit C: Market Analysis and Income Approach provided by the Assessor's Office
- Exhibit D: Mills Act Application

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Historic Preservation Commission
Resolution No. 721
HEARING DATE DECEMBER 4, 2013

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

1650 Mission St.
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San Francisco,
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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

	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 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 ANAYLSIS

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 Recorders 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

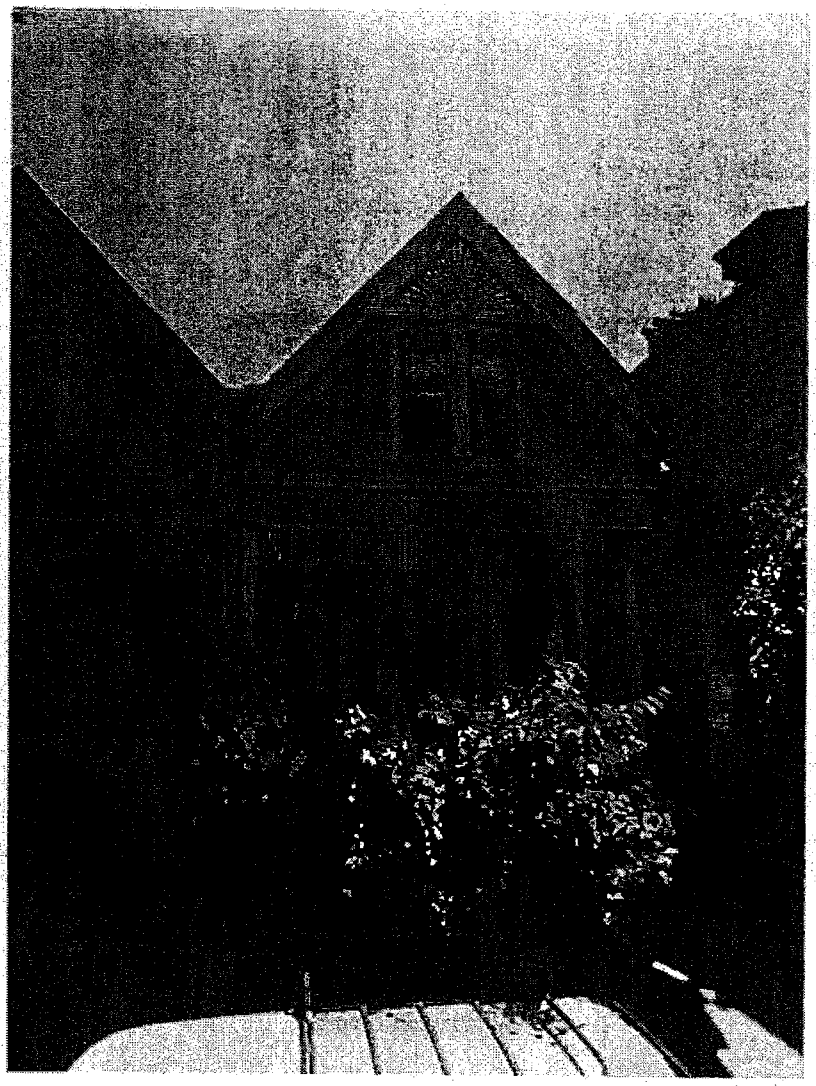
e. **64 Pierce St.**
Draft Resolution
Exhibit A: Draft Mills Act Historical Property Contract
Exhibit B: Draft Rehabilitation & Maintenance Plan
Exhibit C: Draft Market Analysis and Income Approach provided by the Assessor's Office
Exhibit D: Mills Act Application

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

Historic Preservation commission
Case Number 2013.2130U
Mills Act Historical Property Contract
66 Carmelita St.

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) 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:_____ DATE:_____
Phil Ting
Assessor-Recorder

By:_____ DATE:_____
John Rahaim
Director of Planning

APPROVED AS TO FORM:
DENNIS J. HERRERA
CITY ATTORNEY

By:_____ DATE:_____
[NAME]
Deputy City Attorney

OWNERS

By: [signature] DATE: 8/31/13
Owner

Amy L. Lockman

By: Brian W. Bone DATE: 8/31/2013
[NAME], Owner
Brian W. Bone

[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 [signature]

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.	

