



## Design Review Subcommittee (DRSC)

Meeting Date: 11/14/2018

**PLANNER:** David Carrillo, Assistant Planner *DC*

**SUBJECT:** **Historic Property Preservation Agreement (HPPA) 18-435, Ciotola HPPA**, a request for a Mills Act agreement between the City and the owners of a historic private residence at 1411 Calle Mirador.

### **BACKGROUND:**

#### *Site Data*

The subject property was developed in 1928 and includes a 1,520 square-foot residence on a 6,200 square-foot lot. The site is in the Residential Medium Zone and Coastal Zone Overlay District (RM-CZ). The architect and builder are unknown. Please reference Attachment 1 for a vicinity map.

**Figure 1 – Existing Site Conditions**



#### *Historic Survey*

The property was surveyed by the Historic Resources Group in 2006. The survey stated the resource's integrity and condition are good. Additionally, the survey identified the structure as a contributor to a potential local historic district under Criterion A for its association with the Ole Hanson/Spanish Village by the Sea period of development. The primary record

(Department of Parks and Recreation [DPR] form, see Attachment 2) describes the property as follows:

“The property contains a two-story single family residence with a rectangular plan and wood-frame construction. Designed in the Spanish Colonial Revival style, it has a low-pitch side-gable roof with clay tiles over the main entrance as well as a shed roof with clay tiles over the entry. The exterior walls are clad with smooth stucco. The residence is asymmetrically aligned on the eastern portion of the primary (north) elevation, while the western portion of the north elevation is symmetrically aligned in both fenestration and decoration. The fenestration consists of original wood casement and fixed windows throughout the residence. One window has been replaced. Decorative features of the residence include stucco walls ending in piers with slanted sides leading to the main entrance, and original steps leading to the entryway. On the western end of the primary elevation a large arched window centered on the western bay is flanked on the lower and upper levels with vertically aligned narrow windows. A rounded balcony projects underneath the window and includes a decorative metal balustrade. Spanish Colonial Revival elements include exposed rafter tails and a stucco chimney. The residence is in good condition. Its integrity is good.”

Photos of the property can be seen in Attachment 7.

### *Mills Act*

Enacted in 1972, the Mills Act legislation grants participating local governments the authority to enter into contracts with owners of qualified historic properties who actively participate in the restoration and maintenance of their historic properties while receiving property tax relief. In San Clemente, a “qualified” property is any property on the City’s designated list of historic structures. See Attachment 6 for additional details. Mills Act participants may realize substantial property tax savings of between 40% and 60% each year for newly improved or purchased older properties. The estimated first year tax savings for the subject property would be in the range of \$3,399 to \$5,949 per year based on comparisons with similarly sized properties with recently approved HPPA contracts. The contract carries a minimum ten year commitment. Either party may choose to end the automatic annual renewal of the contract; however, there is a financial penalty to the property owner if the City cancels the contract due to noncompliance with the terms.

### *Why is DRSC Review Required?*

DRSC serves as the Cultural Heritage Subcommittee (CHSC) for review of Historic Property Preservation Agreements. Zoning Ordinance Section 17.16.175 states: “The Subcommittee shall consider the proposed list of improvements, may make recommendations for amendments to said list, and shall make a recommendation to the City Council regarding approval or denial of the Agreement together with the proposed list of improvements.”

**ANALYSIS:**

In September 2018, the City entered into an agreement with GPA Consulting (GPA) to provide professional historic preservation consulting services. GPA has provided similar services for other communities since the company's founding in 2003, including the cities of Los Angeles, Long Beach, and Laguna Beach. Staff reviewed the subject application in concert with GPA.

*Site Visit*

Planning staff conducted a site visit of the property on September 25, 2018 along with Audrey von Ahrens, Architectural Historian II, of GPA Consulting. The purpose of the site visit was to evaluate the integrity and condition of the historic resource and determine if any restoration improvements are necessary to rehabilitate the historic resource.

At the site visit, it was evident that exterior modifications and additions were done to the home, such as a front porch enclosure, window changes, a garage extension, and an open laundry room structure at the rear. However, the construction date of these modifications and additions, is unknown due to missing permit records or work completed without a City building permit. The GPA consultant estimated that the front porch enclosure and garage extension were constructed in the 1940's, while the attached patio cover that functions as a laundry room was added at a later date.

Cracks on exterior walls were noticed that may be due to the destabilized foundation. The highest priority work list item is to repair destabilized foundation after obtaining an assessment report and implementation plan from a qualified structural engineer. The report would ensure that repairs be executed in a way that mitigates impacts to the historic structure.

Additionally, the front concrete walkway that leads to the front entry is in need of repair, as seen in Figure 2. A 1938 historic aerial image shows that the walkway still obtains its same proportion. Staff and GPA presume the existing walkway is original and worthy of including this element on the work list due to its historic characteristics such as curvature, red concrete, and function, and its visibility from the street.

**Figure 2 – Unique Work List Item**



*Proposed Work List*

Based on the site visit, staff and GPA developed the following list of prioritized work for the rehabilitation and maintenance of the property. Staff added items 3 and 15 in Table 1, which are the only differences from the priority list compiled by the consultant (Attachment 3). Additionally, item 8 on the consultant’s list, which states “make necessary upgrades to electrical and plumbing system so that it results in the least alteration possible to the historic building and its character-defining features”, was removed by staff to make the list more attainable and prioritize prominent exterior improvements. The applicant may still propose upgrades to electrical and plumbing systems, subject to City requirements for historic properties, but it will not be a required improvement. Staff recommends requiring the improvements listed in Table 1 as conditions of the HPPA to help protect, preserve, and enhance the historic resource. The list is ordered by priority level of the restoration task. The proposed completion dates attempt to divide the work by related tasks and are separated to spread out the expenses over the preliminary ten years of the contract timeline. The list of prioritized work includes 15 items, significantly more than most recent HPPAs, even though the historic survey states the resource’s integrity and condition are good. Since the survey conducted in 2006 was a reconnaissance survey, or a windshield survey, the assessment was completed from the street and did not involve a thorough inspection of the site or structure. The historic resource is set back approximately 50 feet from curb and sits at an elevation 16 feet higher than Calle Mirador. Therefore, the resource’s integrity and condition appear to be good from street level, but the inspection conducted by staff and the GPA consultant revealed that the property is in need of various restorative improvements to maintain or improve its condition. An annotated version of the work list is provided as Attachment 4.

