



SAN FRANCISCO PLANNING DEPARTMENT

Historic Preservation Commission Draft Resolution

HEARING DATE OCTOBER 16, 2013

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

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Hearing Date: October 16, 2013
Filing Date: May 1, 2013
Case No.: 2013.0582U
Project Address: 3769 20th Street
Landmark District: Liberty-Hill Landmark District
Zoning: RH-2 (Residential House, Two Family)
40-X Height and Bulk District
Block/Lot: 3607/062
Applicant: Brian Jackson &
Thomas Ranese
3769 20th Street
San Francisco, CA 94110
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 1019 MARKET:

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 3769 20th Street and is a contributor to the Liberty-Hill Landmark District pursuant to Article 10 of San Francisco Planning Code and thus qualifies as a historic property; and

Site Photo



Historic Preservation Commission
2013.0582U
Mills Act Application
3769 20th Street

Aerial Photo



**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
[3769 20th Street]
("[N/A"])
SAN FRANCISCO, CALIFORNIA

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

RECITALS

Owners are the owners of the property located at ^{3769 20th Street}, in San Francisco, California (Block 3607, Lot 062). The building located at ^[3769 20th Street] is designated as STATE ELIGIBILITY, E.G. "a City Landmark pursuant to Article 10 of the Planning Code" and is also known as the "N/A" ("Historic Property").

Owners desire to execute a rehabilitation and ongoing maintenance project for the Historic Property. Owners' application calls for the rehabilitation and restoration of the Historic Property according to established preservation standards, which it estimates will cost approximately One Hundred One Thousand Dollars (\$101,000)]. (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 Five Thousand Dollar (\$ 5000 s) annually (See Maintenance Plan, Exhibit B).

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

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

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

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

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

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

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

5. Insurance. Owners shall secure adequate property insurance to meet Owners' repair and replacement obligations under this Agreement and shall submit evidence of such insurance to the City upon request.
6. Inspections. Owners shall permit periodic examination of the exterior and interior of the Historic Property by representatives of the Historic Preservation Commission, the City's Assessor, the Department of Building Inspection, the Planning Department, the Office of Historic Preservation of the California Department of Parks and Recreation, and the State Board of Equalization, upon seventy-two (72) hours advance notice, to monitor Owners' compliance with the terms of this Agreement. Owners shall provide all reasonable information and documentation about the Historic Property demonstrating compliance with this Agreement as requested by any of the above-referenced representatives.
7. Term. This Agreement shall be effective upon the date of its recordation and shall be in effect for a term of ten years from such date ("Initial Term"). As provided in Government Code section 50282, one year shall be added automatically to the Initial Term, on each anniversary date of this Agreement, unless notice of nonrenewal is given as set forth in Paragraph 10 herein.
8. Valuation. Pursuant to Section 439.4 of the California Revenue and Taxation Code, as amended from time to time, this Agreement must have been signed, accepted and recorded on or before the lien date (January 1) for a fiscal year (the following July 1-June 30) for the Historic Property to be valued under the taxation provisions of the Mills Act for that fiscal year.
9. Termination. In the event Owners terminates this Agreement during the Initial Term, Owners shall pay the Cancellation Fee as set forth in Paragraph 15 herein. In addition, the City Assessor shall determine the fair market value of the Historic Property without regard to any restriction imposed on the Historic Property by this Agreement and shall reassess the property taxes payable for the fair market value of the Historic Property as of the date of Termination without regard to any restrictions imposed on the Historic Property by this Agreement. Such reassessment of the property taxes for the Historic Property shall be effective and payable six (6) months from the date of Termination.
10. Notice of Nonrenewal. If in any year after the Initial Term of this Agreement has expired either the Owners or the City desires not to renew this Agreement that party shall serve written notice on the other party in advance of the annual renewal date. Unless the Owners serves written notice to the City at least ninety (90) days prior to the date of renewal or the City serves written notice to the Owners sixty (60) days prior to the date of renewal, one year shall be automatically added to the term of the Agreement. The Board of Supervisors shall make the City's determination that this Agreement shall not be renewed and shall send a notice of nonrenewal to the Owners. Upon receipt by the Owners of a notice of nonrenewal from the City, Owners may make a written protest. At any time prior to the renewal date, City may withdraw its notice of nonrenewal. If in any year after the expiration of the Initial Term of the Agreement, either party serves notice of nonrenewal of this Agreement, this Agreement shall remain in effect for the balance of the period remaining since the execution of the last renewal of the Agreement.
11. Payment of Fees. Within one month of the execution of this Agreement, City shall tender to Owners a written accounting of its reasonable costs related to the preparation and approval of the Agreement as provided for in Government Code Section 50281.1 and San Francisco Administrative Code Section 71.6. Owners shall promptly pay the requested amount within forty-five (45) days of receipt.
12. Default. An event of default under this Agreement may be any one of the following:

- (a) Owners' failure to timely complete the rehabilitation work set forth in Exhibit A in accordance with the standards set forth in Paragraph 2 herein;
- (b) Owners' failure to maintain the Historic Property in accordance with the requirements of Paragraph 3 herein;
- (c) Owners' failure to repair any damage to the Historic Property in a timely manner as provided in Paragraph 4 herein;
- (d) Owners' failure to allow any inspections as provided in Paragraph 6 herein;
- (e) Owners' termination of this Agreement during the Initial Term;
- (f) Owners' failure to pay any fees requested by the City as provided in Paragraph 11 herein;
- (g) Owners' failure to maintain adequate insurance for the replacement cost of the Historic Property; or
- (h) Owners' failure to comply with any other provision of this Agreement.

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

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

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

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

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

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

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

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

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

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

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

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

24. Authority. If the Owners sign as a corporation or a partnership, each of the persons executing this Agreement on behalf of the Owners does hereby covenant and warrant that such

entity is a duly authorized and existing entity, that such entity has and is qualified to do business in California, that the Owner has full right and authority to enter into this Agreement, and that each and all of the persons signing on behalf of the Owners are authorized to do so.

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

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

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

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

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

CITY AND COUNTY OF SAN FRANCISCO:

By: _____
Phil Ting
Assessor-Recorder

DATE: _____

By: _____
John Rahaim
Director of Planning

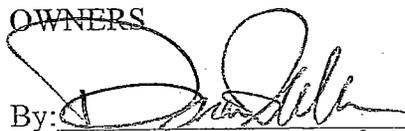
DATE: _____

APPROVED AS TO FORM:
DENNIS J. HERRERA
CITY ATTORNEY

By: _____
[NAME]
Deputy City Attorney

DATE: _____

OWNERS

By:  _____
[NAME], Owner *Brian Jackson*

DATE: 6/1/13

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

 Thomas Raneese Date - June 1, 2013

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

Exhibit B: Draft Rehabilitation and Maintenance Plans

Exhibit B: Draft Rehabilitation and Maintenance Plans

**Mills Act Application – Rehabilitation and Maintenance Plans
3269 20th Street – Jackson/Ranese Residence**

Rehabilitation Plan

Recently Completed Projects (2012-2013)

Description: Rehabilitation, restoration, and new rear deck addition to historic (1890s) single-family home with previously existing (roughly 1980s) addition.

- **Scope:** Structural Engineering Consultant

Due to a number of structural issues with the house, a Structural engineer was obtained to verify and review all proposed structural rehabilitation and seismic improvements.

Estimated Cost: \$10,000

- **Scope:** Seismic Upgrades – Shear Walls (Completed)

Shear walls and hold-downs were added to the east and west elevations at the first and second floors of the house for increased seismic reinforcement.

Estimated Cost: \$5,000

- **Scope:** Seismic Upgrades – Concrete Foundation (Completed)

Increased seismic measures at foundation. Removed non-historic concrete foundation and remaining patch of historic, deteriorated brick foundation and replaced with new cripple walls and poured new concrete foundation. New is same height (18”) as previous foundation and did not raise or alter house.

Estimated Cost: (\$30,000)

- **Scope:** Structural Improvements to Roof – Collar Ties (Completed)

Prevented the roof from continuing spreading outward. Increased the stability and integrity of historic roof by adding collar ties to all roof trusses to prevent roof from continuing to spread outward.

Estimated Cost: \$3,500

- **Scope:** Structural Improvements to Roof – Beam (Completed)

Historic roof and roof at existing addition were sagging. A structural beam was inserted laterally (where the historic house meets the existing addition) spanning the kitchen, and reinforcing the structure along the southern portion of the house.

Estimated Cost: \$3,500

- **Scope:** Remediate Water Damage at Rear Yard (Completed)

Eliminate water shed toward rear foundation of house by re-grading area, and creating a new 5'0" high retaining wall at the back of lot. Replaced heavily deteriorated brick retaining walls at existing rear addition with new, reinforced concrete retaining walls.

