

Mills Act and Other Preservation Incentives

February 11, 2009

Presented by
Jennifer Gates, City of San Clemente

Historic Preservation Workshop Series

April 2, 2009, 6:30pm: Historic Preservation and
Sustainability

Community Center- Ole Hanson Fireside Room, 100 N. Calle Seville

May 11, 2009, 6:30pm: What Can I or Can't I Do?

Community Center- Ole Hanson Fireside Room, 100 N. Calle Seville

August 13, 2009, 6:30pm: Spanish Colonial Revival
Architecture

Casa Romantica, 415 Avenida Granada

Outline

- Historic Preservation
 - What and Why?
- San Clemente Historic Preservation Incentives
 - Application Fee Waiver
 - Parking Waiver
 - Historic Plaque Program
 - Historic Preservation Grant
 - Mills Act
- Resources
- Questions & Answers

History of Historic Preservation

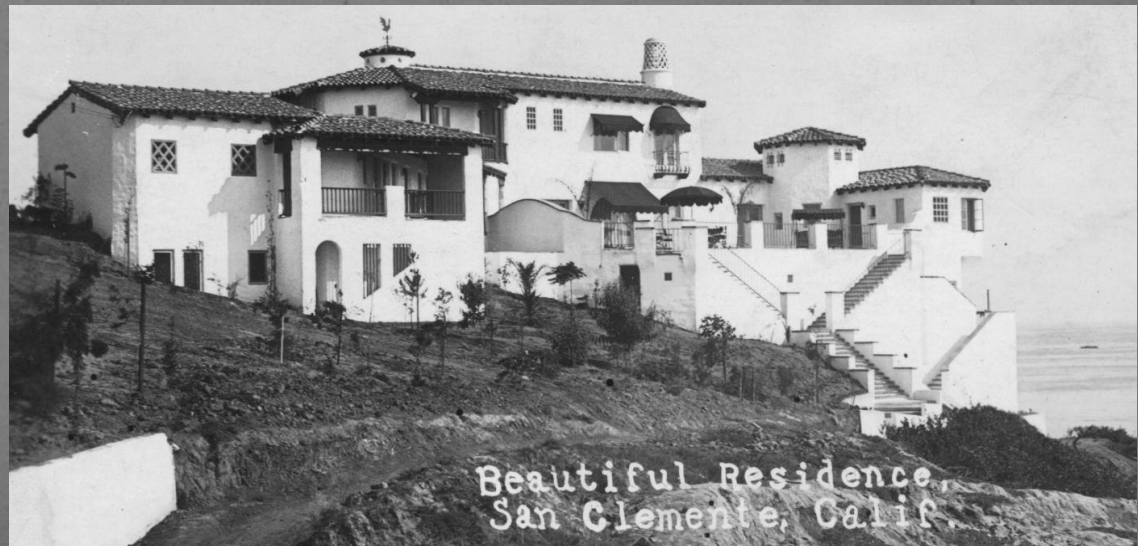
United States

- 1889- First historic preservation organization:
Association for the Preservation of Virginia Antiquities
- 1930- First historic preservation ordinance in
Charleston, South Carolina
- 1978- Supreme Court upheld historic preservation as a
public benefit

History of Historic Preservation

San Clemente

- Late 1970s- San Clemente Historical Society is formed with first Historic Resources Inventory
- 1980s- 1st Historic Preservation Ordinance adopted
- 2007- Resources List and Preservation Ordinance updated



Historic Preservation Incentives

- Application Fee Waiver
- Parking Waiver
- Historic Plaque Program
- Historic Preservation Grant
- Mills Act (Historic Property Preservation Agreements)

Application Fee Waiver

- Approved in October 2007

Zoning Ordinance Section 17.16.180(C)

1. A one hundred (100) percent fee waiver for a Cultural Heritage Permit and Minor Cultural Heritage Permit may be applicable for properties subject to City Ordinance Table 17.6.100B (C) if the City Planner determines that the project adheres to the Secretary of the Interior Standards for the Treatment of Historic Properties. This does not include any required technical studies, miscellaneous associated fees with processing the application, etc. Properties subject to the possible fee waiver, found in City Ordinance Table 17.6.100B (C), include:

- a. All resources sites listed on the City's List of Designated Historic Structures Resources and Landmarks Lists.
- b. All abutting single-family homes and duplexes.
- c. All sites with three or more dwelling units within three hundred (300) feet of residentially zoned sites listed on the City's List of Designated Historic Structures Resources and Landmarks Lists.