**Table 1 – List of Prioritized Work**

	Proposed Work/Task	Proposed Completion
1.	Hire a structural engineer to assess building foundation/structure and prepare an implementation plan	2020

	Proposed Work/Task	Proposed Completion
	for recommended work (including repair of crack in foundation on the east side of the structure).	
2.	Brace, bolt and shear foundation. Brace beams, rafters and roof supports	2021
3.	Repair damaged roof clay tiles, or replace as needed with tiles that are compatible with the historic character of the building.	2021
4.	Repair window frames and sash by patching and splicing where feasible. Where windows are too deteriorated to repair, replace in kind using the original windows as a model to reproduce the feature.	2022
5.	Remove peeling paint from wood windows using the gentlest means possible, make any necessary repairs (including repair of boarded-up window) and repaint.	2022
6.	Engage the services of an architectural historian or architect/designer to investigate materials of deteriorated entry stairs and repair or replace as recommended. Existing structural supports are hollow and appear non-original or significantly altered.	2023
7.	Repair the front original concrete walkway in kind using concrete mix to match historic concrete to the greatest extent feasible.	2023
8.	Prep, patch, repair and repaint exterior stucco and wood trim in kind.	2024
9.	Repair cracked concrete driveway in kind using concrete mix to match historic concrete to the greatest extent feasible.	2026
10.	Replace incompatible, non-original vinyl and hollow wood slab doors with new doors that are compatible with the historic character of the building.	2027
11.	Replace incompatible, non-original vinyl windows with new windows that are compatible with the historic character of the building.	2027
12.	Replace incompatible, non-original vinyl garage door with new door that is compatible with the historic character of the building.	2028
13.	Remove damaged and inconsistent wood fencing and gates. Replace with compatible option.	2029
14.	Improve the energy efficiency of existing mechanical systems and help reduce need for a new system by installing attic insulation.	2029
15.	Repair exposed rafter tails, or replace as needed with materials and proportions that are compatible with the historic character of the building, and repaint exposed rafter tails brown.	2029

The applicant has also proposed flooring and bathroom improvements but these have not been included in the restoration list since these improvements are not necessary for the preservation of the property.

Please note that the approval of the HPPA does not constitute a permit for individual work list items. The property owner would need to apply for the appropriate permits at the time that work is proposed. For instance, a window change out will require a staff waiver of a Minor Cultural Heritage Permit. The property owner would need to provide relevant information on the proposed style of window replacement, consistent with the HPPA requirements, at that time. Attachment 5 details the Secretary of the Interior's Standards for the Rehabilitation of Historic Properties. These guidelines are incorporated into the HPPA contract, and all future repairs and improvements – whether delineated in this work list or otherwise – must be consistent with these guidelines.

### **RECOMMENDATION**

It is staff's position that the recommended rehabilitation and maintenance tasks will restore the historic house and be architecturally compatible. Staff seeks DRSC concurrence with the recommended work list and timeline (Attachments 3 and 4) for the subject property. Following DRSC review, staff will schedule the HPPA for a City Council hearing in December. It is staff's goal to have the contract recorded prior to December 31, 2018 so that the County can assess the property in 2019 based on the Mills Act restricted valuation of the property.

### ***Attachments:***

1. Location Map
2. DPR Form
3. Work List
4. Annotated Photographs of Proposed Restoration Improvement Timeline
5. Secretary of the Interior's Standards
6. Mills Act Background Information
7. Photographs
8. Narrative Letter or Proposed Work List from applicant
9. Historic Aerial



### City of San Clemente

Ciotola Residence HPPA  
1411 Calle Mirador



 Historic Resource

PRIMARY RECORD

NRHP Status Code 3D

Other Listings

Review Code \_\_\_\_\_ Reviewer \_\_\_\_\_ Date \_\_\_\_\_

Page 1 of 3

Resource Name or #: 1411 CALLE MIRADOR

P1. Other Identifier:

P2. Location:  Not for Publication  Unrestricted a. County Orange  
and (P2b and P2C or P2d. Attach a Location Map as necessary.)

b. USGS 7.5' Quad Date T; R; 1/4 of 1/4 of Sec; B.M.

c. Address 1411 Calle Mirador City San Clemente Zip 92672

d. UTM: Zone; mE/ mN

e. Other Locational Data: Assessor Parcel Number: 692-363-22

P3a. Description:

The property contains a two-story single family residence with a rectangular plan and wood-frame construction. Designed in the Spanish Colonial Revival style, it has a low-pitch side-gable roof with clay tiles over the main entrance as well as a shed roof with clay tiles over the entry. The exterior walls are clad with smooth stucco. The residence is asymmetrically aligned on the eastern portion of the primary (north) elevation, while the western portion of the north elevation is symmetrically aligned in both fenestration and decoration. The fenestration consists of original wood casement and fixed windows throughout the residence. One window has been replaced. Decorative features of the residence include stucco walls ending in piers with slanted sides leading to the main entrance, and original steps leading to the entryway. On the western end of the primary elevation a large arched window centered on the western bay is flanked on the lower and upper levels with vertically aligned narrow windows. A rounded balcony projects underneath the window and includes a decorative metal balustrade. Spanish Colonial Revival elements include exposed rafter tails and a stucco chimney. The residence is in good condition. Its integrity is good.

P3b. Resources Attributes: 02 Single Family Property

P4. Resources Present:  Building  Structure  Object  Site  District  Element of District  Other



P5b. Description of Photo:

North elevation, south view. May 2006.

P6. Date Constructed/Sources:

Historic  Both  
 Prehistoric

1928 (E) Tax Assessor

P7. Owner and Address:

Inman, William R.  
675 Inverlochy Dr, Fallbrook Ca 92028- 5423

P8. Recorded by:

Historic Resources Group, 1728  
Whitley Avenue, Hollywood, CA  
90028

P9. Date Recorded: 9/20/2006

P10. Survey Type:

City of San Clemente Historic  
Resources Survey Update

P11. Report Citation: None.