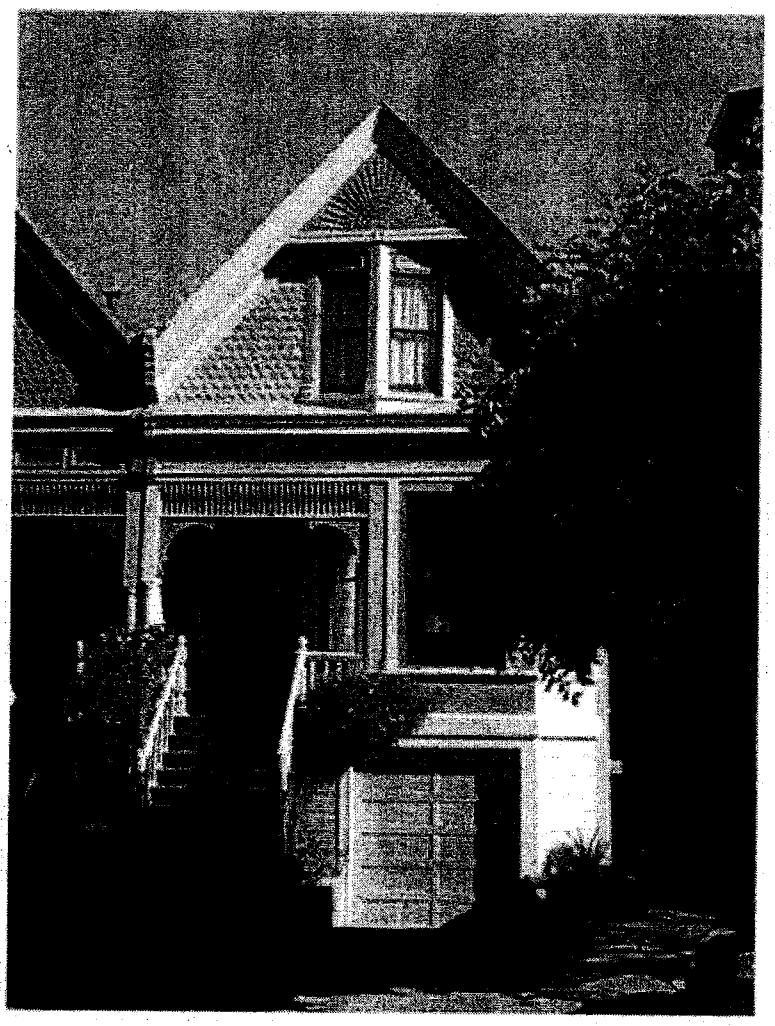
Building Feature	Basement work
Type of Work	
Contract Year Work Completion	2023
Total Cost	$5,000 - $10,000
Description of Work	
We will repair or replace, in kind, all the double hung windows in the basement (4 total) and replace the back door to the garden. We have leaking from our neighbor's poorly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

CARMEN CHU
ASSESSOR-RECORDER

SAN FRANCISCO
OFFICE OF THE ASSESSOR-RECORDER

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

CONCLUSION AND RECOMMENDATIONS

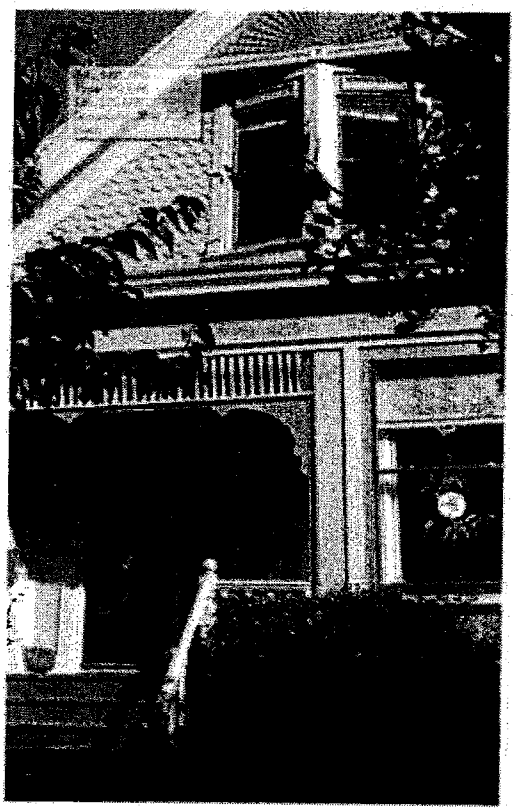
Based on the three-way value comparison, the lowest of the three values is the Restricted Mills Act Value.

