

CORONADO HISTORIC RESOURCE COMMISSION

**AGENDA ITEM
Public Hearing**

Regular Meeting

May 5, 2021

**HRPA 2021-06 763 C AVENUE: REQUEST FOR A HISTORIC PRESERVATION
MILLS ACT AGREEMENT FOR THE HISTORICALLY DESIGNATED PROPERTY
ADDRESSED 763 C AVENUE**

RECOMMENDATION: Recommend denial of the Mills Act Agreement to City Council, due to alterations to the property that are not consistent with the City's Alteration Guidelines for Mills Act Properties

ALTERNATIVE: Recommend approval of the Mills Act Agreement to City Council with the following conditions:

1. For the List of Improvements: Remove the front porch added in 2008 and restore front porch to appearance prior to 2008 modifications; or, unenclosed porch to restore it to its original appearance prior to 1923 if photographs and/or documentation exist to guide the restoration.
2. Modifications and additions to the dwelling, and the new garage and carriage house, completed in association with Building Permits #0801-035 and #0810-018, and any future improvements to the property shall be excluded from the Mills Act tax savings.

PUBLIC NOTICE: A public notice was published in a newspaper of local circulation and notices were mailed to all property owners within 300 feet of the boundaries of the property.

BACKGROUND: In 2007, the Historic Resource Commission adopted resolution 40-07 designating the dwelling, constructed in 1911, as a Historic Resource. The property was designated for association with property owner the owner at the time of construction, F. C. Winchester, and as an example of the Craftsman Bungalow style. In 2008, Historic Alteration Permits were approved for various modifications on the property. The property owner has submitted an application for a Mills Act Agreement for the property (Attachment 1).

ANALYSIS: One of the benefits of having the residence designated as a Historic Resource is that the property owner is then eligible to apply to the City of Coronado for a Historic Resource Preservation (Mills Act) Agreement. A Mills Act Agreement is a contract between the property owner and the City, wherein the property owner agrees to preserve, and when necessary, restore and rehabilitate a designated historic resource throughout the term of the annually renewable ten (10) year agreement. In exchange, the property owner receives a reduction in property taxes. The Mills Act Agreement is administered as set forth in Sections 50280 et seq. of the Government Code, Sections 439 et seq. of the Revenue and Taxation Code, and program policies set forth by the Coronado City Council.

Once an application for a Mills Act Agreement has been determined to be complete, the City staff forwards it to the Historic Resource Commission for review at a noticed public hearing. The role of the Historic Resource Commission at today's public hearing is to review the application and make a recommendation to the City Council regarding the proposed list of improvements included in the application, any exclusions that should be written into the Agreement, and whether the application for a Mills Act Agreement should ultimately be approved or denied by the City Council.

The Mills Act Agreement is not guaranteed as an automatic entitlement associated with designation of a property as a Historic Resource. Rather it is a benefit that the City allows owners of historic properties to apply for in order to help offset the higher cost of preserving, restoring, and maintaining a historic resource. Each Mills Act application is evaluated on its own merits.

There have been numerous modifications and additions to the property since the original construction date of 1911. In 1923 an addition was made to the dwelling by enclosing the front porch with large windows and horizontal siding. This configuration remained until 1952, when a bathroom was added. The property remained unchanged and was designated as a Historic Resource in 2007. In 2008, the Historic Resource Commission approved modifications to the dwelling which included a remodel of 1,314 square feet, addition of 393 square feet, addition of a new front porch in front of the existing enclosed porch, removal and modification of the existing front windows at the enclosed porch, replacement of the existing horizontal wood lap exterior siding at the enclosed front porch with shingle siding, replacement of all shingle siding with new siding, and addition of a new garage and carriage house. Later that year, a 558 square foot second floor addition was also approved.