Attachments:  NONE  Location Map  Sketch Map  Continuation Sheet  Building, Structure, and Object Record  
 Archaeological Record  District Record  Linear Feature Record  Milling Station Record  Rock Art Record  
 Artifact Record  Photograph Record  Other:



# BUILDING, STRUCTURE, AND OBJECT RECORD

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NRHP Status Code 3D

Resource Name or #: 1411 CALLE MIRADOR

B1. Historic Name: (Unknown)

B2. Common Name: (Unknown)

B3. Original Use: Single-family residential

B4. Present Use: Single-family residential

B5. Architectural Style: Spanish Colonial Revival

B6. Construction History:

B7. Moved?  No  Yes  Unknown

Date: Original Location:

B8. Related Features:

B9a. Architect: (Unknown)

b. Builder: (Unknown)

B10. Significance: Theme Ole Hanson/Spanish Village by the Sea Area City of San Clemente

Period of Significance 1925-1936 Property Type Residential Applicable Criteria A

This two-story single family residence was built in 1928. This property is a unique example of the Spanish Colonial Revival style as represented in San Clemente. This property appears eligible as a contributor to a potential National Register district under Criterion A for its association with the Ole Hanson/Spanish Village by the Sea period of development. It also appears eligible at the local level as a contributor to a potential historic district. It is recommended for retention on the Historic Structures List.

B11. Additional Resource Attributes: 02 Single Family Property

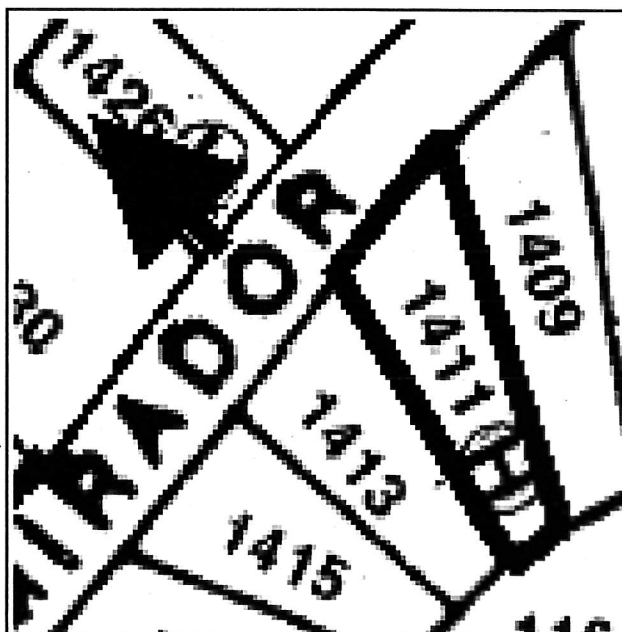
B12. References: Orange County Tax Assessor Records; Historic Resources Survey, Leslie Heumann and Associates, 1995.

B13. Remarks: (none)

B14. Evaluator: Historic Resources Group, Hollywood, CA

Date of Evaluation: 9/20/2006

(This space reserved for official comments.)



# CONTINUATION SHEET

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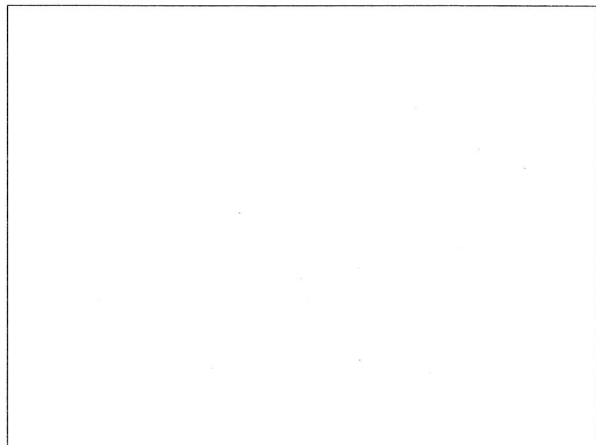
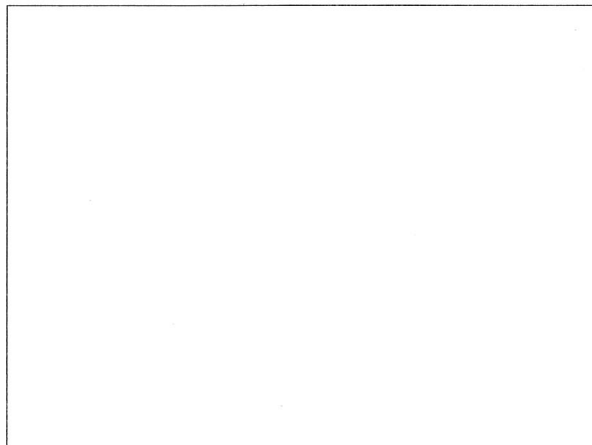
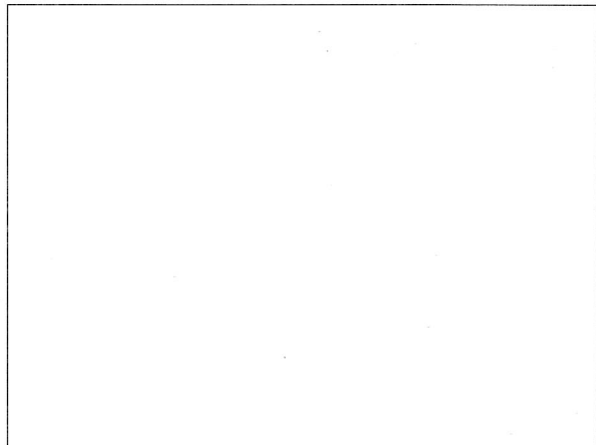
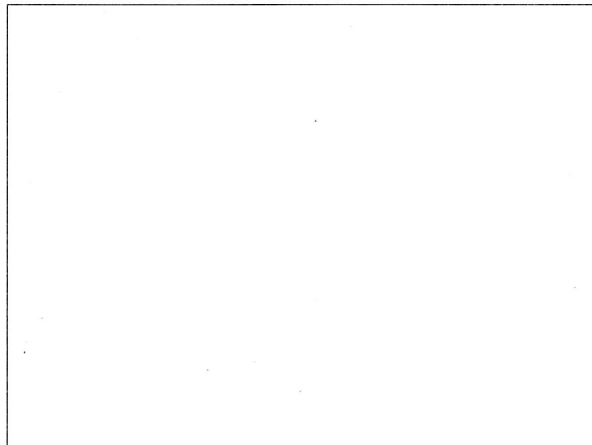
Resource Name or #: 1411 CALLE MIRADOR