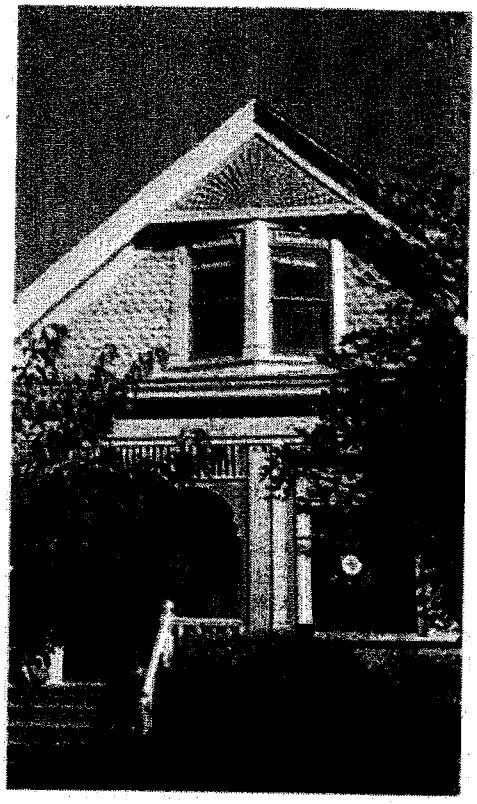
The taxable Mills Act value on: August 31, 2013 is $720,000

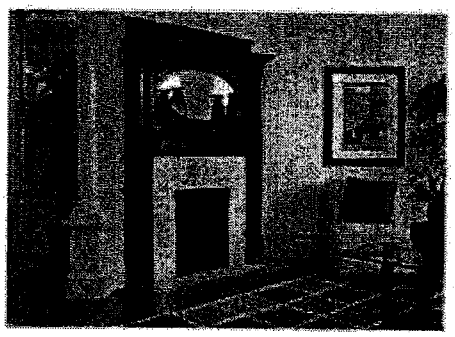
Appraiser: Timothy Landregan Date: 11/26/13

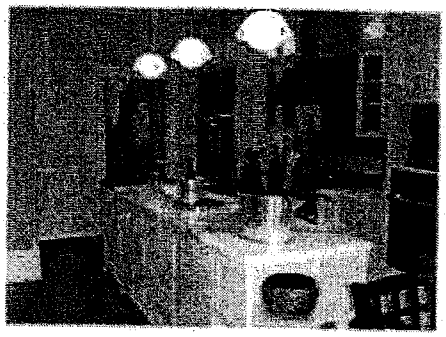
Principal Appraiser: Cathleen Hoffman

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%		($1,680)
Effective Gross Income					$82,320
Less Anticipated Operating Expenses*			16%		($13,050)
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 occuped / 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 $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.

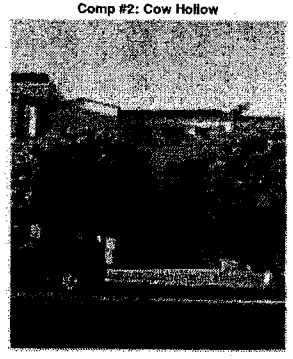
**Annual Operating Expenses include PG&E, water service, refuse collection, insurance, maintenance and property management, typically estimated at 15% of effective gross income. TP estimates actual annual operating expenses of the subject property are $13,050 (15.855% of EGI)*

Rental Comps

Comp #1: Parnassus Hts

Listing Agent:	Sotheby's
Address:	Not provided
Cross Streets:	Clayton at Parnassus
SF:	2,400
Layout:	4/2.5, 2 car parking
Monthly Rent	$7,700
Rent/Foot/Mo	**$3.21**
Annual Rent/Foot:	**$38.50**

Comp #2: Cow Hollow

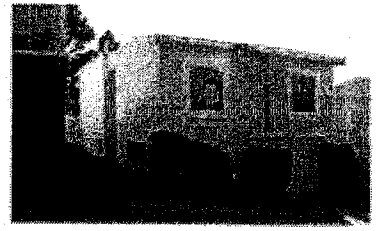


	Bay Property Group
	2546 Greenwich St
	Between Scott and Divisader
	4,350
	4/6, 3 car parking
	$13,495
	$3.10
	$37.23

Comp #3: Marina

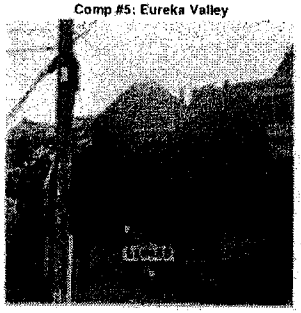
	J Wavro Associates
	Not Provided
	Scott at Bay
	3,000
	4/3, 2 car parking
	$8,950
	$2.98
	$35.80

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:	By Owner
Address:	1 Seward Street
Cross Streets:	Seward at Douglass (Kite Hill)
SF:	1,700
Layout:	2/2, No parking
Monthly Rent	$6,900
Rent/Foot/Mo	**$4.06**
Annual Rent/Foot:	**$48.71**