Estimated Cost: \$7,000

- **Scope:** Wood Siding Repairs (Completed)

Repaired and replaced historic siding on east side of the house. Historic 4" wood siding was repaired when possible and replaced in-kind as necessary to match existing historic siding.

Estimated Cost: \$5,000

- **Scope:** Window Replacement (Completed)

Replaced non-historic (1980s alterations) one glass block window on East elevation of the historic portion of the house with one traditional double-hung, wood window to match existing historic windows.

Estimated cost: \$5,000

Short-Term Projects (2014-2016)

- **Scope:** Restore Front Façade - Conduit (Proposed)

Remove non-functional, non-historic electrical conduits on front façade

Estimated cost: \$2,000

- **Scope:** Restore Front Façade – Wood Siding and Trim (Proposed)

Inspect existing wood siding on front façade for water damage and dry rot. Retain original siding wherever possible. If siding must be replaced, it will be replaced in-kind with wood siding to match existing.

Inspect existing trim and millwork on front façade for water damage and dry rot. Retain original millwork wherever possible. If millwork must be replaced, it will be replaced in-kind with wooden millwork to match existing.

Repaint entire exterior of house.

Estimated Cost: \$30,000

- **Scope:** Replace Front Stairs (Proposed)

Inspect front stairs and repair if needed. If stairs are replaced, they will be configured and constructed to match those found in known historic photos of the property.

- Fix gap between house and neighbors' front steps at East side of the front entry
- **Scope:** Repair Roof Deck (Proposed)

Repair and waterproof front deck above snout garage. Eliminate water drainage/pooling issues before damage occurs to front façade. Inspect non-historic deck and repair or replace decking as necessary. If roof deck requires replacement, we will consider eliminating and replacing the non-historic garage parapet/deck railing with a more appropriate railing and landscaping.

**Mills Act Application – Rehabilitation and Maintenance Plans
3269 20th Street – Jackson/Ranese Residence**

Maintenance Plan

On-going Maintenance (to be completed annually)

- Inspect roof for deterioration or water damage; including shingles, flashing, eaves, and cornice. Repair damage as discovered. (Proposed)
- Inspect masonry chimney; repair and replace brick work as necessary. New brick will be salvaged to match historic. Inspect mortar and repoint as necessary. (Proposed)
- Inspect all exterior doors for proper seal and function. Replace and adjust hardware as necessary. (Proposed)
- Inspect glazing annually, checking for signs of moisture infiltration. Moisture damage to windows will be repaired using best practices guidelines. (Proposed)

On-going Maintenance (to be completed every 10 years)

- Inspect and repair wood siding, replace and repair as necessary. Wood siding will be repaired using best practices guidelines. (Proposed)
- Repaint house as necessary. (Proposed)
- Replace asphalt roof in-kind when necessary. (Proposed)

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: JUNE 1, 2013 before me, W. TURNEY NOTARY PUBLIC
DATE INSERT NAME OF THE OFFICER

NOTARY PUBLIC personally appeared: Brian Jackson and Thomas Parise
NAME(S) OF SIGNER(S)

who proved to me on the basis of satisfactory evidence to be the person(s) who name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

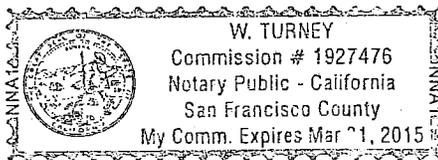
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Signature] Thomas Parise
SIGNATURE

[Signature] NOTARY PUBLIC

(PLACE NOTARY SEAL ABOVE)



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

OFFICE OF THE ASSESSOR / RECORDER - CITY & COUNTY OF SAN FRANCISCO
"MILLS ACT" PROPERTY VALUATION

APN: 3607-062 SF Landmark# NA
 Type of Property Single Family Residential Year: 2013 Date Filed: 6/1/2013
 Property Location: 3769 20th Street Date of Sale: 2/10/2012
 Applicant's Name: Brian Jackson Sale Price: \$1,750,000
 Agt./Tax Rep./Atty: none

Applicant supplied appraisal? No

For New Value, Event Date: 1/1/2013

| RESTRICTED VALUE | | FACTORED BASE YEAR VALUE | | MARKET VALUE | |
|------------------|------------------|--------------------------|--------------------|--------------|--------------------|
| Land | \$580,161 | Land | \$1,249,500 | Land | \$1,068,000 |
| Imps. | \$386,773 | Imps. | \$535,500 | Imps. | \$712,000 |
| Total | \$966,934 | Total | \$1,785,000 | Total | \$1,780,000 |

I. Property Description

Land Area: 2848 sq. ft. Present Use: Owner Occupied Zoning: RH-2
 Year Built: unk Imp. Area (NRA) 2,350 Stories/Units: 3
 Neighborhood: Eureka Valley Class Code: D

II. Issue(s): Historical Property - "Mills Act" valuation as of lien date 01/01/2013

III. Contents of Attached Valuation:

Cover Sheet p. 1
 Income Valuation p. 2
 Rental Information p. 3
 Market Valuation p. 4

IV. Conclusions and Recommendations:

Based on the three-way comparison, the lowest of the three values is the restricted value. Therefore, a reduction to the restricted value of \$2,399,302 is recommended.

Catherine Saul
Appraiser

08/22/13
Date

Kim Kitano
Principal Appraiser

Residential Rents

| ADDRESS | NET RENTABLE (SQ. FT.) | ASKING RENT | LOCATION | PARKING | BEDROOMS | BATH | PROPERTY DESC. | SOURCE |
|---------------------|------------------------|-------------|-------------|---------|----------|------|---------------------|------------|
| Noe @ Hill St. | 2,300 | \$9,000.00 | Noe Valley | 2 CAR | 4 | 2.00 | Remodeled Victorian | Craigslist |
| Sanchez @ 26th St. | unk | \$9,800.00 | Noe Valley | 2 CAR | 4 | 3.50 | Victorian | Craigslist |
| Frederick @ Shrader | 3,000 | \$9,995.00 | Ashbury Hts | 1 CAR | 4 | 3.00 | Remodeled Victorian | Craigslist |
| 760 Dolores | 4,406 | \$9,975.00 | Dolores Hts | 2 CAR | 3 | 3.00 | Remodeled Victorian | Craigslist |

Exhibit D: Mills Act Application

APPLICATION FOR Mills Act Historical Property Contract

1. Owner/Applicant Information

| | |
|--|---|
| PROPERTY OWNER 1 NAME: <i>Brian Jackson</i> | TELEPHONE: <i>(917) 494 3865</i> |
| PROPERTY OWNER 1 ADDRESS: <i>3769 20th Street, San Francisco, CA 94110</i> | EMAIL: <i>brianthomasjackson@gmail.com</i> |
| PROPERTY OWNER 2 NAME: <i>Thomas Panese</i> | TELEPHONE: <i>(917) 816 5444</i> |
| PROPERTY OWNER 2 ADDRESS: <i>3769 20th Street, San Francisco, CA 94110</i> | EMAIL: <i>thomas.panese@gmail.com</i> |
| PROPERTY OWNER 3 NAME: | TELEPHONE: () |
| PROPERTY OWNER 3 ADDRESS: | EMAIL: |

2. Subject Property Information

| | |
|--|---|
| PROPERTY ADDRESS: <i>3769 20th Street, San Francisco, CA</i> | ZIP CODE: <i>94110</i> |
| PROPERTY PURCHASE DATE: <i>February 10, 2012</i> | ASSESSOR BLOCK/LOT(S): <i>3607 / 062</i> |
| MOST RECENT ASSESSED VALUE: <i>\$1,737,787 ; Taxes (2012): \$20,593</i> | ZONING DISTRICT: <i>RH-2</i> |

| | |
|---|---|
| Are taxes on all property owned within the City and County of San Francisco paid to date? | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |
| Do you own other property in the City and County of San Francisco? <i>If Yes, please list the addresses for all other property owned within the City of San Francisco on a separate sheet.</i> | YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> |
| Property is designated as a City Landmark under Article 10 of the Planning Code | YES <input type="checkbox"/> NO <input type="checkbox"/> |
| Are there any outstanding enforcement cases on the property from the San Francisco Planning Department or the Department of Building Inspection? | YES <input type="checkbox"/> NO <input type="checkbox"/> |

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

Owner Signature: *[Signature]*
 Owner Signature: *[Signature]*
 Owner Signature: _____

Date: *4/26/2013*
 Date: *4/26/2013*
 Date: _____

3. Program Priority Criteria

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

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

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

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

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

N/A

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

3. Rehabilitation/Restoration/Maintenance Plan:

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

4. Required Standards:

| | | |
|---|---|-----------------------------|
| Proposed work will meet the <i>Secretary of the Interior's Standards for the Treatment of Historic Properties</i> and/or the California Historic Building Code. | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
|---|---|-----------------------------|