Recorded by: Historic Resources Group

Date: 9/20/2006

Continuation  Update

**Photographs of the Subject Property, Continued:**





## 2018 Historic Preservation Property Agreement List of Prioritized Work

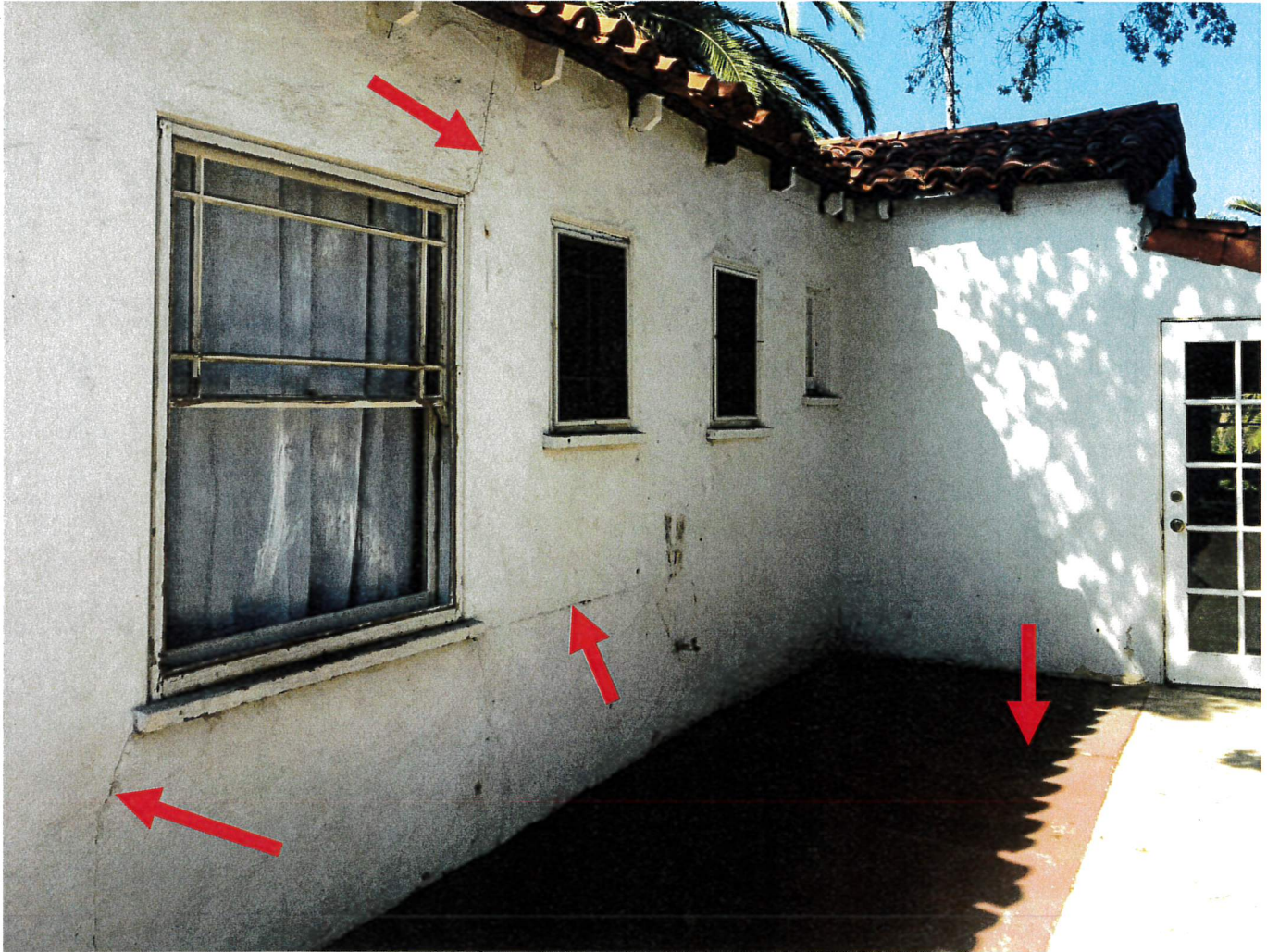
1411 Calle Mirador		
	Building Feature	Proposed Work/Task
1.	Building Structure	Engage the services of a structural engineer with experience in historic preservation to assess building foundation/structure and prepare an implementation plan for recommended work (including repair of crack in foundation).
2.	Seismic Retrofit	Brace, bolt and shear foundation. Brake beams, rafters and roof supports.
3.	Original Wood Windows	Original wood, double-hung sash windows are severely deteriorated. Carefully remove paint using the gentlest means possible. Repair window frames and sash by patching and splicing where feasible. Where windows are too deteriorated to repair, replace in kind using the original windows as a model to reproduce the feature. Inspect annually for proper operation, seal, and make related repairs in kind as needed.
4.	Windows (1940s Addition)	Carefully remove peeling paint from wood windows using the gentlest means possible, make any necessary repairs (including repair of boarded-up window) and repaint. Inspect annually for proper operation, seal, make related repairs in kind as needed.
5.	Entry Stairs	Engage the services of an architectural historian or architect/designer with experience in historic preservation to investigate materials of deteriorated entry stairs and repair or replace as recommended. Existing structural supports are hollow and appear on-original or significantly altered.
6.	Front Concrete Walkway	Repair original concrete walkway in kind using concrete mix to match historic concrete to the greatest extent feasible.
7.	Exterior Stucco and Wood Trim	Prep, patch, repair and repaint exterior stucco and wood trim in kind.
8.	MEP Upgrades	Make necessary upgrades to electrical and plumbing system so that it results in the least alteration possible to the historic building and its character-defining features.
9.	Concrete Driveway	Repair cracked concrete driveway in kind using concrete mix to match historic concrete to the greatest extent feasible.
10.	Non-original Doors	Replace incompatible, non-original vinyl and hollow wood slab doors with new doors that are compatible with the historic character of the building.
11.	Non-original Windows	Replace incompatible, non-original vinyl windows with new windows that are compatible with the historic character of the building.
12.	Garage Door	Replace incompatible, non-original vinyl garage door with new door that is compatible with the historic character of the building.
13.	Fencing	Remove damaged and inconsistent wood fencing and gates. Replace with compatible option.
14.	Attic Insulation	Improve the energy efficiency of existing mechanical systems and help reduce need for a new system by installing attic insulation.

