

HISTORIC PRESERVATION COMMISSION

Case No. 2009.0476U
166-178 Townsend Street
Assessor's Block 3788, Lot 012
Resolution No. 640

SAN FRANCISCO

HISTORIC PRESERVATION COMMISSION

RESOLUTION #640

ADOPTING FINDINGS RECOMMENDING TO THE BOARD OF SUPERVISORS APPROVAL OF THE MILLS ACT HISTORICAL PROPERTY CONTRACT, REHABILITATION PROGRAM, AND MAINTENANCE PLAN FOR 166-178 TOWNSEND STREET.

PREAMBLE

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 Historical Property Contract program; and

WHEREAS, the Mills Act Historical Property program 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, in 2005 Martin Building Company filed entitlement permits to construct an addition within the footprint of the existing building and develop the site for a mixed-use retail and commercial project; and

WHEREAS, this original 2005 submittal received a Certificate of Appropriateness on August 22, 2008 by the former Landmarks Preservation Advisory Board. The project also required Conditional Use Authorization from the Planning Commission, which was approved on September 4, 2008 and Variances from Planning Code Sections 134, 140, and 151, which were approved by the Zoning Administrator on September 30, 2008; and

WHEREAS, in addition to the entitlements listed above, the project sponsor applied to participate in the Mills Act Historical Property Contract program. The Historic Preservation Commission ("HPC") heard the application, based on the 2005-2008 project on February 4, 2009. The HPC recommended approval of the contract to the Board of Supervisors; and

WHEREAS, the Budget & Finance Committee considered the Mills Act contract for 178 Townsend on May 13, 2009, where the Committee continued the item, requesting additional valuation information from

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the Assessor's Office concerning which portions of the project should be included in the contract; and

WHEREAS, On July 2, 2009, the project sponsor submitted substantial revisions to the 2005-2008 project. The July 2009 project received a Certificate of Appropriateness from the HPC on September 2, 2009 (see Motion No. 0026), a Conditional Use Authorization from the Planning Commission on September 3, 2009 (see Motion No. 17944), and Variances from the Zoning Administrator on September 3, 2009; and

WHEREAS, a revised Mills Act Historical Property Contract application based on the modified project was filed with the Department on December 3, 2009; and

WHEREAS, the Planning Department has reviewed the Mills Act Historical Property Contract application, historical property contract, rehabilitation program, and maintenance plan for 166-178 Townsend Street, which are located in Case Docket No. 2009.0476U. The Planning Department recommends approval of the Mills Act Historical Property contract, rehabilitation program, and maintenance plan; and

WHEREAS, at a duly noticed public hearing held on December 16, 2009, the HPC reviewed documents, correspondence and heard oral testimony on the Mills Act Historical Property Contract application, historical property contract, rehabilitation program, and maintenance plan for 166-178 Townsend Street, which are located in Case Docket No. 2009.0476U; and

MOVED, that the Commission hereby recommends that the Board of Supervisors recommends *approval of the proposed Mills Act Historical Property Contract* and adopts the attached Draft Resolution to that effect.

FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

1. 166-178 Townsend Street is a qualified historic property because it is designated as a contributory building to a historic district designated under Article 10 of the Planning Code – the South End Historic District;
2. The property's current tax assessed value is \$389,356, below the \$5,000,000 assessment for commercial properties;
3. A 10-year Rehabilitation and Maintenance Plan has been submitted and is adequate (see materials dated 12/02/09 in Department File No. 09-0476U);
4. The work proposed for the subject property and in the Rehabilitation and Maintenance Plan meets the Secretary of the Interior's Standards for the Treatment of Historic Properties;

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5. The property owner will ensure that a portion of the Mills Act tax savings will be used to finance the preservation, rehabilitation, and maintenance of 166-178 Townsend Street; and
6. The Draft Mills Act Historical Property contract for 166-178 Townsend Street is adequate and sufficient.
7. **General Plan Compliance.** The proposed Ordinance is, on balance, consistent with the following Objectives and Policies of the General Plan:

I. URBAN DESIGN ELEMENT

THE URBAN DESIGN ELEMENT concerns the physical character and order of the city, and the relationship between people and their environment.