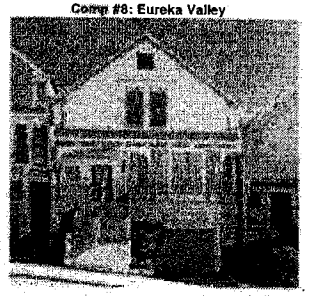
Comp #6: Twin Peaks

	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

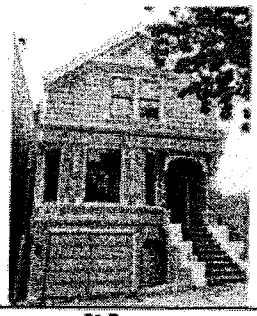
	REMax/Westlake Properties
	441 Delbrook (@ Panorama)
	Panorama @ Clarendon
	1,127
	3/2, 2 car parking
	$4,200
	$3.73
	$44.72

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

	Subject	Sale 1		Sale 2		Sale 3	
APN	0864-015	3561-046		0869-034		0864-008	
							
Address	66 Carmelita St	51 Beaver		251 Waller St		55 Pierce St	
		$1,733,300		$2,730,000		$2,250,000	
Sale Price / Square Foot		$928		$1,063		$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

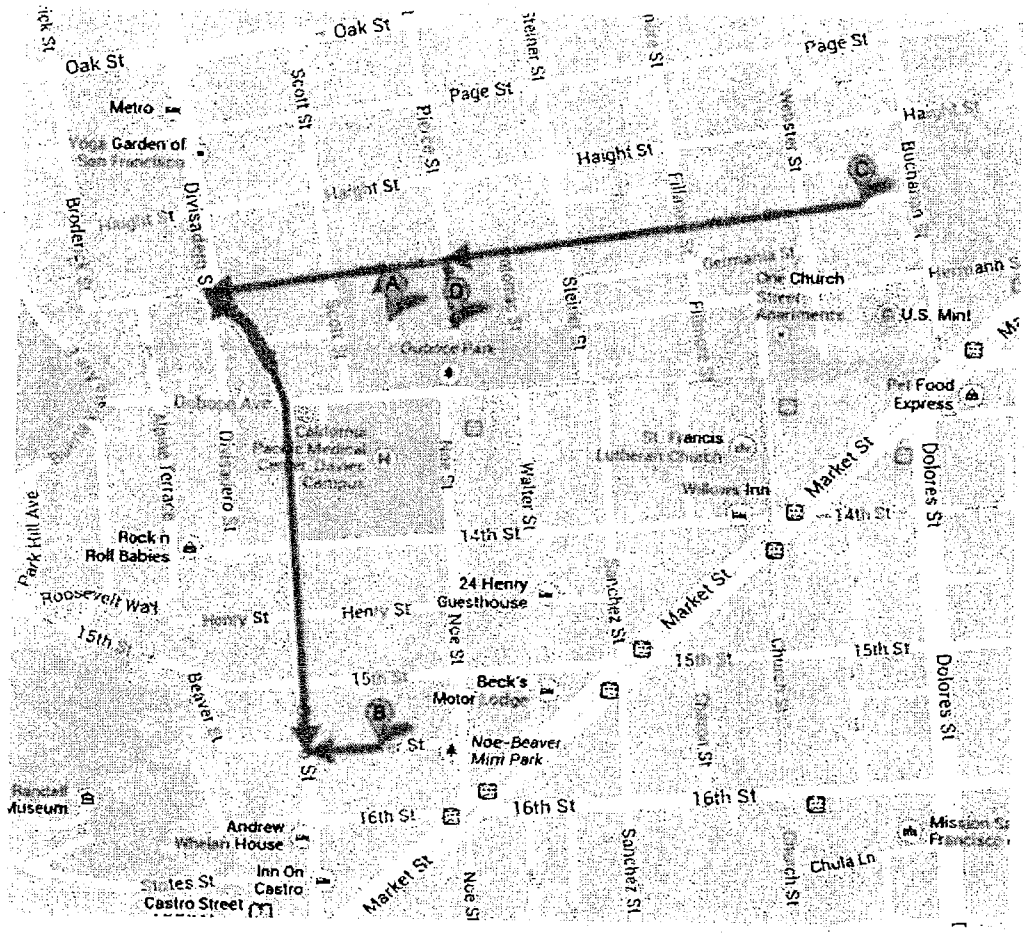
VALUE CONCLUSION: $2,100,000 $953

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 signficant 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:	TELEPHONE:
AMY HOCKMAN	(415) 551-1443
PROPERTY OWNER 1 ADDRESS:	**EMAIL:**
66 CARMELITA ST SF CA 94117	AHOCKMAN23@PACBELL.NET

PROPERTY OWNER 2 NAME:	TELEPHONE:
BRIAN BONE	(415) 551-1443
PROPERTY OWNER 2 ADDRESS:	**EMAIL:**
66 CARMELITA ST SF CA 94117	