# PHOTOGRAPHS OF PROPOSED RESTORATION IMPROVEMENT TIMELINE

HPPA 18-435, CIOTOLA RESIDENCE HPPA, 1411 CALLE MIRADOR

# Improvements 1

Hire a structural engineer to assess building foundation/structure and prepare an implementation plan for recommended work (including repair of crack in foundation on the east side of the structure).



# Improvements 2

Brace, bolt and sheer foundation. Brace beams, rafters and roof supports.

(No photograph available. Work to be completed is not exposed.)

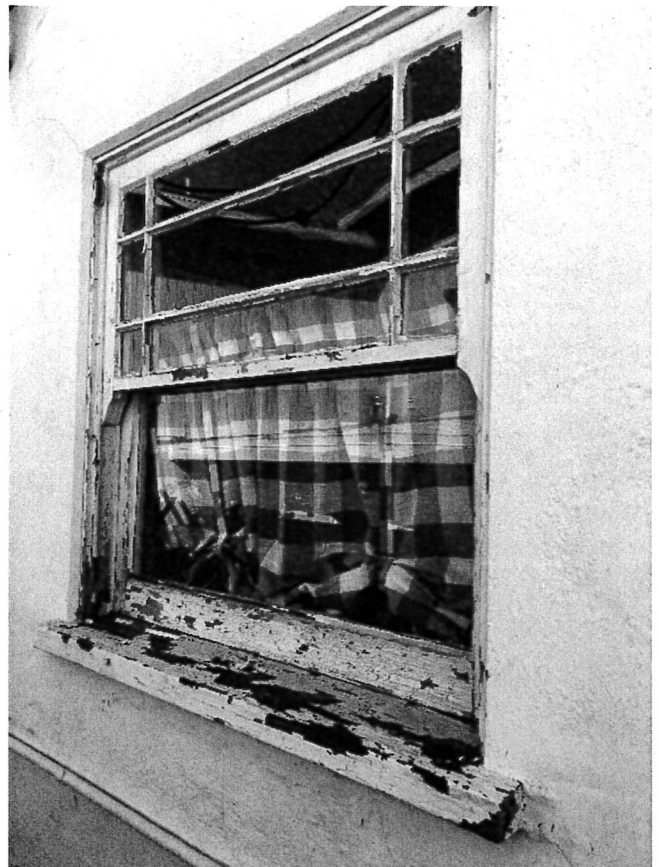
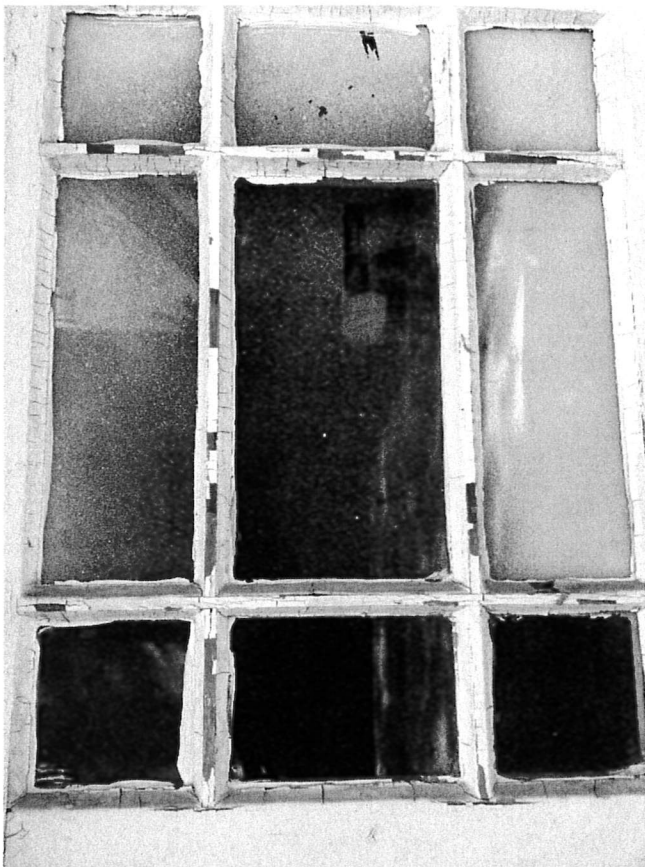
# Improvement 3

Repair damaged roof clay tiles, or replace as needed with tiles that are compatible with the historic character of the building.



