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
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.
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
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

Property 3 Sold

Annual Percent Savings

Assessment Year

Property 1: SFR 1,100 sq ft, 2 bd
Property 2: SFR 2,200 sq ft, 4 bd
Property 3: SFR 1,800 sq ft, 3 bd
Residential
Commercial
Tracking Physical Change

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

### Historic Property Improvements to Be Completed

<table>
<thead>
<tr>
<th>Completion Date</th>
<th>Historic Property Improvements</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 31, 2009</td>
<td>1. Replace modern exterior light fixtures with wrought iron decorative lights.</td>
</tr>
<tr>
<td></td>
<td>2. Refurbish historic lights and grilles.</td>
</tr>
<tr>
<td></td>
<td>3. Restore historic fountain and spindels of window overhang.</td>
</tr>
<tr>
<td></td>
<td>4. Repair/Replace broken tiles on the driveway, walkway and porch.</td>
</tr>
<tr>
<td>December 31, 2014</td>
<td>5. Replace aluminum and vinyl windows with wood windows to match existing historic style</td>
</tr>
<tr>
<td></td>
<td>6. Remove or replace chainlink fence and replace with traditional wrought iron fence or other traditional fence or wall materials.</td>
</tr>
<tr>
<td></td>
<td>7. Repair damaged wood railing, beams, posts, and rafter tails and paint dark brown.</td>
</tr>
<tr>
<td></td>
<td>8. Replace shingle roof with a tile roof.</td>
</tr>
</tbody>
</table>

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

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 rewarding 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 details 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) on the other copy for your records. If you find discrepancies, then indicate in writing what these 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. Ciancia
Assistant Planner

Revised: 2007 Summary of HPPA (Two copies)

Planning Division: 910 Caffe Negocios, Suite 100 San Clemente CA 92673
http://www.san-clemente.org
<table>
<thead>
<tr>
<th>Project Number</th>
<th>Site Address</th>
<th>APN</th>
<th>Owner</th>
<th>Date approved</th>
<th>Initial Contract Term</th>
<th>Notice of Non-Renewal</th>
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<tr>
<td>06-292</td>
<td>201 Esplanade</td>
<td>692-242-10</td>
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<td>11/6/2006</td>
<td>11-6-2006 - 11-5-2016</td>
<td>No</td>
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**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.**

<table>
<thead>
<tr>
<th>Completed by the end of:</th>
<th>Completed?</th>
<th>Owner's signature verifying summary information</th>
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<tr>
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<tr>
<td>2016</td>
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**Correspondence**

<table>
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<tr>
<th>Sent</th>
<th>Reply</th>
<th>Comments</th>
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</table>

**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
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


- National Trust for Historic Preservation: http://www.preservationnation.org/
Questions & Answers
This workshop was funded by the National Park Service, through the California Office of Historic Preservation, and the City of San Clemente.

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