Parking Waiver

- **Zoning Ordinance Section 17.64.125(B) Waivers of Parking Requirements outside the Downtown Parking Study Area**

Historic Structures in RM and RH Zones--Waivers of the Parking Space and Circulation Requirements; MEP--2 space reduction CUP--All others

1. The structure is listed on the City's Designated Historic Structures List; and
2. The parking required by the district within which the property is located cannot be provided without altering or modifying the historic structure in a manner which is incompatible with its original style and character; and
3. The modifications of the parking and circulation requirements will not be detrimental to the health, safety, and general welfare of either the people residing in the area or the general public.

Parking Waiver

- **Zoning Ordinance Section 17.64.125(B) Waivers of Parking Requirements outside the Downtown Parking Study Area**

Historic Nonresidential and Mixed-Use Structures--Waivers of the Parking Space and Circulation Requirements; MEP--2 space reduction CUP--All others

1. The structure is listed on the City's Designated Historic Structures List; and
2. Public parking is available in close proximity to the structure; and
3. The parking required by the zone and/or district within which the property is located cannot be provided without altering or modifying the historic structure in a manner which is incompatible with the historic structure's original architectural style and character; and
4. The modification of the parking requirements will not be detrimental to the health, safety, and general welfare of either the people residing in the area or the general public.

Historic Plaque Program

- Coming Soon!

October 2007- Directed by Council to establish a historic plaque program for all listed Landmarks.



Historic Preservation Grant

- Coming Soon!
- Overview:
 - *Who is eligible?* Historic Resources and Abutting properties are eligible for the Historic Preservation Grant
 - *How often is a property eligible?* Every three years.
 - *How much?* \$600 for Historic Resources and Abutting Structures, \$2,000 for City Landmarks.
 - *What can the money be spent on?* Grant will cover “hard costs” associated with exterior improvements including repair and maintenance. It will not cover “Soft costs” such as: architectural, engineering, or construction fees.

Mills Act (Historic Property Preservation Agreements)

- Founded in 1972- to assist with the restoration, rehabilitation, and maintenance of Hotel Del Coronado.
- 1997 - City Council adopted Ordinance establishing the “Historic Property Preservation Agreements” (HPPAs) or Mills Act
- Over 80 communities in California have adopted the Mills Act program to fit the needs of their community.

Mills Act Overview

- Is an economic incentive to encourage preservation of historic properties by reducing property taxes.
- Local Governments establish a program based on their communities' priorities.
- Is a voluntary program.
- Is a contract between the City and the owner of a designated historic property.
- Can be used by historic properties listed on the City's Designated Historic Resources List that are subject to property taxes.
- Includes a commitment to preserve and maintain the property for a minimum period of ten years.
- Assessment is based on the Income Capitalization Method.

Application Requirements

- Application Certification
- Historic Property Description
- Project Narrative
- Title Report and Grant Deed
- Home Inspection Report
- Estimated Tax Benefits
- Estimated Cost of Improvements
- Photographs of Building

Process

- Pre –Application Meeting
- Application Submittal
- Site Visit and Review of Proposed Improvements
- Review by the Cultural Heritage Subcommittee
 - Recommend Approval to City Council as presented or with modifications
- City Council Hearing
 - Approve, Approve with modifications, Deny
- Sign and Record

Restoration Conditions

- Typically replace modern:
 - Windows
 - Doors
 - Fixtures
 - Roof
- Repaint with historically accurate paint scheme
- Due on Sale Clause- started in 2004

Assessment Calculation Example

Sample Valuation

SFR owner-occupied

1998 base year Purchased for \$223,000

Est. remaining Life 30 years

Valuation

Est. Effective gross income (annual) (5% increase)		\$25,325
Less Vacancy & collection loss (0%)		\$0.00
Effective gross income		\$25,325
Less annual expenses (25%)	0.25	(\$6,331)
Net operating income		\$18,994

Capitalization Rate (%):

1) Interest Component (%)		6.75
2) Risk component (%)		4
3) Property tax component (%)		1.2
4) Amortization component (%)	.30 * (1/30)	1
Total (%):		12.95
		0.1295