GOALS

The Urban Design Element is concerned both with development and with preservation. It is a concerted effort to recognize the positive attributes of the city, to enhance and conserve those attributes, and to improve the living environment where it is less than satisfactory. The Plan is a definition of quality, a definition based upon human needs.

OBJECTIVE 1

EMPHASIS OF THE CHARACTERISTIC PATTERN WHICH GIVES TO THE CITY AND ITS NEIGHBORHOODS AN IMAGE, A SENSE OF PURPOSE, AND A MEANS OF ORIENTATION.

POLICY 1.3

Recognize that buildings, when seen together, produce a total effect that characterizes the city and its districts.

OBJECTIVE 2

CONSERVATION OF RESOURCES WHICH PROVIDE A SENSE OF NATURE, CONTINUITY WITH THE PAST, AND FREEDOM FROM OVERCROWDING.

POLICY 2.4

Preserve notable landmarks and areas of historic, architectural or aesthetic value, and promote the preservation of other buildings and features that provide continuity with past development.

POLICY 2.5

Use care in remodeling of older buildings, in order to enhance rather than weaken the original character of such buildings.

POLICY 2.7

Recognize and protect outstanding and unique areas that contribute in an extraordinary degree to San Francisco's visual form and character.

The goal of the proposed Mills Act Historical Property Contract is to provide incentives for property

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owners who have significant historic resources to maintain and preserve them for future generations of San Franciscans. The proposed Mills Act Historical Property Contract for 166-178 Townsend Street will assist in the rehabilitation and preservation of a contributory structure in the South End Historic District.

8. The proposed project is generally consistent with the eight General Plan priority policies set forth in Section 101.1 in that:

- a. The existing neighborhood-serving retail uses will be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses will be enhanced:

The proposed Mills Act Historical Property Contract would not impact existing neighborhood-serving retail uses or opportunities for employment in or ownership of such businesses.

- b. The existing housing and neighborhood character will be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods:

The proposed Mills Act Historical Property Contract will strengthen neighborhood character by assisting in the funding of the preservation of a contributing structure to the South End Historic District.

- c. The City's supply of affordable housing will be preserved and enhanced:

The proposed Mills Act Historical Property Contract will help in the financing and construction of affordable residential units at 178 Townsend Street.

- d. The commuter traffic will not impede MUNI transit service or overburden our streets or neighborhood parking:

The proposed Mills Act Historical Property Contract will not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking.

- e. A diverse economic base will be maintained by protecting our industrial and service sectors from displacement due to commercial office development. And future opportunities for resident employment and ownership in these sectors will be enhanced:

The proposed Mills Act Historical Property Contract would not adversely affect the industrial or service sectors or future opportunities for resident employment or ownership in these sectors.

- f. The City will achieve the greatest possible preparedness to protect against injury and

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loss of life in an earthquake:

Preparedness against injury and loss of life in an earthquake is unaffected by the proposed Mills Act Historical Property Contract. Any construction or alteration associated would be executed in compliance with all applicable construction and safety measures.

- g. That landmark and historic buildings will be preserved:

The proposed Mills Act Historical Property Contract incentivizes the preservation of a contributory building within the South End Historic District.

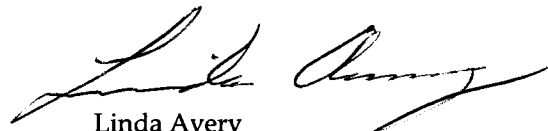
- h. Parks and open space and their access to sunlight and vistas will be protected from development:

The proposed Mills Act Historical Property Contract will not impact the City's parks and open space.

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 166-178 Townsend Street.

BE IT FURTHER RESOLVED that the **Historic Preservation Commission hereby directs** its Recording Secretary to transmit this Resolution, the Mills Act historical property contract, rehabilitation program, and maintenance plan for 166-178 Townsend Street, and other pertinent materials in the case file 2009.0476U to the Board of Supervisors.

I hereby certify that the foregoing Resolution was **ADOPTED** by the Historic Preservation Commission on December 16, 2009.



Linda Avery
Recording Secretary

AYES: Chase, Damkroger, Hasz, Martinez, Buckley, Matsuda

NOES: Wolfram

ABSENT:

ADOPTED: December 16, 2009