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

5. Mills Act Tax Savings:

| | | |
|--|---|-----------------------------|
| Property owner will ensure that a portion of the Mills Act tax savings will be used to finance the preservation, rehabilitation, and maintenance of the property | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
|--|---|-----------------------------|

4. Application for Exemption from Property Tax Valuation

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

1. The site, building, or object, or structure is a particularly significant resource and represents an exceptional example of an architectural style, the work of a master, or is associated with the lives of significant persons or events important to local or natural history; or

2. Granting the exemption will assist in the preservation of a site, building, or object, or structure that would otherwise be in danger of demolition, substantial alteration, or disrepair. (A historic structures report by a qualified consultant must be submitted to demonstrate meeting this requirement).

| |
|---------------------|
| NAMES: |
| |
| |
| TAX ASSESSED VALUE: |
| |
| PROPERTY ADDRESS: |
| |
| |

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

| | |
|---------------------------------------|--------------------------|
| Owner Signature: <u>Thomas Panese</u> | Date: <u>1 June 2013</u> |
| Owner Signature: <u>[Signature]</u> | Date: <u>6/1/13</u> |
| Owner Signature: _____ | Date: _____ |

Planning Department Staff Evaluation

THIS SECTION TO BE COMPLETED EXCLUSIVELY BY PLANNING DEPARTMENT STAFF

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

Percent above value limit: _____
 No. of criteria satisfied: _____
 Planner's Initial: _____

5. Draft Mills Act Historical Agreement

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

CALIFORNIA JURAT WITH AFFIANT STATEMENT

GOVERNMENT CODE § 8202

- See Attached Document (Notary to cross out lines 1-6 below)
- See Statement Below (Lines 1-6 to be completed only by document signer[s], *not* Notary)

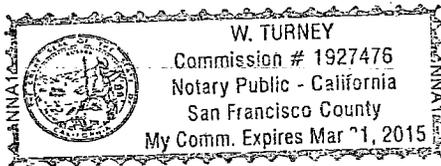
1 _____
 2 _____
 3 _____
 4 _____
 5 _____
 6 _____

Signature of Document Signer No. 1 _____ Signature of Document Signer No. 2 (if any) _____

State of California
 County of SAN FRANCISCO

Subscribed and sworn to (or affirmed) before me
 on this 1ST day of JUNE, 2013
Date Month Year
 by BRIAN JACKSON
 (1) _____
Name of Signer

proved to me on the basis of satisfactory evidence
 to be the person who appeared before me (.) (.)



Place Notary Seal Above

(and)
 (2) THOMAS RANESE
Name of Signer

proved to me on the basis of satisfactory evidence
 to be the person who appeared before me.)

Signature W. Turney
Signature of Notary Public

OPTIONAL

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

Further Description of Any Attached Document

Title or Type of Document: CALIFORNIA MILLS ACT - HISTORIC PROPERTY MGMT

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

| RIGHT THUMBPRINT OF SIGNER #1 | RIGHT THUMBPRINT OF SIGNER #2 |
|-------------------------------|-------------------------------|
| Top of thumb here | Top of thumb here |
| | |

6. Rehabilitation/Restoration/Maintenance Plan

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

Please note that *all applicable Codes and Guidelines apply to all work*, including the Planning Code and Building Code. If components of the proposed Plan requires approvals by the Historic Preservation Commission, Planning Commission, Zoning Administrator, or any other government body, these *approvals must be secured prior to applying for a Mills Act Historical Property Contract*.

This plan will be included along with any other supporting documents as part of the Mills Act historical Property contract.

Draft Rehabilitation/Restoration/Maintenance Scope

| | | | |
|--|--------------------------------------|---|-----------------------------------|
| BUILDING FEATURE: | | | |
| Rehab/Restoration <input checked="" type="checkbox"/> | Maintenance <input type="checkbox"/> | Completed <input checked="" type="checkbox"/> | Proposed <input type="checkbox"/> |
| CONTRACT YEAR WORK COMPLETION: 2012-2013 | | | |
| TOTAL COST (rounded to nearest dollar): \$69K | | | |
| DESCRIPTION OF WORK: Please refer to attached rehabilitation and maintenance plans for detailed scopes of work. | | | |

| | | | |
|--|--------------------------------------|------------------------------------|--|
| BUILDING FEATURE: | | | |
| Rehab/Restoration <input checked="" type="checkbox"/> | Maintenance <input type="checkbox"/> | Completed <input type="checkbox"/> | Proposed <input checked="" type="checkbox"/> |
| CONTRACT YEAR WORK COMPLETION: 2016 | | | |
| TOTAL COST (rounded to nearest dollar): \$32K | | | |
| DESCRIPTION OF WORK: Please refer to attached rehabilitation and maintenance plans for detailed scopes of work. | | | |

THIS SECTION TO BE COMPLETED EXCLUSIVELY BY PLANNING DEPARTMENT STAFF

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

Draft Rehabilitation/Restoration/Maintenance Scope Continued

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

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

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

8. Historical Property Tax Adjustment Worksheet Calculation

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

Determine Annual Income and Annual Operating Expenses

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

Determine Capitalization Rate

Add the following together to determine the Capitalization Rate:

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

Calculate New Assessed Value and Estimated Tax Reduction

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

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

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

EXAMPLE:

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

Assessment Using Mills Act Valuation Methodology

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

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

9. Historical Property Tax Adjustment Worksheet Guide

PROPERTY ADDRESS: 3769 20th Street, San Francisco, CA 94110

PROPERTY DESCRIPTION: Single Family Home

OWNER OCCUPIED: YES NO

STEP 1: Determine Annual Income of Property

| ANNUAL PROPERTY INCOME | CURRENT | EXPLANATION |
|--------------------------|------------|---|
| 1. Monthly Rental Income | \$ 9,500 | 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 | \$ 114,000 | Multiply Line 1 by 12 |
| 3. Deduction for Vacancy | \$ 108,300 | 5% (subtract %5 from line 2) |

STEP 2: Calculate Annual Operating Expenses

| ANNUAL OPERATING EXPENSES | CURRENT | EXPLANATION |
|-----------------------------|------------------------|--|
| 4. Insurance | \$ 2,000 | Fire, Liability, etc. |
| 5. Utilities | \$ 3,600 | Water, Gas, Electric, etc |
| 6. Maintenance* | \$ 5,000 | Maintenance includes: Painting, plumbing, electrical, gardening, cleaning, mechanical, heating repairs, structural repairs, security, and property management. |
| 7. Management* | \$ 5,000 ^{BS} | |
| 8. Other Operating Expenses | \$ 5,000 | Security, services, etc. Provide breakdown on separate sheet. |
| 9. Total Expenses† | \$ 15,600. | 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 | \$ 92,700 | Line 3 minus Line 9 |

STEP 4: Determine Capitalization Rate

| CAPITALIZATION RATE | CURRENT | EXPLANATION |
|--|--------------------|---|
| 10. Interest Component | 6.50% <i>3.75%</i> | As determined by the State Board of Equalization for 2009/2010 |
| 11. Historic Property Risk Component | <i>4.00%</i> | Single-family home = 4% All other property = 2% |
| 12. Property Tax Component | 1% | .01 times the assessment ratio of 100% |
| 13. Amortization Component (Reciprocal of life of property) | <i>5.00%</i> | If the life of the improvements is 20 years Use $100\% \times 1/20 = 5\%$ |
| 14. Capitalization Rate | <i>16.5%</i> | Add Lines 10 through 13 |

STEP 5: Calculate New Assessed Value

| NEW ASSESSED VALUE | CURRENT | EXPLANATION |
|------------------------------|----------------------|---------------------------|
| 15. Mills Act Assessed Value | \$ <i>561,818.18</i> | Line 9 divided by Line 14 |

STEP 6: Determine Estimated Tax Reduction

| NEW TAX ASSESSMENT | CURRENT | EXPLANATION |
|---|---------------------|---|
| 16. Current Tax (Exclude voter indebtedness, direct assessments, tax rate areas and special districts) | \$ <i>20,593</i> | General tax levy only – do not include voted indebtedness or other direct assessments |
| 17. Tax under Mills Act | \$ <i>5,618</i> | Line 15 x .01 |
| 18. Estimated Tax Reduction | \$ <i>14,974.82</i> | Line 16 minus Line 17 |