Capitalized Net Operating Income

Net income/Cap rate \$146,672

Factored Base Year Value (2% increase): \$256,156

Fair Market Value: (10% increase) \$434,567

Historic Property Value: \$146,672

Enrolled value: \$146,672

Tax amount-Historic Property Value: \$1,597.26

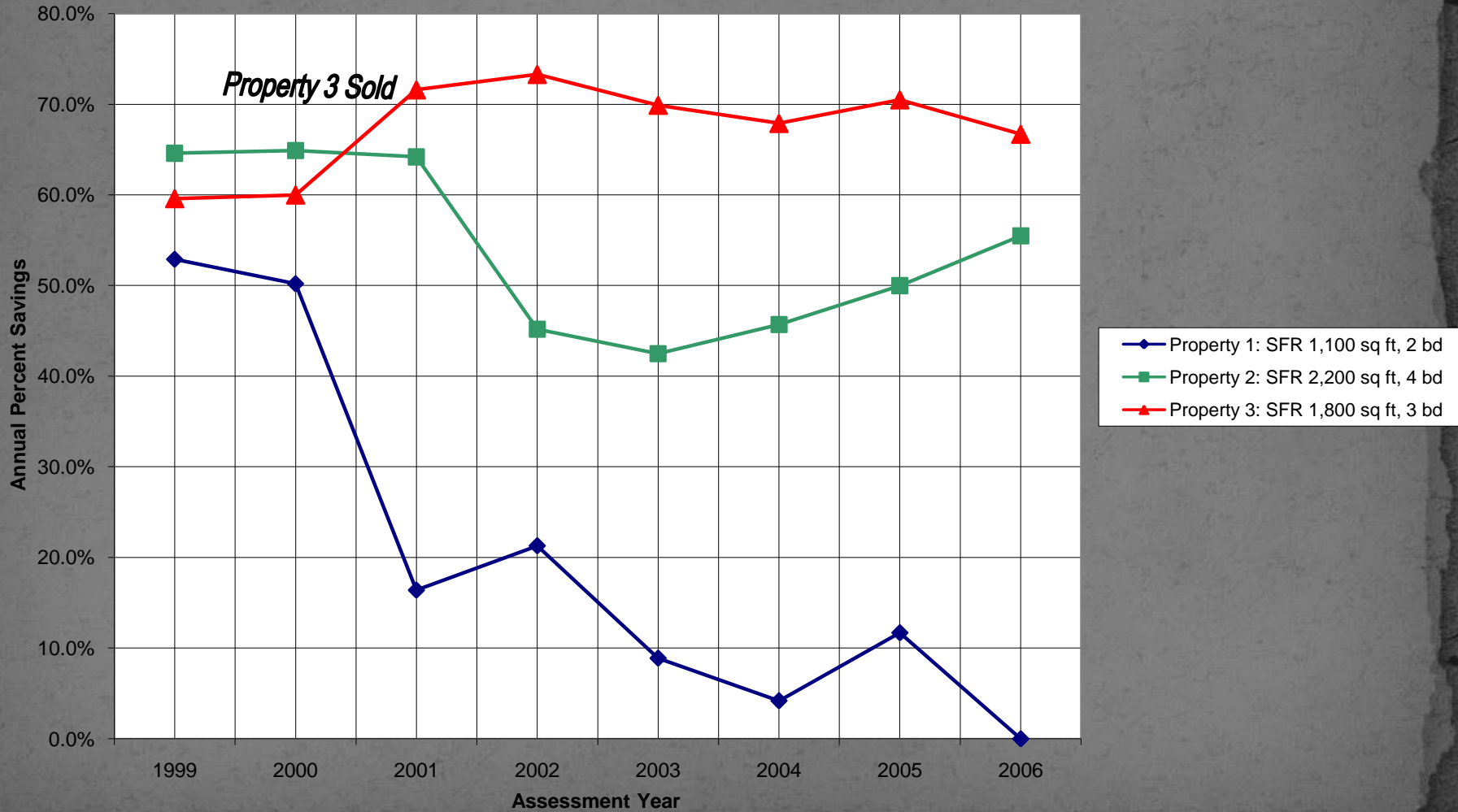
Tax amount-Normal: \$2,789.54

Total amount saved: \$1,192.28

Difference (%): 42.74

Tax Savings

Tax Valuations



Residential



Commercial



Tracking Physical Change

- Initial Inspection and Documentation Required
- Contract/Agreement
 - Physical improvements required

HISTORIC PROPERTY IMPROVEMENTS TO BE COMPLETED

Completion Date	Historic Property Improvements
December 31, 2009	<ol style="list-style-type: none">1. Replace modern exterior light fixtures with wrought iron decorative lights.2. Refurbish historic lights and grilles.3. Restore historic fountain and spindels of window overhang.4. Repair/Replace broken tiles on the driveway, walkway and porch.
December 31, 2014	<ol style="list-style-type: none">5. Replace aluminum and vinyl windows with wood windows to match existing historic style6. Remove or replace chainlink fence and replace with traditional wrought iron fence or other traditional fence or wall materials.7. Repair damaged wood railing, beams, posts, and rafter tails and paint dark brown.8. Replace shingle roof with a tile roof.