PROPERTY OWNER 3 NAME:	TELEPHONE:
N/A	( )
PROPERTY OWNER 3 ADDRESS:	**EMAIL:**

2. Subject Property Information

PROPERTY ADDRESS:	ZIP CODE:
66 CARMELITA ST SF, CA 94117	94117
PROPERTY PURCHASE DATE:	**ASSESSOR BLOCK/LOT(S):**
FEBRUARY 1, 2008	0864/015
MOST RECENT ASSESSED VALUE:	**ZONING DISTRICT:**
$1,600,000	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? *If Yes, please list the addresses for all other property owned within the City of San Francisco on a separate sheet.*	YES ☐ NO ☑
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: 8/31/13

Owner Signature: _____ Date: 8/31/2013

Owner Signature: _____ Date: _____

N/A

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: _____

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 ☐	Maintenance ☐	Completed ☐	Proposed ☐
CONTRACT YEAR WORK COMPLETION:			
TOTAL COST (rounded to nearest dollar):			
DESCRIPTION OF WORK:			

BUILDING FEATURE:			
Rehab/Restoration ☐	Maintenance ☐	Completed ☐	Proposed ☐
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 (DATE) before me, Jason Whipple (INSERT NAME OF THE OFFICER)

NOTARY PUBLIC personally appeared: Amy Hockman and Brian Bare (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.

JASON WHIPPLE
Commission # 1915838
Notary Public - California
San Francisco County
My Comm. Expires Dec 7, 2014

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	$ 6,500 -	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	$ 78,000 -	Multiply Line 1 by 12
3. Deduction for Vacancy	$ 74,100 -	5% (subtract %5 from line 2)

STEP 2: Calculate Annual Operating Expenses

ANNUAL OPERATING EXPENSES	CURRENT	EXPLANATION
4. Insurance	$ 2,650	Fire, Liability, etc.
5. Utilities	$ 4,000	Water, Gas, Electric, etc
6. Maintenance*	$ 2,500	Maintenance includes: Painting, plumbing, electrical, gardening, cleaning, mechanical, heating repairs, structural repairs, security, and property management
7. Management*	$ 3,900	
8. Other Operating Expenses	$ —	Security, services, etc. Provide breakdown on separate sheet.
9. **Total Expenses†**	$ 13,050	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**	$ 61,050	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 ☑ NO ☐
2	**Priority Consideration Criteria Worksheet** Have three priorities been checked and adequately justified?	YES ☑ NO ☐
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 ☐ NO ☑
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 ☑ NO ☐
5	**Notary Acknowledgement Form** Is the Acknowledgement Form complete? Do the signatures match the names and capacities of signers?	YES ☑ NO ☐
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 ☑ NO ☐
7	**Historical Property Tax Adjustment Worksheet** Did you provide back-up documentation (*for commercial property only*)?	YES ☐ NO ☑ N/A
8	**Photographic Documentation** Have you provided both interior and exterior images? Are the images properly labeled?	YES ☑ NO ☐
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 ☑ NO ☐
10	**Tax Bill** Did you include a copy of your most recent tax bill?	YES ☑ NO ☐
11	**Payment** Did you include a check payable to the San Francisco Planning Department?	YES ☑ NO ☐

ATTACH PUBLIC NOTARY FORMS HERE.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

State of California

County of San Francisco

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

personally appeared Amy L. Hockman and Brian W. Bone (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.

JASON WHIPPLE
Commission # 1915838
Notary Public - California
San Francisco County
My Comm. Expires Dec 7, 2014

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: Historic Property Agreement