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

Application Checklist to be Submitted with all Materials

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

- | | | |
|----|--|---|
| 1 | Historical Property Contract Application Have all owners signed and dated the application? | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |
| 2 | Priority Consideration Criteria Worksheet Have three priorities been checked and adequately justified? | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |
| 3 | Exemption Form & Historic Structure Report Required for Residential properties with an assessed value over \$3,000,000 and Commercial/Industrial properties with an assessed value over \$5,000,000 Have you included a copy of the Historic Structures Report completed by a qualified consultant? | YES <input type="checkbox"/> NO <input type="checkbox"/> N/A |
| 4 | Draft Mills Act Historical Property Agreement Are you using the Planning Department's standard form "Historical Property Contract?" Have all owners signed and dated the contract? Have all signatures been notarized? | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |
| 5 | Notary Acknowledgement Form Is the Acknowledgement Form complete? Do the signatures match the names and capacities of signers? | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |
| 6 | Draft Rehabilitation/Restoration/Maintenance Plan Have you identified and completed the Rehabilitation, Restoration, and Maintenance Plan organized by contract year and including all supporting documentation related to the scopes of work? | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |
| 7 | Historical Property Tax Adjustment Worksheet Did you provide back-up documentation (for commercial property only)? | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |
| 8 | Photographic Documentation Have you provided both interior and exterior images? Are the images properly labeled? | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |
| 9 | Site Plan Does your site plan show all buildings on the property including lot boundary lines, street name(s), north arrow and dimensions? | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |
| 10 | Tax Bill Did you include a copy of your most recent tax bill? | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |
| 11 | Payment Did you include a check payable to the San Francisco Planning Department? | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |



**SAN FRANCISCO
PLANNING
DEPARTMENT**

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

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

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

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

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

Dear Historical Preservation Commission of the Planning Department for the City of San Francisco:

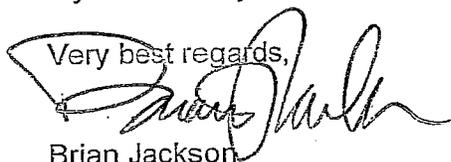
We are pleased to offer our application for Mills Act Historical Property status for our home at 3769 20th Street in the Liberty Hill Historic of San Francisco. We believe our home qualifies for the Mills Act for the following reasons:

1. **Built in 1870 for John L. Boone** (descendent of Daniel Boone) – Our home was built in 1870 for John L. Boone (descendent of Daniel Boone) as a two-family home that we believe he inhabited for a time. The home was constructed in a flat-front Italianate architectural style and is a significant contributor to the historic vernacular of the neighborhood. In fact, our particular block of 20th Street just barely survived the fires of 1906 that destroyed so many of the surrounding homes, and is one of only a select few from that period remaining on the street.
2. **Liberty Hill Historic District** – Our home is within San Francisco's Liberty Hill Historic District, which is closely protected by the City's Historic Preservation Commission. In fact, our home has been selected as a "contributing property" to the Liberty Hill District, in recognition of the age, character, and location of the home. We have taken great care to have all of our construction plans reviewed by the HPC (see attached) for all exterior restoration plan, and have received the requisite Certificate of Appropriateness from the HPC to complete our work.
3. **Interior and Exterior Restoration Plans** – After purchasing the home in February 2012, we have worked closely with our architect, Malcolm Davis Architecture, to prepare a plan that is both respectful of the historic nature of the property, as well as update and modernize the home for contemporary living. Our plans include the restoration of both the interior and exterior of the home, though we have been very careful to make no changes to the street-facing façade of the home to preserve its historical character. We have only made changes to the rear exterior that restore the home's historic nature and rectify non-historic alterations that were made during previous remodels (before we owned the home). For your reference, we have been working with Tara Levy and Tim Frye on the Certificate of Appropriateness application and other planning department approvals.

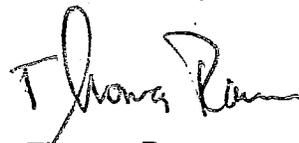
Please note that our restoration project is underway, and we expect to be finished by July 1st. We are excited to be rehabilitating this beautiful piece of San Francisco history. Thank you for your consideration throughout this process.

If you have any additional questions, please feel free to contact us directly.

Very best regards,



Brian Jackson
3769 20th Street
San Francisco, CA
917-494-3865
brianthomasjackson@gmail.com



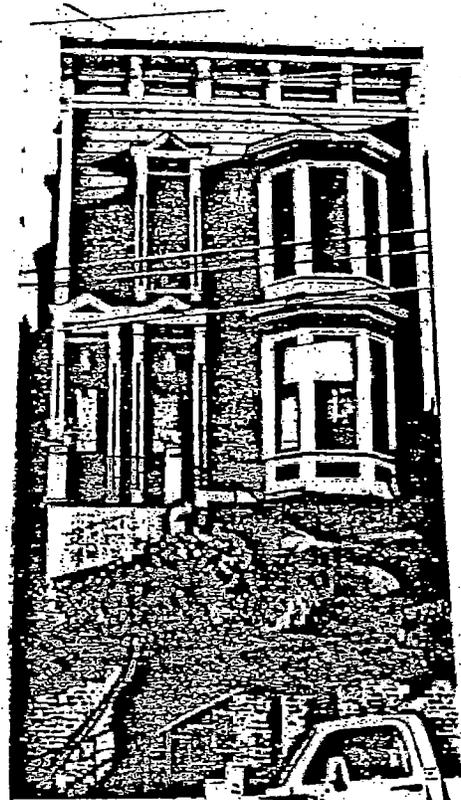
Thomas Ranese
3769 20th Street
San Francisco, CA
917-816-5444
thomas.ranese@gmail.com

LIBERTY-HILL HISTORIC DISTRICT

ADDRESS 3769-71 - 20th Street
BLOCK/LOT NUMBER 3607A/062
NUMBER OF STORIES 2
CONSTRUCTION TYPE Frame
EXTERIOR MATERIALS Rustic Cove Siding

