



SAN FRANCISCO PLANNING DEPARTMENT

DATE: November 8, 2017

TO: Chair Kim and Members of the Government Audit and Oversight Committee

FROM: Tim Frye, Historic Preservation Officer, (415) 575-6822

RE: **Follow-up regarding pending Mills Act Contract applications and Government Audit and Oversight Committee comments and questions.**

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The Planning Department is providing the following information at the request of the Government Audit and Oversight Committee of the Board of Supervisors. The request was made at its November 1, 2017 committee hearing regarding pending Mills Act Contract applications currently under review by the City and County of San Francisco.

Planning staff also provided the HPC with an overview of the comments and concerns raised by the GAO Committee at its November 1, 2017 HPC hearing. In response, President Andrew Wolfram directed Planning Staff to schedule a hearing to discuss how the program can better align with the Committee's intent for the program. We will notify the Committee when the hearing is scheduled. It's anticipated it will be scheduled in early 2018 to allow for improvements to the program to be incorporated into the 2018 application cycle.

To prevent a reoccurrence of the quality of the Committee's 2017 information packet and to maintain an ongoing line of communication with the Board of Supervisors, the Department has revised its application procedures to include the following:

First Business Day in May – Applications Submitted to Planning Department

Within 15 days of Application Receipt – District Supervisors will be notified of applications received in their respective districts

Last Business Day in May - All enforcement, complaints and Ellis Act cases will be noted. (This milestone may be revised pending HPC and Board action regarding Mills Act qualifications for 2018)

First Business Day in June - District Supervisors will be notified of applications that are forwarded to the Assessor-Recorder as well as any application not transmitted due to enforcement issues, incomplete information, etc.

Mid-September - District Supervisors and Government Audit and Oversight Committee Chair will be notified of valuation and the advance HPC hearing date

First Wednesday in October – HPC Hearing on pending Mills Act Applications

First Friday in October - District Supervisors and Government Audit and Oversight Committee Chair will be notified of HPC hearing results and date of transmittal of Mills Act application to the Clerk of the Board of Supervisors.

Two Weeks Prior to Government Audit and Oversight Committee Hearing – Department will schedule any Supervisor briefings, if requested

Pending Mills Act Contracts:

215 and 219 Haight Street: The pending Mills Act application for Woods Hall and Woods Hall Annex are under the same ownership as the remainder of the San Francisco Teacher's College site. There is an

Memo to Government Audit and Oversight Committee – Pending Mills Act Contracts

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outstanding enforcement, Case No. 2017-008046ENF, opened on June 27, 2017 for 155 Laguna St, Unit 59 for illegal office use and is under review. The building at 155 Laguna is a contemporary building located on the site. It appears, however, another recent enforcement case was opened on October 23, 2017 regarding a 4x4 piece of wood bolted to the northeast corner of Richardson Hall. The Department is also investigating this current complaint.

56 Potomac Street: The subject property currently has a Mills Act Contract granted by the Board of Supervisors in 2013, File No. 13159. The applicant proposes to amend the 2013 Mills Act Contract to complete a remodel of the interior and construct additions. As part of the new contract the property owner proposes to restore the front façade. At the November 1, 2017 hearing Supervisor Peskin suggested the pending Certificate of Appropriateness be resolved before considering the new contract. Based on the proposed scope of work, the pending Certificate of Appropriateness cannot be approved by the Historic Preservation Commission as the work to the rear façade is in conflict with the rehabilitation outlined in the current contract.

60-62 Carmelita Street: According to Rent Board documentation, the tenants in 60 Carmelita and 62 Carmelita applied for protected status on August 7, 2015. Documentation shows a declaration of landlord buyout on November 24, 2015 for 62 Carmelita Street; however, the Rent Board does not have the paperwork on file. An owner move-in was filed on December 31, 2015. The Department has made another request to the Rent Board for more information. We will forward the information once received.