# Improvement 4

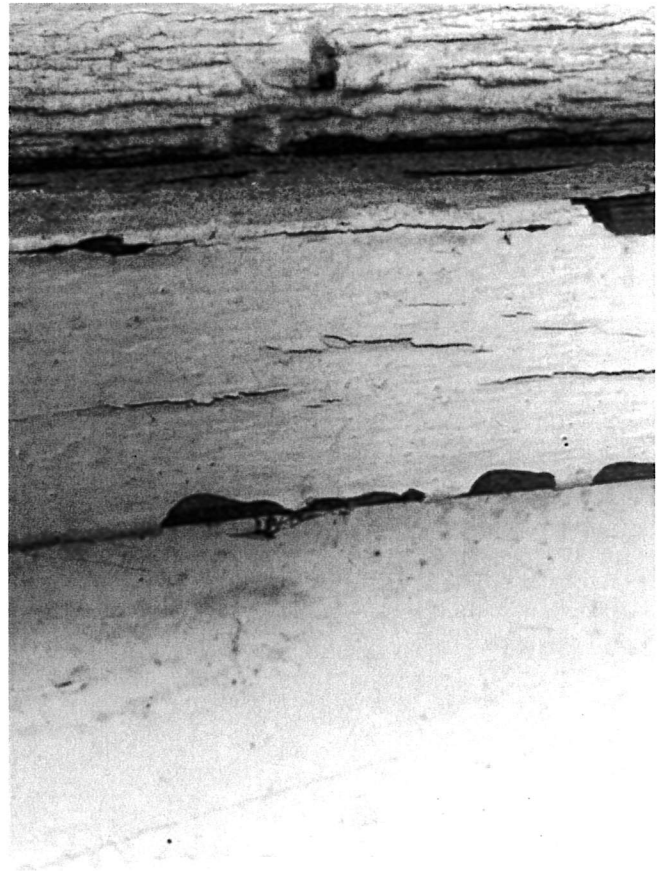
Repair window frames and sash by patching and splicing where feasible. Where windows are too deteriorated to repair, replace in kind using the original windows as a model to reproduce the feature.





# Improvement 5

Remove peeling paint from wood windows using the gentlest means possible, make any necessary repairs (including repair of boarded-up window) and repaint.



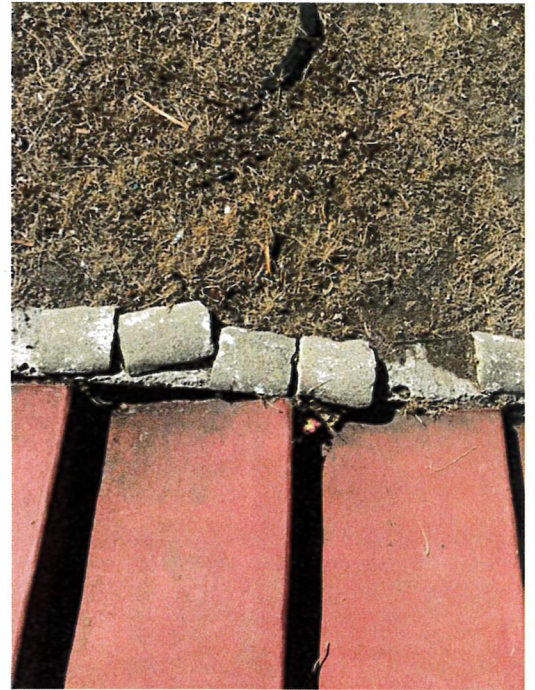
# Improvement 6

Engage the services of an architectural historian or architect/designer to investigate materials of deteriorated entry stairs and repair or replace as recommended. Existing structural supports are hollow and appear non-original or significantly altered.



# Improvement 7

Repair the front original concrete walkway in kind using concrete mix to match historic concrete to the greatest extent feasible.



# Improvement 8

Prep, patch, repair and repaint exterior stucco and wood trim in kind.



# Improvement 9

Repair cracked concrete driveway in kind using concrete mix to match historic concrete to the greatest extent feasible.



# Improvement 10

Replace incompatible, non-original vinyl and hollow wood slab doors with new doors that are compatible with the historic character of the building.



# Improvement 11

Replace incompatible, non-original vinyl windows with new windows that are compatible with the historic character of the building.



# Improvement 12

Replace incompatible, non-original vinyl garage door with new door that is compatible with the historic character of the building.





# Improvement 13

Remove damaged and inconsistent wood fencing and gates.  
Replace with compatible option.



# Improvement 14

Improve the energy efficiency of existing mechanical systems and help reduce need for a new system by installing attic insulation. (No photograph available. Work to be completed is not exposed.)

# Improvement 15

Repair exposed rafter tails, or replace as needed with materials and proportions that are compatible with the historic character of the building, and repaint exposed rafter tails brown.



## SECRETARY OF THE INTERIOR'S STANDARDS FOR THE TREATMENT OF HISTORIC PROPERTIES

### *Rehabilitation (making possible a compatible use for a property through repair, alterations and additions while preserving portions/features that convey its historical, cultural or architectural values)*

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.
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.
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.
4. Changes to a property that have acquired historic significance in their own right will be retained and preserved.
5. Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a property 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.
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.
8. Archeological resources will be protected and preserved in place. If such resources must be disturbed, mitigation measures will be undertaken.
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.
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.

### *Preservation (applying measures necessary to sustain the existing form, integrity and materials)*

1. A property will be used as it was historically or be given a new use that maximizes the retention of distinctive materials, features, spaces, and spatial relationships. Where a treatment and use have not been identified, a property will be protected and, if necessary, stabilized until additional work may be undertaken.
2. The historic character of a property will be retained and preserved. The replacement of intact or repairable historic materials or alteration of features, spaces, and spatial relationships that characterize a property will be avoided.
3. Each property will be recognized as a physical record of its time, place, and use. Work needed to stabilize, consolidate, and conserve existing historic materials and features will be physically and visually compatible, identifiable upon close inspection, and properly documented for future research.
4. Changes to a property that have acquired historic significance in their own right will be retained and preserved.

5. Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a property will be preserved.
6. The existing conditions of historic features will be evaluated to determine the appropriate level of intervention needed. Where the severity of deterioration requires repair or limited replacement of a distinctive feature, the new material will match the old in composition, design, color and texture.
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.
8. Archeological resources will be protected and preserved in place. If such resources must be disturbed, mitigation measures will be undertaken.

***Restoration (accurately depicting the form, features, and character of a property as it appeared at a particular period of time)***

1. A property will be used as it was historically or be given a new use which reflects the property's restoration period.
2. Materials and features from the restoration period will be retained and preserved. The removal of materials or alteration of features, spaces and spatial relationships that characterize the period will not be undertaken.
3. Each property will be recognized as a physical record of its time, place, and use. Work needed to stabilize, consolidate, and conserve materials and features from the restoration period will be physically and visually compatible, identifiable upon close inspection, and properly documented for future research.
4. Materials, features, spaces, and finishes that characterize other historical periods will be documented prior to their alteration or removal.
5. Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize the restoration period will be preserved.
6. Deteriorated features from the restoration period will be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive featured, the new feature will march the old in design, color, texture, and, where possible, materials.
7. Replacement of missing features from the restoration period will be substantiated by documentary and physical evidence. A false sense of history will not be created by adding conjectural features, features from other properties, or by combining features that never existed together historically.
8. 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.
9. Archeological resources affected by a project will be protected and preserved in place. If such resources must be disturbed, mitigation measures will be undertaken.
10. Designs that were never executed historically will not be constructed.