STYLE

Italianate



DATE OF CONSTRUCTION 1870 DATE OF WATER CONNECTION July 13, 1871

ARCHITECT --- BUILDER ---

ORIGINAL OWNER John L. Boone OCCUPATION Mining Express

ORIGINAL USE 2 Family Residence PRESENT USE Flats

PRESENT OWNER Roy W. Heidtman

SIGNIFICANCE TO DISTRICT Contributes

INAPPROPRIATE FEATURES/ALTERATIONS

Windows changed to single pane

RATINGS: DEPARTMENT OF CITY PLANNING 1 HERE TODAY p. 299

OTHER INFORMATION

Slideshow 1 of 29

Start Slideshow ▶

Close



Slideshow 26 of 29

Start Slideshow ▶

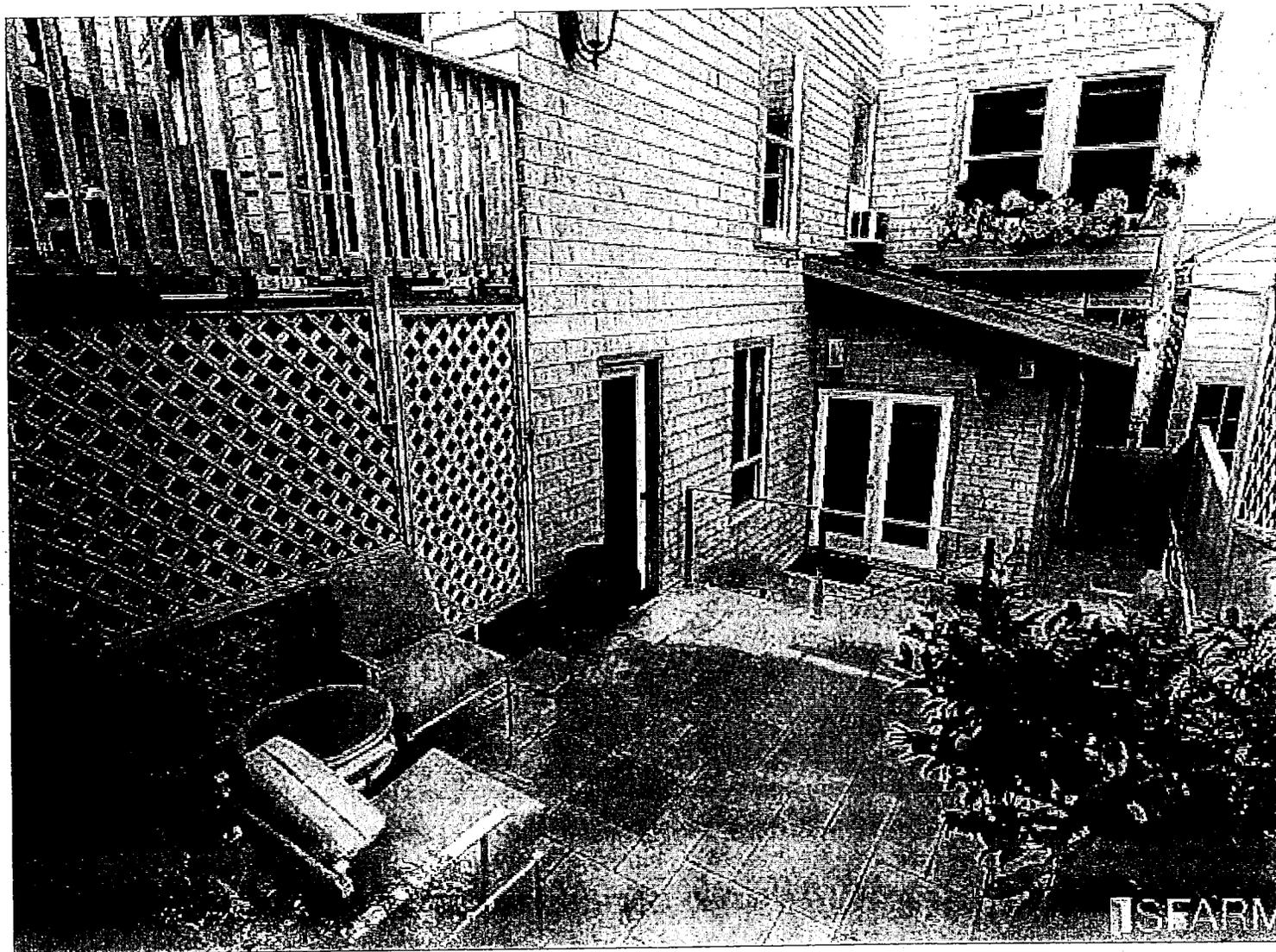
Close



Slideshow 24 of 29

Start Slideshow ▶

Close



Description of actions to abide by the Standards for Preservation and Rehabilitation

State of California Secretary of the Interior's Standards for Rehabilitation:

1. A property will be used as it was historically or be given a new use that requires minimal change to its distinctive materials, features, spaces, and spatial relationships.

ACTION: Our home will be used as a residence, just as it was historically.

2. The historic character of a property will be retained and preserved. The removal of distinctive materials or alteration of features, spaces, and spatial relationships that characterize a property will be avoided.

ACTION: Our architectural plans are designed to retain the historic nature of the property. We are making absolutely no changes to the front/street-facing façade of the house. And we are only making minimal changes to the rear, in close cooperation with the Historic Preservation Committee.

3. Each property will be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or elements from other historic properties, will not be undertaken.

ACTION: We will make no changes to the home that will create a false sense of historical development.

4. Changes to a property that have acquired historic significance in their own right will be retained and preserved.

ACTION: No changes to the property have acquired historic significant in their own right, to our knowledge. Should these elements come to our attention, we will do our best to retain and preserve them.

5. Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a property will be preserved.

ACTION: All distinctive materials, features, finished and construction techniques and examples of craftsmanship will be preserved.

6. Deteriorated historic features will be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature will match the old in design, color, texture, and, where possible, materials. Replacement of missing features will be substantiated by documentary and physical evidence.

ACTION: We will make repairs to the historic features of the house wherever possible.

7. Chemical or physical treatments, if appropriate, will be undertaken using the gentlest means possible. Treatments that cause damage to historic materials will not be used.

ACTION: We have taken care to be as environmentally sensitive as possible in our rehabilitation and renovation of the property.

8. Archeological resources will be protected and preserved in place. If such resources must be disturbed, mitigation measures will be undertaken.

ACTION: We will take care to protect any archaeological resources we discover.

9. New additions, exterior alterations, or related new construction will not destroy historic materials, features, and spatial relationships that characterize the property. The new work will be differentiated from the old and will be compatible with the historic materials, features, size, scale and proportion, and massing to protect the integrity of the property and its environment.

ACTION: We have no plans to make any additions to the home. And we have made sure that the limited exterior alterations will not destroy historic materials, features or special relationships. All changes have been approved by the Historic Preservation Commission and have earned their "Certificate of Appropriateness."

10. New additions and adjacent or related new construction will be undertaken in such a manner that, if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

ACTION: We have no plans to build new additions or any further new construction. But if we should consider those projects in the future, we will undertake them in a manner to protect the integrity of the historic property and its environment.

WINDOW & DOOR SCHEDULE

| NO. | TYPE | SIZE | MATL | FRAME | FINISH | HEAD HT. | CLASS TYPE | NOTES |
|-----|------------|----------------|-------|-------|--------|----------|------------|--------------|
| 1 | DOUBLEHUNG | 2'-0" x 3'-0" | WOOD | WOOD | PAINT | 2'-0" | (1) | SEE SCHEDULE |
| 2 | FIXED | 2'-0" x 2'-10" | WOOD | WOOD | PAINT | 2'-0" | (1) | SEE SCHEDULE |
| 3 | FIXED | 2'-0" x 2'-0" | WOOD | WOOD | PAINT | 2'-0" | (1) | SEE SCHEDULE |
| 4 | DOUBLEHUNG | 2'-0" x 2'-0" | WOOD | WOOD | PAINT | 2'-0" | (1) | SEE SCHEDULE |
| 5 | NOT USED | | | | | | | |
| 6 | NOT USED | | | | | | | |
| 7 | SKYLIGHT | | ALUM. | ALUM. | WHITE | | (1) | SEE SCHEDULE |
| 8 | POCKET | 2'-0" x 2'-0" | WOOD | WOOD | PAINT | 2'-0" | (1) | SEE SCHEDULE |
| 9 | POCKET | 2'-0" x 2'-0" | WOOD | WOOD | PAINT | 2'-0" | (1) | SEE SCHEDULE |
| 10 | POCKET | 2'-0" x 2'-0" | WOOD | WOOD | PAINT | 2'-0" | (1) | SEE SCHEDULE |
| 11 | POCKET | 2'-0" x 2'-0" | WOOD | WOOD | PAINT | 2'-0" | (1) | SEE SCHEDULE |
| 12 | POCKET | 2'-0" x 2'-0" | WOOD | WOOD | PAINT | 2'-0" | (1) | SEE SCHEDULE |
| 13 | POCKET | 2'-0" x 2'-0" | WOOD | WOOD | PAINT | 2'-0" | (1) | SEE SCHEDULE |
| 14 | HINGED | 2'-0" x 2'-0" | WOOD | WOOD | PAINT | 2'-0" | (1) | SEE SCHEDULE |
| 15 | HINGED | 2'-0" x 2'-0" | WOOD | WOOD | PAINT | 2'-0" | (1) | SEE SCHEDULE |
| 16 | HINGED | 2'-0" x 2'-0" | WOOD | WOOD | PAINT | 2'-0" | (1) | SEE SCHEDULE |
| 17 | HINGED | 2'-0" x 2'-0" | WOOD | WOOD | PAINT | 2'-0" | (1) | SEE SCHEDULE |
| 18 | HINGED | 2'-0" x 2'-0" | WOOD | WOOD | PAINT | 2'-0" | (1) | SEE SCHEDULE |
| 19 | HINGED | 2'-0" x 2'-0" | WOOD | WOOD | PAINT | 2'-0" | (1) | SEE SCHEDULE |
| 20 | HINGED | 2'-0" x 2'-0" | WOOD | WOOD | PAINT | 2'-0" | (1) | SEE SCHEDULE |
| 21 | HINGED | 2'-0" x 2'-0" | WOOD | WOOD | PAINT | 2'-0" | (1) | SEE SCHEDULE |
| 22 | HINGED | 2'-0" x 2'-0" | WOOD | WOOD | PAINT | 2'-0" | (1) | SEE SCHEDULE |
| 23 | HINGED | 2'-0" x 2'-0" | WOOD | WOOD | PAINT | 2'-0" | (1) | SEE SCHEDULE |
| 24 | HINGED | 2'-0" x 2'-0" | WOOD | WOOD | PAINT | 2'-0" | (1) | SEE SCHEDULE |
| 25 | HINGED | 2'-0" x 2'-0" | WOOD | WOOD | PAINT | 2'-0" | (1) | SEE SCHEDULE |

SHEET NOTES

1. REPAIR/REPLACE (R) WINDOW, FLOORING
 2. AT DOOR/THRESHOLD WEAVE (W) FLOORING WITH (F) FLOORING FOR CONTRAST APPEARANCE. (T) (TYP)
- (1) - OVER (1)
 (2) - OVER (2)
 (3) - OVER (3)
 (4) - OVER (4)
 (5) - OVER (5)
 (6) - OVER (6)
 (7) - OVER (7)
 (8) - OVER (8)
 (9) - OVER (9)
 (10) - OVER (10)
 (11) - OVER (11)
 (12) - OVER (12)
 (13) - OVER (13)
 (14) - OVER (14)
 (15) - OVER (15)
 (16) - OVER (16)
 (17) - OVER (17)
 (18) - OVER (18)
 (19) - OVER (19)
 (20) - OVER (20)
 (21) - OVER (21)
 (22) - OVER (22)
 (23) - OVER (23)
 (24) - OVER (24)
 (25) - OVER (25)
- (1) - INSULATED
 (2) - TEMPERED
 (3) - LAMINATED
- (1) WINDOW, SKYLIGHT TAG
 (2) DOOR TAG