973 Market Street: While the proposed application was not before the committee, Planning staff stated that the open enforcement action on the property was to be closed by November 3, 2017. Based on updated information from the City Attorney's Office, the property owners' attorney has expressed strong interest in resolving the violation by paying the full penalty amount including accrued any interest. The City Attorney's Office is in negotiations with the property owners' attorney, and if successful, believes the enforcement action and the pending actions against the City challenging the penalty can be resolved by the end of November.

All Pending Mill Act Contract Applications: Should the Chair decide to hear any of the pending items at its last Committee hearing in December, the Department will work with the Clerk and all parties to schedule accordingly.

Mills Act Contracts are accepted by the Department on the first business day in May each year and complete applications are forwarded to the Office of the Assessor-Recorder the first business day of June each year. This provides the Assessor-Recorder's Office, the Planning Department, and the public with a predictable schedule for ensuring all decision-making bodies have time to review the pending applications within the calendar year. If the pending applications are not heard before the end of the calendar year, they may be reconsidered by the Board of Supervisors at a future hearing, outside of the standard May – June application cycle, provided the Assessor-Recorder has had an opportunity to revise its analysis.

Table of all current Mills Act Contracts to date: Please see attached table prepared by the Planning Department and the Assessor-Recorder's Office

Contract #	Address	Property Owner	Historic Name	Block/Lot	Status	Type of Landmark	Date Filed at Dept.	Planning Case No.	Sent to ARO	Valuation Rec'd from ARO	Rehab/ Maintenance Plans Approved by HPC	HPC Resolution No.	Contract Approved by BOS	BOS File No.	Contract Recorded with ARO	2017-2018 Base Value	2017-2018 Mills Act Taxable Value	\$ Reduction In Assessed Value	% Reduction In Assessed Value	Property Tax Savings (1.1723%)	Supervisor District
1	460 Bush St.	Alice Carey	Fire Station #2	0270/041	Approved	Article 10 (#143) Article 11 (KMMS-Cat 1)	01/05/02	2002.0092U			3/20/2002	556	5/13/2002	02-0640		\$ 2,431,442	\$ 2,431,442	\$ -	0.00%	\$0	4
2	1080 Haight St.	Fellmore Managment, LLC	John C. Spencer House	1236/018	Approved	National Register	08/17/05	2005.0690U				603	5/15/2007	07-0385	12/13/2007	\$ 4,635,120	\$ 3,550,000	\$ (1,085,120)	-23.41%	-\$12,721	5
3	1735 Franklin St.	Tad & Masumi Oride	Brandenstein House	0641/002	Approved	Article 10 (#126)	03/28/05	2005.0302U				612	8/7/2007	07-0701	11/27/2007	\$ 3,003,117	\$ 2,827,467	\$ (175,650)	-5.85%	-\$2,059	2
4	690 Market St.	RC Chronicle Bldg., LP	Chronicle Bldg.	0311/016	Approved	Article 11 Cat. II	01/03/08	2008.0014U				620	11/4/2008	08-1410		\$ 107,993,060	\$ 63,471,317	\$ (44,521,743)	-41.23%	-\$521,928	3
5	1818 California St.	Nakamura FLP	Lilienthal-Orville Pratt House	0641/004	Approved	Article 10 (#55)	12/01/08	2008.1327U				636	12/3/2010	09-1106	12/23/2010	\$ 4,042,716	\$ 2,322,562	\$ (1,720,154)	-42.55%	-\$20,165	2
6	201 Buchannan	Howard Stien and Jason Stien	Nightengale House	0858/002	Approved	Article 10 (#47)	7/8/2011	2011.0310U	6/1/2013	9/5/2013	10/16/2013	701	7/30/2013	13-0623	12/23/2013	\$ 1,738,460	\$ 1,670,000	\$ (68,460)	-3.94%	-\$803	5
7	2550 Webster St.	Gregory & Gloria McCandless	Bourn Mansion	0580/013	Approved	Article 10 (#38)	5/1/2013	2013.0679U	6/1/2013	12/3/2013	10/16/2013	715	12/16/2013	13-0479	12/26/2013	\$ 3,203,037	\$ 3,029,429	\$ (173,608)	-5.42%	-\$2,035	2
