



**CITY OF SALINAS
COUNCIL STAFF REPORT**

DATE: NOVEMBER 7, 2017
DEPARTMENT: COMMUNITY DEVELOPMENT
FROM: MEGAN HUNTER, DIRECTOR
TITLE: HISTORIC RESOURCE DESIGNATION NO. SHRD 2017-002 AND MILLS ACT CONTRACT NO. M 2017-011: 147 CENTRAL AVENUE

RECOMMENDED MOTION:

A motion to approve resolution to designate an existing single family dwelling unit house at 147 Central Avenue as an historic resource and approve a Mills Act Contract (tax saving preservation agreement) for the property.

RECOMMENDATION:

Approve resolution and contract as recommended by the Historic Resources Board.

EXECUTIVE SUMMARY:

Pedro Wolf and Marie Osborn are requesting to designate their single family dwelling unit at 147 Central Avenue as an historic resource and to enter into a Mills Act Contract for the property. As required by City code, the Historic Resources Board held a public hearing on the project on September 11, 2017, and recommended approval of the designation and contract by the City Council.

BACKGROUND:

The City General Plan includes policies to encourage preservation of historic resources within the City. In order to implement these policies, the City has established a Historic Resources Board and adopted an ordinance regarding the review of such properties. In 1989, a Historic & Architectural Survey was completed for the City. In 2016, a phased update of this study was completed for properties in the greater downtown area. In 2016, the City established a five year Mills Act program as an incentive within the City's historic preservation ordinance and limited the amount of annual City property tax reductions to \$100,000. The Mills Act is a California State law allowing cities to enter into contracts with the owners of designated historic properties who agree to preserve, maintain, and improve their property in exchange for property tax savings. Eighty-five cities and counties in the state have adopted such tax savings programs for designated

historic properties. This application is one of two 2017 Mills Act Contract applications – the first two to utilize the program.

DISCUSSION:

Historic Resource Designation: Designation of historic resources is allowed in accordance with Article XI, Section 2-62 of the Salinas Municipal Code and is required to be eligible for Mills Act Contracts. The single family dwelling unit is included in the 1989-2017 City Historical & Architectural Survey prepared by Kent Seavey. The dwelling unit was constructed in 1910 and is American Foursquare in style with Colonial Revival decoration. It is one of the few remaining large period homes along Central Avenue. The structure and its neighboring homes represent the core of the fashionable residential portion of the potential Steinbeck Historic District. The 1989 Survey form for the property indicates that it qualifies for listing as a City Historic Resource under National and State Registers Historic Criterion 3, and Local Historic Criteria d, e, and f. An October 20, 2016 resurvey of the property confirms that the property still meets the above criteria for designation.

Mills Act Contract: The Mills Act Tax Savings Program for Historic Properties is included as a historic preservation incentive in Section 2-71 of Article XI of the Salinas Municipal Code. Mills Act contracts (also known as Preservation Agreements) allow property owners of designated historic resources to receive a reduction in property taxes in exchange for the property-owner commitment to specific repairs, rehabilitation improvements and satisfactory maintenance of the historic property. The property owners of 147 Central Avenue have listed roofing, chimney, foundation, porch and painting improvements as their currently envisioned improvements to the house. A roofing bid of \$37-44,000 is included in the application.

CEQA CONSIDERATION:

The proposed designation and contract are categorically exempt (Class 31) from further environmental analysis per CEQA Guidelines Section 15331 (Historic Resource Restoration/Rehabilitation).

FISCAL AND SUSTAINABILITY IMPACT:

The project will have an estimated \$360-\$540 annual impact on the General Fund. This estimate is based on calculations utilizing the assessed value of the property, state regulations and city's percentage of overall county property taxes. Residential property-owners enjoy a 40-60 percent tax savings under the Mills Act.

ATTACHMENTS:

City Council Resolution SHRD 2017-002 & M 2017-011 147 Central Avenue
Mills Act Contract M 2017-011 147 Central Avenue
Historic Resources Board Staff Report 9-11-17 147 Central Avenue

Historic Resources Board Resolution SHRD 2017-002 & M 2017-011 147 Central Avenue
DPR 523 Historic Report Form and List of Character-Defining Features