12.12.2012 PUNCH SET
13.03.09 CONSTRUCTION SET

JACKSON-RANESE RESIDENCE
 3769 20TH STREET
 SAN FRANCISCO, CA 94110
 BLOCK/LD# 3807/052

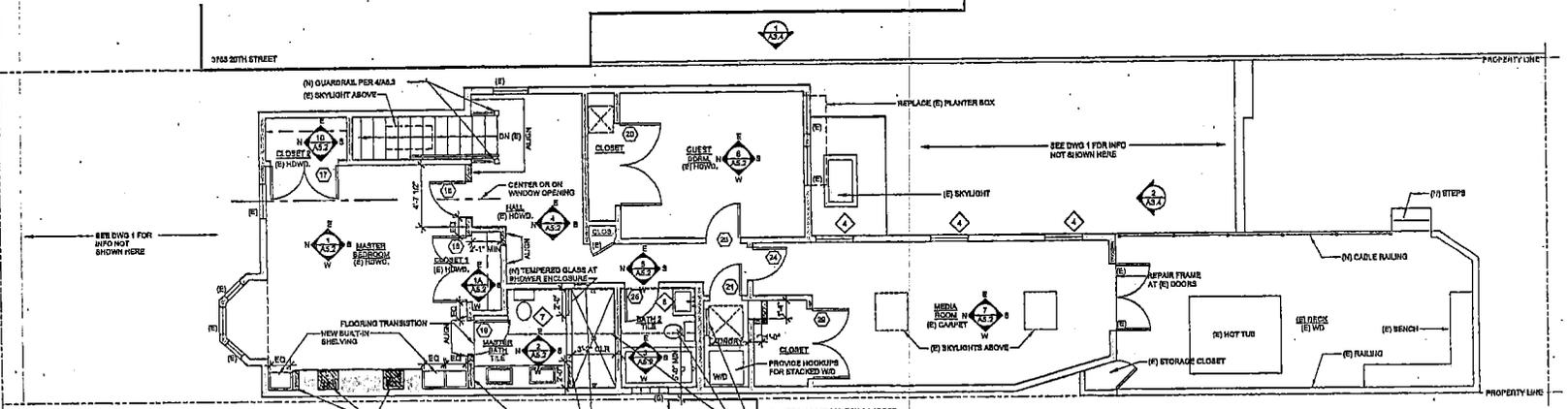
MDA MALCOLM DAVIS ARCHITECTURE
 2130 FOLSOM STREET
 SAN FRANCISCO, CA 94110
 T: 415.552.1615
 F: 415.552.1616
 W: MDARCH.NET

PERMIT
12-4-12

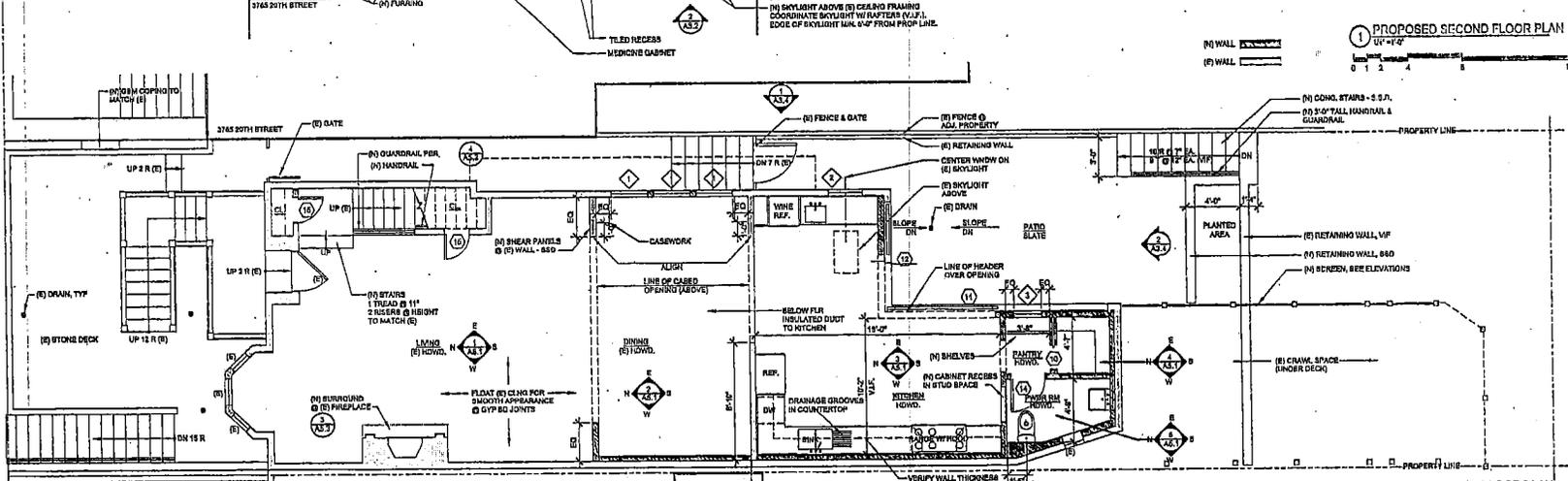
FLOOR PLANS

| | | | |
|---------|---------|--------|----------------|
| PROJECT | AC | CLIENT | JACKSON-RANESE |
| DATE | 12-4-12 | DATE | 12-4-12 |

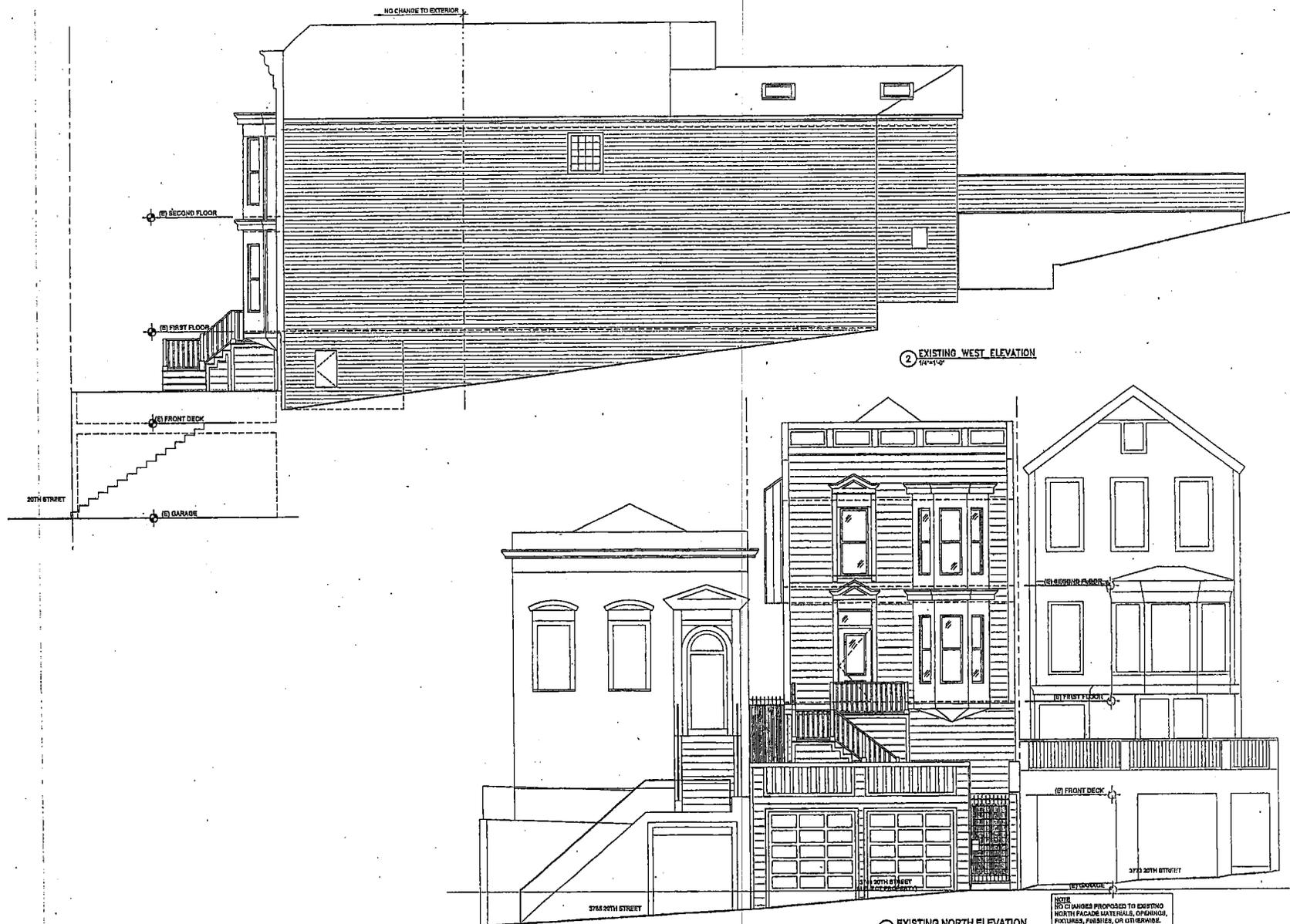
A2.1



PROPOSED SECOND FLOOR PLAN
1/4" = 1'-0"