The City's Historic Preservation Program Guidebook states the following in the Mills Act Agreement section: *Historic Resources with a Mills Act Agreement are held to a higher standard of preservation because of the property tax reduction provided to the property owner. Property owners interested in applying for a Mills Act Agreement should carefully evaluate the extent of alterations proposed to the residence. Alterations or additions, even if approved by the Historic Resource Commission prior to a Mills Act application, may make the residence ineligible for a Mills Act Agreement.*

The modifications to the property, while approved, are so numerous that the property does not reflect its historic appearance from the period of significance of 1911 when it was owned by F. C. Winchester, nor does it retain the appearance that did when it was designated in 2007 (Attachment 2). Staff recommends that because the property doesn't rise to the higher standard placed on Mills Act properties, due to the modifications, a Mills Act Agreement should not be approved.

Alternatively, if the Commission wishes to recommend approval of the Mills Act Agreement to City Council, staff recommends that the following restoration items be included as conditions of the Mills Act Agreement, in the List of Improvements:

1. Remove the non-historic front porch extension added in 2008

2. Restore the front porch to its original condition to reflect the 1911 period of significance, if photographs or documentation can be found to guide this restoration; or, restore the front porch to its appearance at the time of historic designation.

These recommendations for restoration are consistent with the City's Alteration Guidelines for Mills Act Properties which specifically state in guideline D5 that *restoring an altered porch to its original design and configuration is recommended*.

Additionally, staff recommends that modifications and additions, and the new garage and carriage house, completed in association with Building Permits #0801-035 and #0810-018, and any future improvements to the property shall be excluded from the Mills Act tax savings.

The Mills Act Program was adopted by the City Council in 2000 by Resolution No. 7336. In 2011, the City Council adopted Resolution No. 8524, implementing a change to the Mills Act Program that sets the maximum savings that a property owner receives with a Mills Act Agreement at 50% of the current property tax for Mills Act applications received beginning January 1, 2102. The 50% savings does not include any exclusions that may be written into the contract, or exclusions for future construction, both of which would result in a lower savings for the property owner and a lower impact to City property tax revenues. The number of Mills Act Agreements approved annually is at City Council discretion.

CONCLUSION: Staff recommends that the Commission recommend to City Council denial of the Mills Act Agreement to City Council, due to alterations to the property that are not consistent with the City's Alteration Guidelines for Mills Act Properties.

Alternatively, the Commission may consider recommending approval of the Mills Act Agreement to City Council with the following conditions:

1. For the List of Improvements: Remove the non-historic front porch extension added in 2008; and, restore the front porch to its original condition to reflect the 1911 period of significance, if photographs or documentation can be found to guide this restoration; or, restore the front porch to its appearance at the time of historic designation.
2. Modifications and additions to the dwelling, and the new garage and carriage house, completed in association with Building Permits #0801-035 and #0810-018, and any future improvements to the property shall be excluded from the Mills Act tax savings.

Attachments:

1. Mills Act Application
2. Photos from 1985 and 2007
3. Permit History
4. Plans from 2008 modifications

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Chair Sweeney requested disclosures and ex-parte communications. All commissioners disclosed passing by the property. All commissioners reported no conflicts.

Commissioner Farley disclosed that she owns property between 500-1000 feet of the property addressed as 763 C Avenue. She conducted the analysis set out in the FPPC regulation 18702.2 and determined that she does not have a conflict of interest.

Associate Planner Tricia Olsen provided the staff report.

The applicant, James Pisanelli, was available remotely for questions from the Commissioners.

PUBLIC ORAL COMMUNICATIONS

Oral communications were held. No online public comments submitted.

COMMISSION DISCUSSION

Commission discussion was held.

COMMISSION ACTION

Motion by Commissioner Jamison to approve recommendation to the City Council for Mills Act for 763 C Avenue, as presented by staff.

Second by Commissioner Farley

AYES: Clements, Farley, Jamison, Pastor, Sweeney.

NAYS: None.

ABSENT: None.

ABSTAIN: None.

DISQUALIFIED: None.

The motion passed with a vote 5-0.

ADJOURNMENT

There being no further business, the meeting was adjourned at 3:47 p.m.



Tricia Olsen, Associate Planner