***Reconstruction (depicting, by means of new construction, the form, features, and detailing of a non-surviving site, landscape, building, structure or object at a specific time period in its historic location)***

1. Reconstruction will be used to depict vanished or non-surviving portions of a property when documentary and physical evidence is available to permit accurate reconstruction with minimal conjecture, and such reconstruction is essential to the public understanding of the property.
2. Reconstruction of a landscape, building, structure, or object in its historic location will be preceded by a thorough archeological investigation to identify and evaluate those features and artifacts which are essential to an accurate reconstruction. If such resources must be disturbed, mitigation measures will be undertaken.

3. Reconstruction will include measures to preserve any remaining historic materials, features, and spatial relationships.
4. Reconstruction will be based on the accurate duplication of historic features and elements substantiated by documentary or physical evidence rather than on conjectural designs or the availability of different features from other historic properties. A reconstructed property will re-create the appearance of the non-surviving historic property in materials, design, color and texture.
5. A reconstruction will be clearly identified as a contemporary re-creation.
6. Designs that were never executed historically will not be constructed.

## **Purpose of the Mills Act Program**

Economic incentives foster the preservation of residential neighborhoods and the revitalization of downtown commercial districts. The Mills Act is the single most important economic incentive program in California for the restoration and preservation of qualified historic buildings by private property owners.

Enacted in 1972, the Mills Act legislation grants participating local governments (cities and counties) the authority to enter into contracts with owners of qualified historic properties who actively participate in the restoration and maintenance of their historic properties while receiving property tax relief.

## **Benefits to Local Governments**

The Mills Act allows local governments to design preservation programs to accommodate specific community needs and priorities for rehabilitating entire neighborhoods, encouraging seismic safety programs, contributing to affordable housing, promoting heritage tourism, or fostering pride of ownership. Local governments have adopted the Mills Act because they recognize the economic benefits of conserving resources and reinvestment as well as the important role historic preservation can play in revitalizing older areas, creating cultural tourism, building civic pride, and retaining the sense of place and continuity with the community's past.

A formal agreement, generally known as a Mills Act or Historical Property Contract, is executed between the local government and the property owner for a minimum ten-year term. Contracts are automatically renewed each year and are transferred to new owners when the property is sold. Property owners agree to restore, maintain, and protect the property in accordance with specific historic preservation standards and conditions identified in the contract. Periodic inspections by city or county officials ensure proper maintenance of the property. Local authorities may impose penalties for breach of contract or failure to protect the historic property. The contract is binding to all owners during the contract period.

## **Benefits to Owners**

Owners of historic buildings may qualify for property tax relief if they pledge to rehabilitate and maintain the historical and architectural character of their properties for at least a ten-year period. The Mills Act program is especially beneficial for recent buyers of historic properties and for current owners of historic buildings who have made major improvements to their properties.

Mills Act participants may realize substantial property tax savings of between 40% and 60% each year for newly improved or purchased older properties because valuations of Mills Act properties are determined by the Income Approach to Value rather than by the standard Market Approach to Value. The income approach, divided by a capitalization rate, determines the assessed value of the property. In general, the income of an owner-occupied property is based on comparable rents for similar properties in the area, while the income amount on a commercial property is based on actual rent received. Because rental values vary from area to area, actual property savings vary from county to county. In addition, as County Assessors are required to assess all properties annually, Mills Act properties may realize slight increases in property taxes each year.

### **Qualified Historic Property**

A qualified historic property is a property listed on any federal, state, county, or city register, including the National Register of Historic Places, California Register of Historical Resources, California Historical Landmarks, State Points of Historical Interest, and locally designated landmarks. Owner-occupied family residences and income-producing commercial properties may qualify for the Mills Act program, subject to local regulations.

### **OHP's Role**

OHP provides technical assistance and guidance to local governments and property owners. OHP maintains a current list of communities participating in the Mills Act program and copies of Mills Act ordinances, resolutions, and contracts that have been adopted. OHP does not participate in the contract negotiations and is not a signatory to the contract.



ATTACHMENT 7







BEWARE OF DOG

1411













## ATTACHMENT 8

### ***Mills Act Request for 1411 Calle Mirador-San Clemente***

#### ***Ciotola Family***

Recently we are proud to say we own a home in San Clemente. After looking for three years we were able to purchase an Oli Hanson historic home. We are a family of five and we plan on keeping our home in the family for many years to come. I am sure that historians throughout San Clemente are familiar with the home we have purchased. For many years the home was used by prior owners as a rental property and has years of maintenance neglect. Our goal is to maintain the exterior in historic condition and also restore the interior historic features. We are requesting Mills Act assistance to reduce our property tax base so that we can use the funds to restore the home. Below you find a list of items we would like to address and some of the items have estimated costs listed. We are extremely excited to be a part of the community and cannot wait to restore our historic home.

**Roof-** the tile roof of the structure is overall in good condition per our roof contractor but is lacking maintenance. There are areas where light can be seen from the attic area. Tiles are damaged in a few areas.

Estimated cost \$5000

In addition to the roof repair a few new vents need to be added to the roof for the stove vent which currently vents into the attic space. Also, bathroom fans currently vent into the attic space which is not correct. Estimated cost is \$500 per vent to cut in, add vent and seal.

**Flooring-**we have already removed all carpet and refinished the original 1928 wood floors. Some of the areas had to have wood replaced but overall the floor in family room, bedrooms and hall are in good condition.