Document Date: _____ Number of Pages: _____

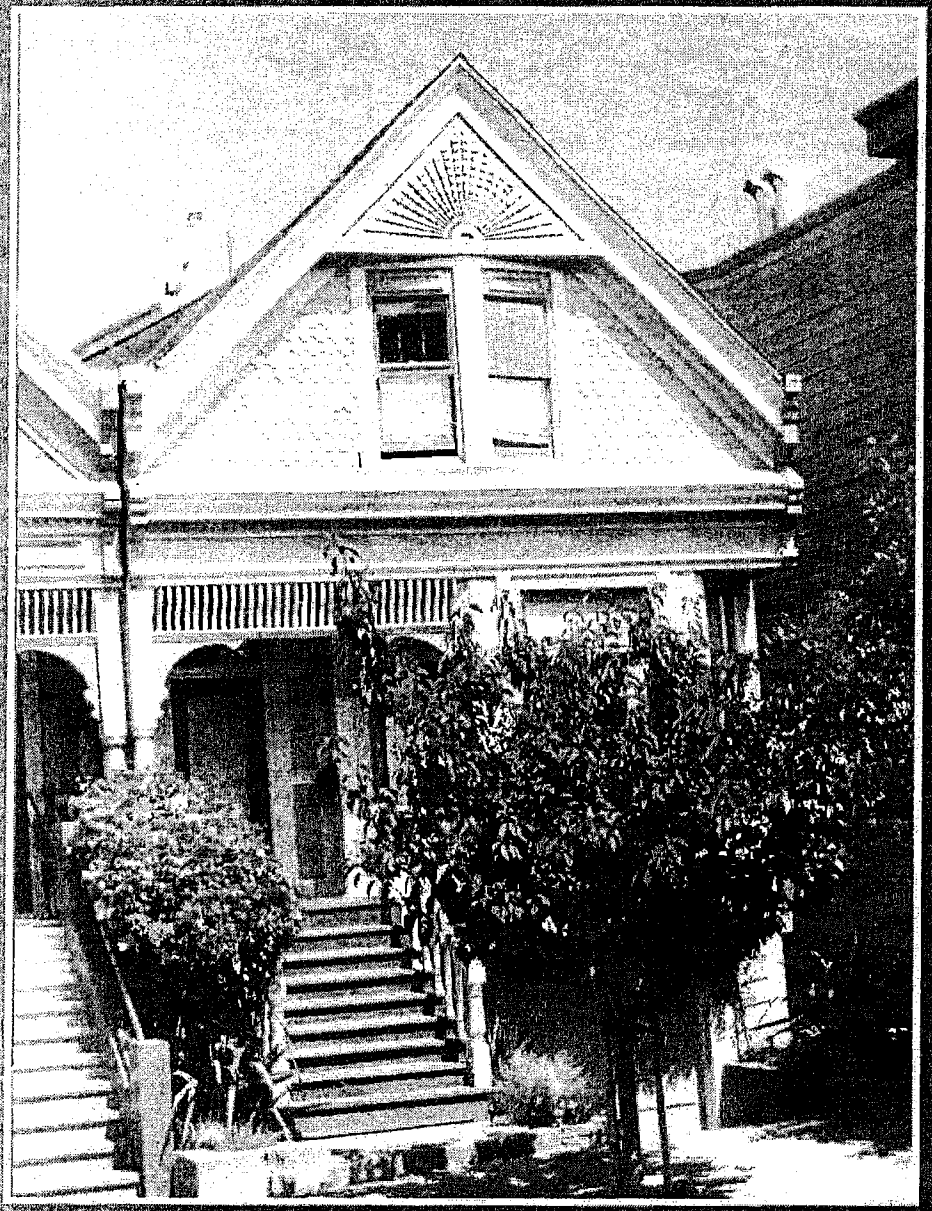
Signer(s) Other Than Named Above: _____

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: _____
RIGHT THUMBPRINT OF SIGNER — Top of thumb here	RIGHT THUMBPRINT OF SIGNER — Top of thumb here