PROPOSED FIRST FLOOR PLAN
1/4" = 1'-0"



2/26/12
 12.12.2012 PRICING SET
 13.02.08 CONSTRUCTION SET

JACKSON-RANESE RESIDENCE
 3769 20TH STREET
 SAN FRANCISCO, CA 94110
 BLOCK 6078 3657/052

ARCHITECT
MDA MALCOLM DAVIS ARCHITECTURE
 2130 FOLSOM STREET
 SAN FRANCISCO, CA 94110
 T : 415.552.1515
 F : 415.552.1518
 W : MDARCH.NET

PERMIT
 12-4-12

EXISTING ELEVATIONS

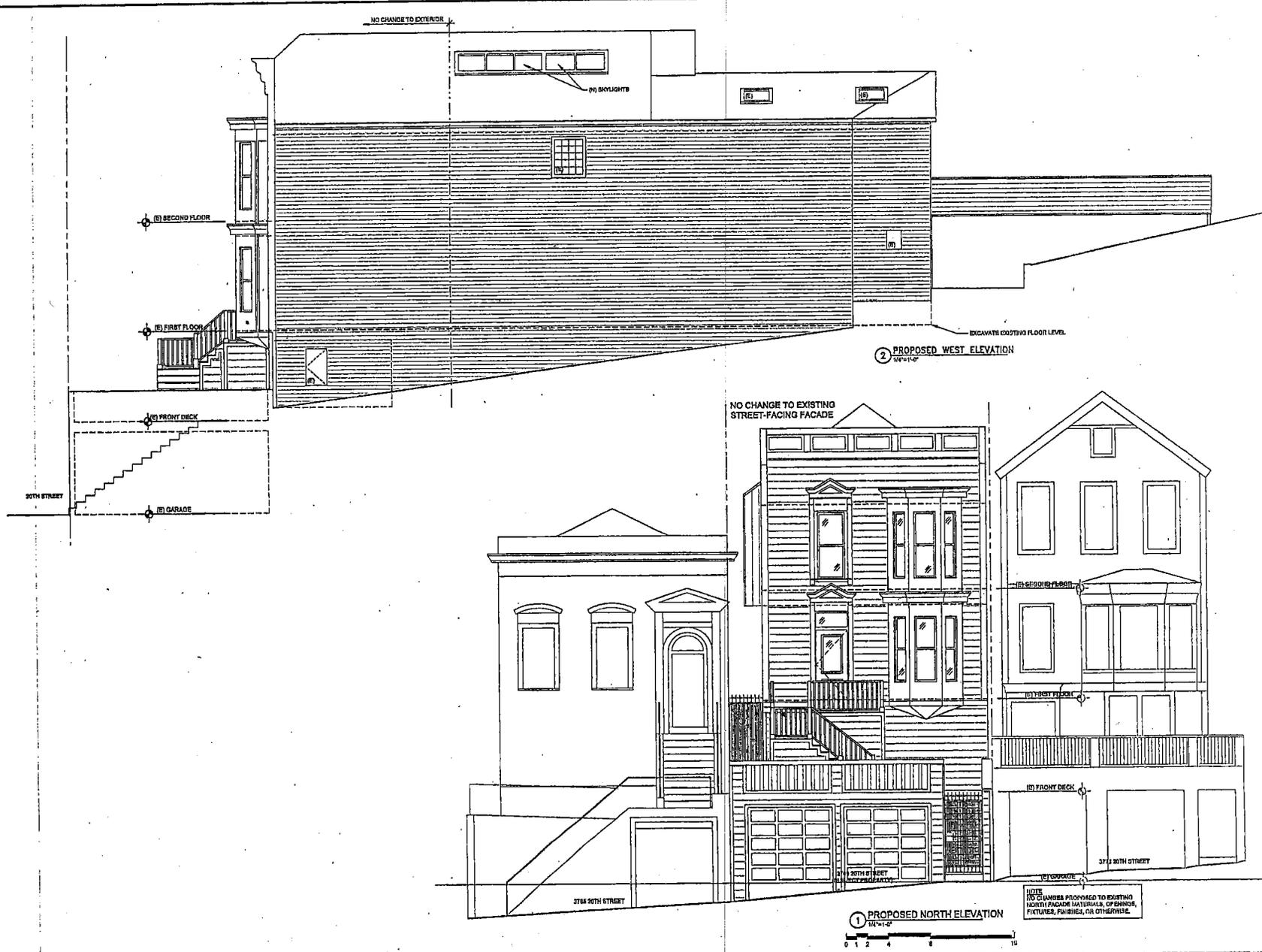
| DRAWN BY | DESIGNED BY |
|----------------|----------------|
| JACKSON-RANESE | JACKSON-RANESE |

SCALE
 1/4" = 1'-0" DATE 12-4-12

PROJECT
A3.1

1 EXISTING NORTH ELEVATION
 1/4" = 1'-0"
 NOTE: NO CHANGES PROPOSED TO EXISTING NORTH FACADE MATERIALS, OPENINGS, PORCHES, FINISHES, OR OTHERWISE.





DATE: 12.12.2012 PERMITS SET
13.02.08 CONSTRUCTION SET

PROJECT: JACKSON-RANESE RESIDENCE
3769 20TH STREET
SAN FRANCISCO, CA 94110
BLOCK/LOT# 9507/052

ARCHITECT: MDA ARCHITECTURE
2130 FOLSOM STREET
SAN FRANCISCO, CA 94110
T: 415.652.1615
F: 415.652.1618
W: MDARCHNET

PERMIT 12-4-12

PROPOSED ELEVATIONS

| DISCIPLINE | FOR TITLE |
|--------------|-----------|
| SCALE | DATE |
| 1/4" = 1'-0" | 12-4-12 |

DATE: A3.2

NOTE: NO CHANGES PERMITTED TO EXISTING NORTH FACADE MATERIALS, OPENINGS, FIXTURES, FINISHES, OR OTHERWISE.

City and County of San Francisco
DEPARTMENT OF BUILDING INSPECTION

J O B C A R D



OFFICE HOURS: THE BUILDING INSPECTION IS OPEN DAILY, MONDAY THRU FRIDAY,
FROM 8:00 a.m. TO 5:00 p.m. DISTRICT BUILDING INSPECTORS KEEP OFFICE HOURS DAILY,
MONDAY THRU FRIDAY, FROM 8:00 a.m. TO 8:30 a.m. AND FROM 3:00 p.m. TO 4:00 p.m.

REQUESTS FOR INSPECTIONS ARE TAKEN ONLY DURING THE HOURS OF
8:30 A.M. TO 3:00 P.M. BY CALLING (415) 558-6570

APPLICATION NO. 2012-07-24-5642

ISSUED JAN 08 2013

JOB ADDRESS: 3769 20th ST

BLOCK:

LOT:

NATURE OF WORK:

WORK PERMITTED UNDER AUTHORITY OF THIS BUILDING PERMIT NUMBER MUST BE COMPLETED
PRIOR TO EXPIRATION DATE OF 12/28/15

EXTENSION OF TIME TO COMPLETE WORK UNDER THIS BUILDING PERMIT NUMBER MAY BE GRANTED UPON
WRITTEN REQUEST PRIOR TO THE DATES NOTED ABOVE.

For information on the Permit Process, Building Plans Review, Access Issues, etc., please see page 4 of this
JOB CARD for useful and appropriate telephone numbers.

ELECTRICAL & PLUMBING WORK MUST HAVE PERMITS SEPARATE FROM A BUILDING PERMIT.