8	3769 20th St.	Thomas Ranese & Brian Jackson	N/A	3607/062	Approved	Article 10 (Liberty Hill)	5/1/2013	2013.0582U	6/1/2013	12/3/2013	10/16/2013	716	12/16/2013	13-0521	12/30/2013	\$ 2,052,382	\$ 1,190,000	\$ (862,382)	-42.02%	-\$10,110	8
9	1019 Market St.	Coby Durnin (Sentinel Development)	Carpets & Furniture Bldg.	3703/076	Approved	National Register (Market Street Theater & Loft District)	5/1/2013	2013.0576U	6/1/2013	12/3/2013	10/16/2013	714	12/16/2013	13-0506	12/30/2013	\$ 49,965,526	\$ 42,320,000	\$ (7,645,526)	-15.30%	-\$89,629	6
10	1772 Vallejo St.	John Moran	Burr Mansion	0552/029	Approved	Article 10 (# 31)	5/1/2013	2013.0575U	10/1/2013	12/3/2013	12/4/2013	727	12/16/2013	13-0463	12/27/2013	\$ 6,631,500	\$ 2,147,000	\$ (4,484,500)	-67.62%	-\$52,572	2
11	50 Carmelita St.	Adam Spiegel	N/A	0864/011	Approved	Article 10 (Duboce Park)	9/3/2013	2013.1261U	10/1/2013	12/3/2013	12/4/2013	720	12/16/2013	13-0522	12/30/2013	\$ 2,780,542	\$ 1,160,000	\$ (1,620,542)	-58.28%	-\$18,998	8
12	66 Carmelita St.	Bone Family Trust	N/A	0864/015	Approved	Article 10 (Duboce Park)	9/3/2013	2013.1230U	10/1/2013	12/3/2013	12/4/2013	721	12/16/2013	13-0577	12/30/2013	\$ 2,194,449	\$ 1,052,380	\$ (1,142,069)	-52.04%	-\$13,388	8
13	56 Pierce St.	Adam Wilson	N/A	0865/013	Approved	Article 10 (Duboce Park)	9/3/2013	2013.1258U	10/1/2013	12/3/2013	12/4/2013	723	12/16/2013	13-1157	12/30/2013	\$ 1,629,295	\$ 1,240,000	\$ (389,295)	-23.89%	-\$4,564	8
14	64 Pierce St.	Jean Paul Balajadia	N/A	0865/015	Approved	Article 10 (Duboce Park)	9/3/2013	2013.1254U	10/1/2013	12/3/2013	12/4/2013	724	12/16/2013	13-1158	12/30/2013	\$ 2,745,321	\$ 1,160,000	\$ (1,585,321)	-57.75%	-\$18,585	8
15	56 Potomac St.	Karli Sager	N/A	0866/012	Approved	Article 10 (Duboce Park)	9/3/2013	2013.1259U	10/1/2013	12/3/2013	12/4/2013	725	12/16/2013	13-1159	12/30/2013	\$ 1,129,369	\$ 750,000	\$ (379,369)	-33.59%	-\$4,447	8
16	66 Potomac St.	Adam Wilson	N/A	0866/015	Approved	Article 10 (Duboce Park)	9/3/2013	2013.1257U	10/1/2013	12/3/2013	12/4/2013	726	12/16/2013	13-1160	12/30/2013	\$ 1,743,056	\$ 1,080,000	\$ (663,056)	-38.04%	-\$7,773	8
17	68 Pierce St.	Diarmuid Russel & Heather Podruchny	N/A	0865/016	Approved	Article 10 (Duboce Park)	5/1/2014	2014.0719U	6/1/2014	9/1/2014	10/1/2014	737	11/25/2014	14-1102	12/29/2014	\$ 1,649,908	\$ 980,000	\$ (669,908)	-40.60%	-\$7,853	8
18	563-567 Waller St.	Brandon Miller & Jay Zalewski	N/A	0865/025	Approved	Article 10 (Duboce Park)	5/1/2014	2014.0720U	6/1/2014	9/1/2014	10/1/2014	738	11/25/2014	14-1103	12/19/2014	\$ 2,406,146	\$ 1,890,000	\$ (516,146)	-21.45%	-\$6,051	8
19	621 Waller St.	Claude & Renee Zellweger	N/A	0864/023	Approved	Article 10 (Duboce Park)	5/1/2014	2014.0746U	6/1/2014	9/1/2014	10/1/2014	739	11/25/2014	14-1104	12/19/2014	\$ 2,196,627	\$ 980,000	\$ (1,216,627)	-55.39%	-\$14,263	8
20	722 Steiner St.	Come Lague	Postcard Row/Painted Ladies	0803/023	Approved	Article 10 (Alamo Square)	5/1/2015	2015-006442MLS	6/1/2015	9/1/2015	10/7/2015	753	12/8/2015	15-1065	12/18/2015	\$ 3,390,700	\$ 1,800,000	\$ (1,590,700)	-46.91%	-\$18,648	5
21	807 Montgomery	807 Montgomery LLC	N/A	0176/006	Approved	Article 10 (Jackson Square)	5/1/2015	2015-006450MLS	6/1/2015	9/1/2015	10/7/2015	755	12/15/2015	15-1066	12/22/2015	\$ 5,416,987	\$ 5,416,987	\$ -	0.00%	\$0	3
22	761 Post St.	RLJ C San Francisco LP	Maurice Hotel	0304/015	Approved	National Register (Lower Nob Hill Apartment Hotel District)	5/1/2015	2015-006448MLS	6/1/2015	9/1/2015	10/7/2015	754	12/8/2015	15-1067	12/24/2015	\$ 34,487,172	\$ 34,487,172	\$ -	0.00%	\$0	3