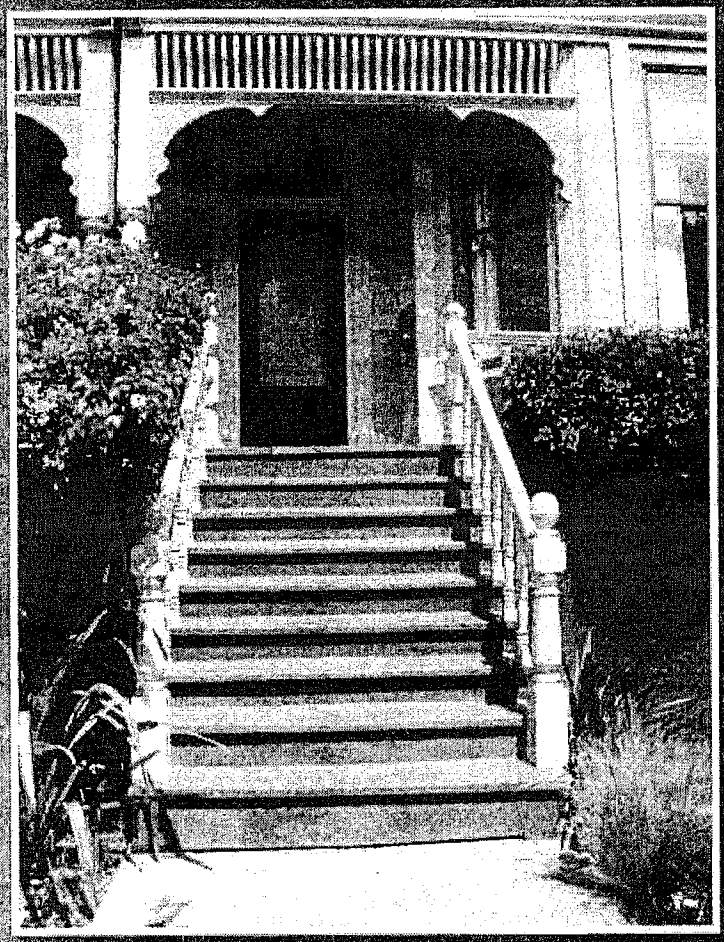
Item #5907

Checklist Item #8

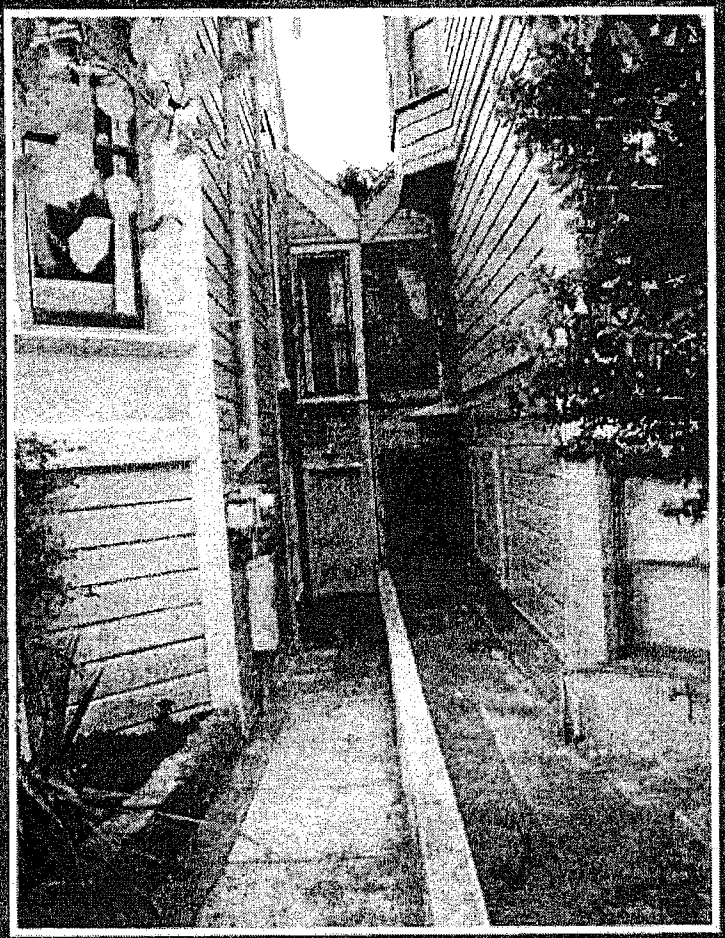


Mills Act Application
66 Carmelita Street

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

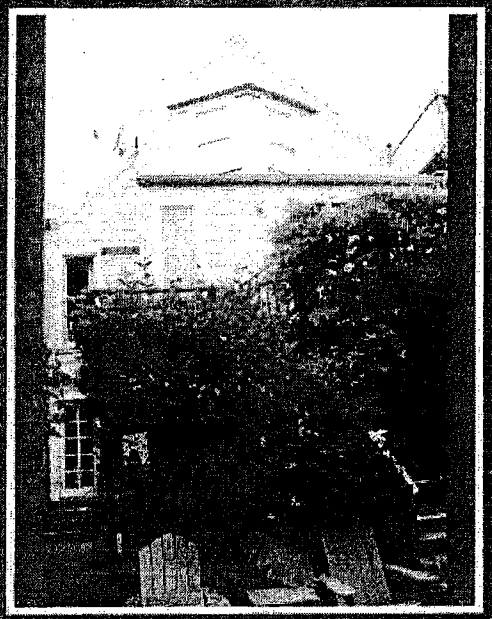


Wood front stairs and porch



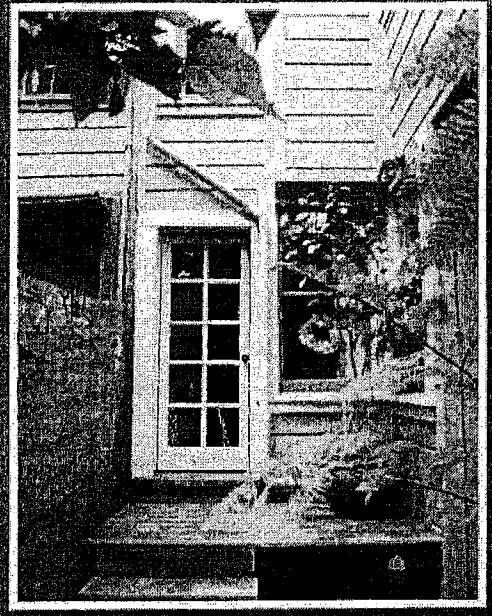
Side entrance and breezeway.