**KEEP THIS CARD POSTED IN A CONSPICUOUS PLACE ON THE JOB SITE AT ALL TIMES.
PLANS AND PERMIT DOCUMENTS SHALL BE ON THE JOB SITE
AT ALL TIMES WHEN WORK IS IN PROGRESS.
AFTER COMPLETION OF WORK, RETAIN THIS CARD FOR YOUR RECORDS.**



SECURED PROPERTY TAX BILL 2012 - 2013

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

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

INTERNET COPY

| VOL | BLOCK NO. | LOT NO. | ACCOUNT NO. | TAX BILL NO. | TAX RATE | PROPERTY LOCATION |
|-----------------------------|-----------|---------|-------------|--|----------|-------------------|
| 24 | 3607 | 062 | 360700620 | 120859 | 1.1691 % | 3769 20TH ST |
| Assessed on January 1, 2012 | | | | INFORMATION | | |
| | | | | Property Valuation: 415-554-5596 (Assessor-Recorder) Homeowner's/Other Exemptions: 415-554-5596 (Assessor-Recorder) Current Year Taxes: 415-554-4400 (Taxpayer Assistance) Prior Year Delinquencies: 415-554-4499 E-mail: Treasurer.TaxCollector@sfgov.org | | |
| CORTAC. | | | | PAYMENT OPTIONS | | |
| SEE SUPPLEMENTAL INDEX. | | | | Online: http://www.sftreasurer.org (VISA, Mastercard, Discover or AMEX credit cards, Star, NYCE or PULSE debit cards, E-check) In Person: City Hall (Check, Cash) Phone: 1-800-890-1950 (VISA, Mastercard, Discover, or AMEX credit cards, Star, NYCE or PULSE debit cards) | | |
| SEE SUPPLEMENTAL ROLL. | | | | | | |

ASSESSMENT INFORMATION

| ASSESSMENT | FULL VALUE | TAX RATE | TAX AMOUNT |
|-------------------------|----------------|----------|-------------|
| LAND | \$1,216,452.00 | 1.1691 % | \$14,221.54 |
| IMPR/STRUCTURAL | \$521,335.00 | | \$6,094.92 |
| IMPR/FIXTURES | \$0.00 | | \$0.00 |
| PERSONAL PROPERTY | \$0.00 | | \$0.00 |
| GROSS TAXABLE VALUE | \$1,737,787.00 | | \$20,316.46 |
| LESS: EXEMPTIONS | | | |
| HOMEOWNER'S | \$0.00 | | \$0.00 |
| OTHER | \$0.00 | | \$0.00 |
| NET TAXABLE VALUE | \$1,737,787.00 | | \$20,316.46 |

DIRECT CHARGES AND/OR SPECIAL ASSESSMENTS:
(Call For Information)

| CODE | TYPE | PHONE NO. | |
|------|---------------------------|----------------|----------|
| 29 | Rent Stabilization Fee | (415) 554-4452 | \$29.00 |
| 89 | SFUSD Facilities District | (415) 355-2203 | \$33.30 |
| 98 | SF – Teacher Support | (415) 355-2203 | \$213.90 |

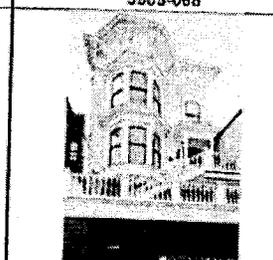
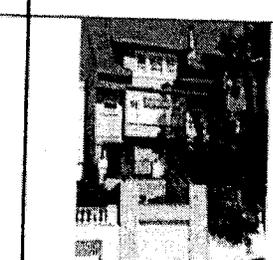
TOTAL DIRECT CHARGES AND SPECIAL ASSESSMENTS \$276.20

DUE NOVEMBER 1, 2012
FIRST INSTALLMENT:
\$10,296.33

DUE FEBRUARY 1, 2013
SECOND INSTALLMENT:
\$10,296.33

TOTAL DUE: \$20,592.66

MARKET ANALYSIS

| APN | Subject 3607-062 | Sale 1 3607-070A | Sale 2 3685-068 | Sale 3 | | | |
|-------------------------|---|--|---|---|-------------|----------------|-------------|
| |  |  |  |  | | | |
| Address | 3769 20th Street | 3731 20th Street | 3887 18th Street | 937 Noe | | | |
| | | \$1,715,000 | \$1,600,000 | \$1,530,000 | | | |
| | Description | Description | Adjust. | Description | Adjust. | Description | Adjust. |
| Date of Valuation/Sale | 01/01/13 | 07/13/12 | | 4/20/2012 | | 11/30/12 | |
| Location | Eureka Valley | Eureka Valley | | Eureka Valley | | Eureka Valley | |
| Proximity to Subject | | < 1mi | | < 1mi | | <1mi | |
| Lot Size | 2,848 | 2,850 | | 2,495 | | 2,988 | |
| View | City | City | | City | | City | |
| Year Blt/Year Renovated | 1900 | 1900 | | 1900 | | 1912 | |
| Condition | Good/Remodeled | Good/Remodeled | | Good/Remodeled | | Good/Remodeled | |
| Construction Quality | Good | Good | | Good | | Good | |
| Gross Living Area | 2,358 | 2,226 | \$31,000 | 2,020 | \$82,500 | 2,160 | |
| Total Rooms | 10 | 6 | | 8 | | 6 | |
| Bedrooms | 3 | 2 | \$25,000 | 3 | | 2 | \$25,000 |
| Bathrooms | 2.5 | 2 | \$15,000 | 1.5 | \$30,000 | 1.5 | \$30,000 |
| Stories | 3 | 2 | | 3 | | 3 | |
| Garage | 2 car | 2 car | | 2 car | | 1 car | \$50,000 |
| Net Adjustments | | | \$71,000 | | \$112,500 | | \$105,000 |
| Indicated Value | \$1,780,000 | | \$1,785,000 | | \$1,612,500 | | \$1,635,000 |
| Adjust. \$ Per Sq. Ft. | \$757 | | \$802 | | \$798 | | \$757 |
| VALUE RANGE: | \$1,612,500-1,786,000 | | Value Conclusion | | \$1,780,000 | | |

REMARKS: Subject prior sales history: 7/21/2000-\$1,000,000, 11/3/2006-\$1,595,000, 8/1/2008-\$1,695,000, 2/10/2012-\$1,750,000
 Actual age of subject and comparables #1 and #2 cannot be verified with city records.
 The subject and comparable properties have all undergone recent upgrades and remodeling to better accomodate modern tastes. Few original details remain outside of crown mouldings, floors and façade.

MARKET VALUE

| | |
|--------------|--------------------|
| LAND | \$1,068,000 |
| IMPROVEMENTS | \$712,000 |
| TOTAL | \$1,780,000 |

ASSESSED VALUE

| | |
|--------------|--------------------|
| LAND | \$1,249,500 |
| IMPROVEMENTS | \$535,500 |
| TOTAL | \$1,785,000 |

Income Approach

APN 3607-062
 3769 20th Street
 Mills Act
 Lien Date 01/01/13

| | | | |
|--------------------------------|--------------|-----------|------------------|
| Potential Gross Income | | | |
| Rental Income | 2350 sq. ft. | @ \$48.51 | \$114,000 |
| Less Vacancy & Collection Loss | | @ 5% | <u>-\$5,700</u> |
| Effective Gross Income | | | \$108,300 |
| Less Operating Expenses | | | <u>-\$15,600</u> |
| Net Operating Income | | | \$92,700 |

\$9500/MO

Restricted Capitalization Rate

| | | | |
|-----------------------|---|---------------|--|
| Rate Components: | | | |
| Interest Rate per SBE | @ | 3.750% | |
| Risk | @ | 4.000% | |
| Property Tax Rate | @ | 1.169% | |
| Amortization (60-year | @ | <u>1.670%</u> | |
| Remaining economic | | 10.589% | |
| Life; improvements) | | | |

Capitalization Rate Summation

| | | | |
|-------|---------------|-------|---------------|
| Land: | 3.750% | Imps: | 3.750% |
| | 4.000% | | 4.000% |
| | <u>1.169%</u> | | 1.169% |
| | 8.919% | | <u>1.670%</u> |
| | | | 10.589% |

Weighted Capitalization Rate:

| | | | | | |
|-------|---------|---|-----|---|----------------|
| Land: | 8.919% | x | 0.6 | = | 5.3514% |
| Imps: | 10.589% | x | 0.4 | = | <u>4.2356%</u> |
| | | | | | 9.587% |

Restricted Value @ \$92,700 / 9.587% = \$966,934

Taxable Value – Three-Way Comparison

| | |
|----------------------------|-------------|
| 1 Restricted Value | \$966,934 |
| 2 Factored Base Year Value | \$1,785,000 |
| 3 Market Value | \$1,780,000 |