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23	1036 Vallejo St.	Klandokht Beyzavi & Hamid Amiri	N/A	0127/007	Approved	National Register (Russian Hill-Vallejo Crest District)	5/1/2016	2016-006181MLS	6/1/2016	9/1/2016	10/5/2016	792	11/29/2016	16-1098	12/16/2016	\$ 2,040,000	\$ 1,490,000	\$ (550,000)	-26.96%	-\$6,448	3
24	101-105 Steiner St.	Jason Monberg & Karli Sager	N/A	0866/009	Approved	Article 10 (Duboce Park)	5/1/2016	2016-006192MLS	6/1/2016	9/1/2016	10/5/2016	790	11/29/2016	16-1100	12/20/2016	\$ 2,809,700	\$ 1,620,000	\$ (1,189,700)	-42.34%	-\$13,947	8
25	361 Oak St.	Christopher J. Ludwig & Liesl Ludwig	Fassett-Reis-Meagher House	0839/023	Approved	California Register (Hayes Valley)	5/1/2016	2016-006185MLS	6/1/2016	9/1/2016	10/5/2016	791	11/29/2016	16-1099	12/15/2016	\$ 2,652,599	\$ 1,230,000	\$ (1,422,599)	-53.63%	-\$16,677	5
TOTAL LOSS IN PROPERTY TAX REVENUE																				-\$863,662	

This color indicates work completed by the Office of the Assessor-Recorder

1. 460 Bush Street



2. 1080 Haight Street



3. 1735 Franklin Street



4. 690 Market Street



5. 1818 California Street



6. 201 Buchanan Street



7. 2550 Webster Street



8. 3769 20th Street



9. 1019 Market Street



10. 1772 Vallejo Street



11. 50 Carmelita Street



12. 66 Carmelita Street



13. 56 Pierce Street



14. 64 Pierce Street



15. 56 Potomac Street



16. 66 Potomac Street



17. 68 Pierce Street



18. 563-567 Waller Street



19. 621 Waller Street



20. 722 Steiner Street



21. 807 Montgomery Street



22. 761 Post Street



23. 1036 Vallejo Street



24. 101-105 Steiner Street



25. 361 Oak Street