Back of house from garden



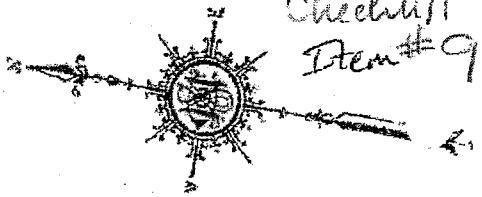
Window above back door

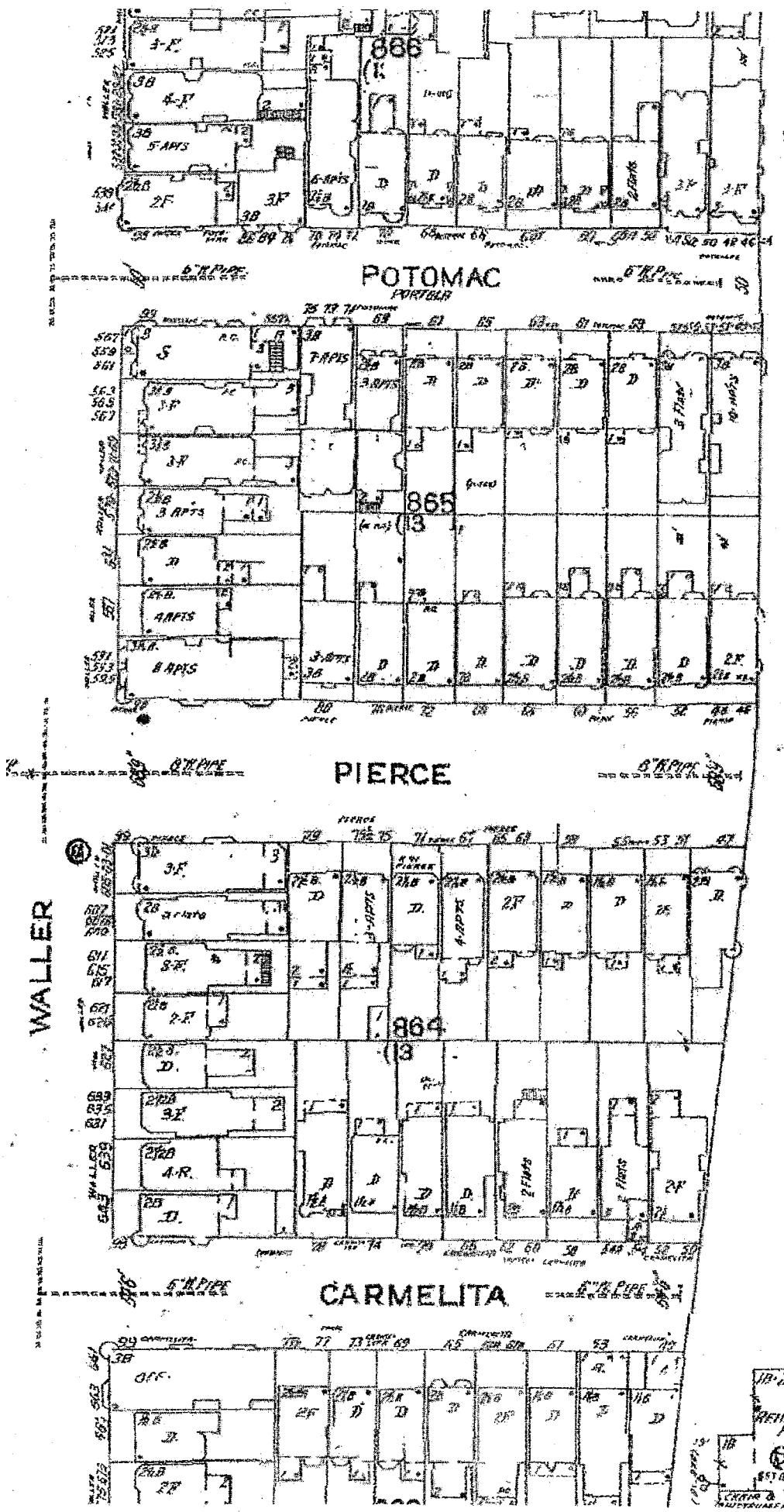
Back door entering from garden



Back of house from garden (another view)

66 Carmelita St.
Site Plan
Checklist
Item #9





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

080353

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

File No. 130577

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

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

Contractor Information *(Please print clearly.)*	
Name of contractor: **Amy Hockman and Brian Bone**	
Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. ***Use additional pages as necessary.*** **Amy Hockman and Brian Bone, property owners**	
Contractor address: 66 Carmelita St. San Francisco, CA 94117	
Date that contract was approved: *(By the SF Board of Supervisors)*	Amount of contracts: $ $(15,206 estimated annual property tax savings)
Describe the nature of the contract that was approved: Mills Act Historical Property Contract	
Comments:	

This contract was approved by (check applicable):

☐the City elective officer(s) identified on this form

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

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

_____
Print Name of Board

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

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

_____ _____
Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk) Date Signed