Conditions:

1. All historic property improvements shall be completed prior to the sale of the property.
2. Any and all improvements to be made to the property must be reviewed in accordance with the Secretary on Interiors Standards and permits obtained, as required.

Establishing a Monitoring Program

- Letter
 - Annual
 - Request for information
 - Completion of improvements?
 - Notification of pending improvements



City of San Clemente Planning Division

Jennifer M. Gates, Associate Planner
Phone: (949) 361-6192 Fax: (949) 366-4750
gatesj@San-Clemente.org

December 13, 2007

Owner
Address
City State Zip

Re: Annual Summary of Historic Property Preservation Agreements

Dear Historic Property Owner,

The Planning Division is completing an annual audit of properties with Historic Property Preservation Agreements (HPPA). Thanks to you and others in the HPPA program it has been a resounding success so far. Since 1997, 52 properties have been voluntarily committed to the preservation of their historic resources. Due to the growing number of properties in the program, it becomes increasingly important for Planning staff to track the progress of these properties and ensure that the required restoration conditions are fulfilled on time. One of the objectives of the audit is to remind the property owner ahead of time of pending restoration conditions. We will continue to work cooperatively with all historic property owners in fulfilling the contract restoration conditions to avoid enforcing a penalty.

As a part of the audit, the Planning Division reviews the building records for each property and updates each summary record. We need your help in verifying this information on the summary. Enclosed for your review are two copies of a summary of your HPPA. This summary includes basic information regarding the property and the owner. It also includes the approval date and the dates of the initial contract term. Please take further note of the required restoration conditions for the property and respective deadlines for completion. In some cases, we have indicated that some or all of the conditions have been fulfilled.

We ask that you carefully review and verify this information. Please complete the box allotted for your signature and date and return one copy to the Planning Division by **January 28, 2008**. *Please include your contact information including phone number and email address.* Retain the other copy for your records. If you find discrepancies, then indicate in writing what those are and provide any evidence to support your claim. Planning staff will follow up your response and schedule a site inspection of the property to review any work completed within the last year.

If you have any questions regarding this summary, please contact me at the above number.

Sincerely,

Jennifer M. Gates
Associate Planner

John M. Ciampa
Assistant Planner

Enclosed: 2007 Summary of HPPA (Two copies)

Establishing a Monitoring Program

Project Number	Site Address	APN	Owner	Date approved	Initial Contract Term	
06-292	201 Esplanade	692-242-10	[REDACTED]	11/6/2006	11-6-2006 - 11-5-2016	
					Notice of Non-Renewal	No
Restoration Conditions						
1. Replace exterior lighting with traditionally designed lighting. 2. Paint the eaves and rafters that are associated with the outdoor patio area. 3. Paint the exterior wall mounted equipment the same color as the building. 4. Paint the utility wires mounted to the exterior of the building walls the same color as the building. 5. Replace metal railings along the steps leading from South Ola Vista to the house (adjacent to the garage) and replace the existing fence and gate along South Ola Vista with wrought iron or compatible design, which may include a stucco covered wall. 6. Replace all windows throughout the property with wood-framed true-divided light windows.						
ALL HISTORIC PROPERTY IMPROVEMENTS SHALL BE COMPLETED PRIOR TO THE SALE OF THE PROPERTY.						
Completed by the end of:		Completed?	Owner's signature verifying summary information			
2007	1,2,3,4		_____ Signature _____ Date			
2008						
2009	5					
2010						
2011	6					
2012						
2013						
2014						
2015						
2016						
Correspondence						
Sent	Reply	Comments				

HPPA Audit Summary 2008

Key:	Completed Conditions
	Condition due current year
	Construction in progress
	No audit returned
	Inspection Required

Establishing a Monitoring Program

- Site Inspection
 - Requires approval of owner to go onto property
 - Annually
 - As needed
 - As improvements are completed to ensure compliance
 - To document improvements



Update to Council

Assessment of HPPA Program as of December 2008

- Number of Properties Enrolled in the Program: 59
- Number of Properties that have completed Initial 10 year Term of Contract: 16
- Number of Properties that have completed Conditions of Original Contract: 24

City Resources

- City Staff- Questions???
- Jennifer Gates- 949-361-6192
gatesj@san-clemente.org
- Architecture and Historic Preservation Resources
- History of San Clemente Resources
- Old Building Permits

SAN CLEMENTE

The Spanish Village

Building Approval Certificate

No. 416

This is to Certify, That the exterior building plans, specifications and location for a building to be erected on Lot 121, Block 1, Tract 270, have been submitted to the San Clemente Architectural Committee according to terms of purchase by Edw. GLEASON and are hereby approved as to exterior design and location.