Repaired April 2018 Cost \$7000

**Bathroom-** repair floor rot, replace tub tile, replace strip lights with LED lights to include shower, refinish the existing vanity \$4000

**Windows-** Every window in the home needs to be repaired or replaced with wood double hung windows. We have contacted Spectra Company to get information about refinishing the windows. After speaking to Jonathan he advised us that the cost for services is \$80 per hour labor, plus materials plus 10%. Each window would take about 1 ½ to 2 days. There are 29 windows that need repair. \$1408 per window not including material cost. \$40,832 at a minimum, not including the materials cost.

**Exterior Paint-** Exterior of the structure needs to be repainted with repairs to stucco and roof tails at a cost of \$10,000

**Entry Stairs-** need to be structurally repaired and tile replaced due to rot of supports and mortar has allowed water to get under the structural supports. - cost estimate \$5000-\$7000

**Fence-** repairs around structure to include replacing posts \$3000

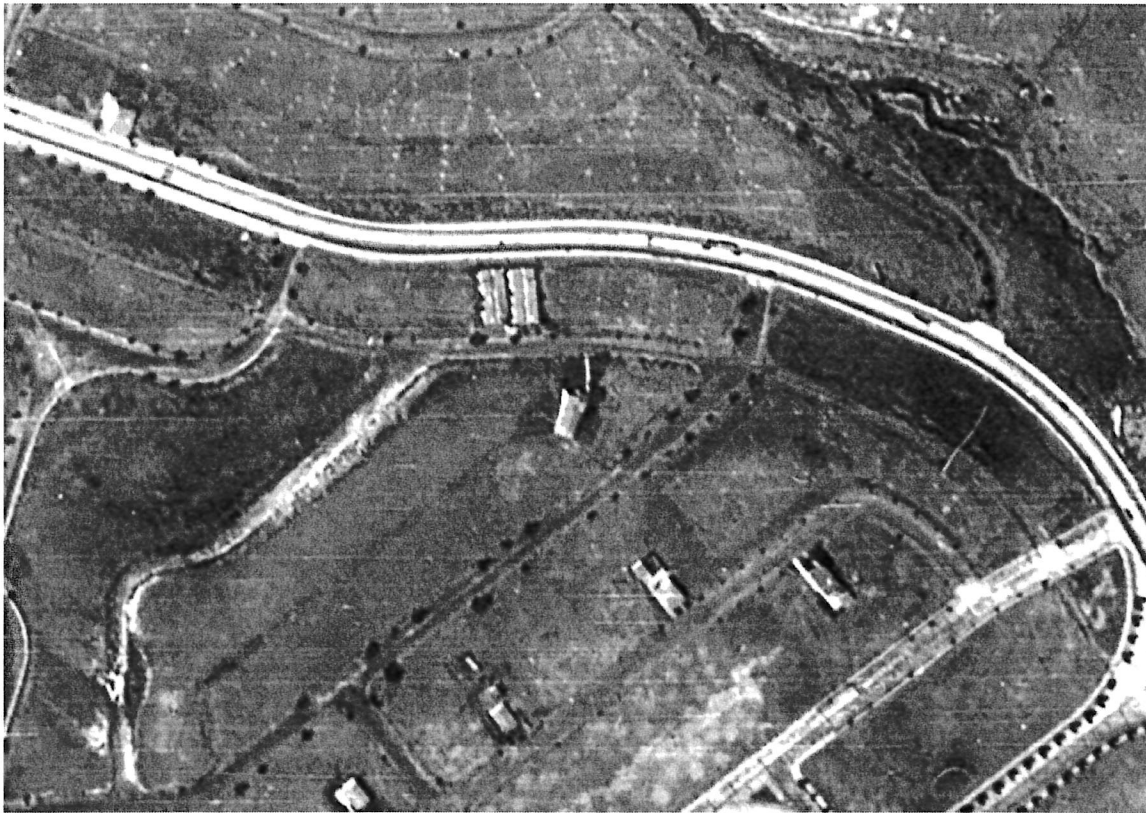
**Earthquake Retro-** Brace, bolt and sheer foundation. Brake beams, rafters and roof supports. \$8000.00

**Electrical-** currently there is knob and tube wiring throughout the home and although it can be a sturdy wiring system, during inspection we found that some of the sheathing around the wiring is so old it has disintegrated. Eventually the electrical needs to be upgraded to code and main panel needs to be replaced. \$35,000 estimated cost.

**Foundation-** there is a crack in the fondation on the left side of the structure. At this time I do not have a estimate for repair but it will need to be addressed in the future because there is separation due to lack of rebar.

**Plumbing-** Sewer strapping is needed, galvanized water pipes need to be strapped and some sections need replacement. Gas line on exterior of house needs to be strapped and brought to code. Tub in bathroom needs drain repair.

Historic Aerial (1938)



The applicant has also proposed flooring and bathroom improvements but these have not been included in the restoration list since these improvements are not necessary for the preservation of the property.

Please note that the approval of the HPPA does not constitute a permit for individual work list items. The property owner would need to apply for the appropriate permits at the time that work is proposed. For instance, a window change out will require a staff waiver of a Minor Cultural Heritage Permit. The property owner would need to provide relevant information on the proposed style of window replacement, consistent with the HPPA requirements, at that time. Attachment 5 details the Secretary of the Interior's Standards for the Rehabilitation of Historic Properties. These guidelines are incorporated into the HPPA contract, and all future repairs and improvements – whether delineated in this work list or otherwise – must be consistent with these guidelines.

### **RECOMMENDATION**

It is staff's position that the recommended rehabilitation and maintenance tasks will restore the historic house and be architecturally compatible. Staff seeks DRSC concurrence with the recommended work list and timeline (Attachments 3 and 4) for the subject property. Following DRSC review, staff will schedule the HPPA for a City Council hearing in December. It is staff's goal to have the contract recorded prior to December 31, 2018 so that the County can assess the property in 2019 based on the Mills Act restricted valuation of the property.

### ***Attachments:***

1. Location Map ✓
2. DPR Form ✓
3. Work List ✓
4. Annotated Photographs of Proposed Restoration Improvement Timeline ✓
5. Secretary of the Interior's Standards ✓
6. Mills Act Background Information ✓
7. Photographs ✓
8. Narrative Letter or Proposed Work List from applicant ✓
9. Historic Aerial ✓