It is understood, however, that Ole Hanson or said Architectural Committee shall not be responsible for any Structural defects in said Plans or Specifications on said building, nor does said Ole Hanson or said Architectural Committee pass on said Plans or Specifications in relation to any Building or Housing Laws of any authority having jurisdiction.

Architectural Committee:

Minimum set back on this

lot, _____ feet

from street property line.

Dated Oct - 30 - 1928

All Applications Must be Filled Out by Applicant
PLANS AND SPECIFICATIONS and other data must also be filed.

BUILDING DIVISION
2 DEPARTMENT OF BUILDING AND SAFETY
Application for the Erection of Frame Buildings

CLASS "D"

To the Board of Building and Safety Commissioners of the City of San Clemente:
Application is hereby made to the Board of Building and Safety Commissioners of the City of San Clemente, through the office of the Superintendent of Building, for a building permit in accordance with the description and for the purpose hereinafter set forth. This application is made subject to the following conditions, which are hereby agreed to by the undersigned applicant and which shall be deemed conditions entering into the exercising of the permit:
First: That the permit does not grant any right or privilege to erect any building or other structure therein described, or any portion thereof, upon any street, alley or other public place or portion thereof.
Second: That the permit does not grant any right or privilege to use any building or other structure therein described, or any portion thereof, for any purpose that is, or may hereafter be prohibited by ordinances of the City of San Clemente.
Third: That the granting of the permit does not affect or prejudice any claim of the title to, or right of possession in, the property described in such permit.

Lot No. 29 Block 2
CITY CLERK (Description of Property) Tract 279

District No. _____ M. B. Page _____ F. B. Page _____

ENGINEER No. 128-130 Ave Miramar Street _____
PLEASE (Location of Job)

USE INK OR INDELIBLE PENCIL

- Purpose of Building Dwelling No. of Rooms 3 No. of Families 4
- Owner's name Magona Galles Phone _____
- Owner's address San Clemente
- Architect's name Woolbrook Phone _____
- Contractor's name Van Meech Phone 2761
- Contractor's address San Clemente
- VALUATION OF PROPOSED WORK (Including all Material, Labor, Finishing Equipment and Appliances in Completed Building.) \$ 3200.00
- Is there any existing building or permit for building on lot? no How used? _____
- Size of proposed building 26 x 36 Height to highest point 30 feet
- Number of stories in height one Character of ground fairly slope
- Material of foundation _____ Size of footings 12 Size of wall 8 Depth below ground 12
- Material of chimneys _____ Number of inlets to flue 2 Interior size of flues 12 x 12
- Material of exterior walls _____

Materials: REDWOOD MUDDSILLS 2x6 x Girders 4x6
INTERIOR BEARING studs 2x4 x Interior Non-Bearing studs 2x4
Roof rafters 2x6 FIRST FLOOR JOISTS 2x6
Specify material of roof 30 ft matted tile
Housing Act be complied with? Reading 22

I and read the above application and know the same is true and correct, Ordinances and Laws governing Building Construction will be complied or not.
(Sign Here) Van Meech
(Owner or Authorized Agent)

FOR DEPARTMENT USE ONLY

Specifications checked and conforms to Ordinance, State Laws, etc.	Application checked and found O. K.	Stamp here when permit is issued.
Plan Examiner	Clerk	<u>4-16-29</u> <u>E.P.B.</u>

Additional Resources

- Historic Images- San Clemente Art Supply @ 1531 N. El Camino Real- proceeds benefit Historical Society



- San Clemente Library- Books, Original Newspaper on Microfiche...

Websites

- City Website on Historic Preservation:
<http://san-clemente.org/sc/standard.aspx?pageid=440>
- State Office of Historic Preservation:
http://ohp.parks.ca.gov/default.asp?page_id=1054
- Technical Preservation Services' Publications and Online Materials:
http://www.nps.gov/history/hps/tps/tax/download/tax_tech_index.pdf
- National Trust for Historic Preservation:
<http://www.preservationnation.org/>

Questions & Answers

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through the California Office of Historic Preservation,
and the City of San Clemente.*

*Historical images courtesy of the San Clemente Historical Society.
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