



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** December 10, 2013

**TO:** Mayor and City Council

**FROM:** Planning Division, Comm. Dev. Department

**SUBJECT:** Mills Act Historic Property Contract For 2112 Santa Barbara Street – Assessor's Parcel Nos. 025-252-006 And -007

### **RECOMMENDATION:**

That Council consider approval of an exception to the Mills Act contract limits outlined in Santa Barbara Municipal Code Section 22.22.160.C.4(m) for historic property at 2112 Santa Barbara Street, subject to completion of City Landmark Designation, and authorize the Community Development Director to execute a historic property contract.

### **EXECUTIVE SUMMARY:**

The subject property owner is seeking the approval of a Mills Act contract which allows a tax abatement incentive program for historically significant properties. The City established its program in 2009. To approve the requested contract, Council must grant an exception to exceed the property appraisal valuation cap of 1.5 million dollars.

The Mills Act is a state law enacted in 1972, which allows owners of designated historic properties to enter into a contractual recorded agreement with the municipality within which the historic property is located to preserve, maintain, and rehabilitate the structure. The contracts approved with the City require the property owner to propose and itemize a ten-year rehabilitation plan to improve, maintain and repair their properties.

The Mills Act incentive program established set limits on the maximum number of contracts allowed per year (8), set a maximum threshold on property assesses valuation in order to qualify and placed a limit on the overall expected revenue loss. The Ordinance, however, included provisions to allow City Council the ability to approve exceptions to exceed these limits.

At the time of the adoption, Council agreed that the proposed Mills Act Program had been crafted with sufficient mechanisms in place to limit the total city tax revenue loss but requested staff to return to provide periodic updates on the status of the program. Staff has therefore, included a brief status update as part of this Mills Act contract request.

Staff believes that little financial impact will result with the execution of this historic property contract. Both staff and the HLC recommend approval of an exception to exceed the property valuation cap limits for this property and request Council authorize execution of the historic property contract (see Attachment 1).

## **DISCUSSION:**

### **Background:**

Following is a brief description of the Mills Act and local program specifics.

#### State Mills Act

The Mills Act is a state law enacted in 1972, which enables owners of designated historic structures to enter into an agreement (contract) with the City to preserve, maintain and possibly rehabilitate the structure. Such agreements provide a reduction of property taxes in exchange for the continued preservation of the property. Many communities are currently participating in this type of Mills Act program.

The Mills Act requires the County Tax Assessor to re-evaluate the property to determine the value of the historic property based upon its current net operating income, rather than upon the traditional assessed valuation method established by Proposition 13. Property valuation is determined by the “income” method set out in Revenue and Tax Code Section 439.21.9. The result is typically a substantial reduction in property taxes for post-Proposition 13 qualified historic properties. The money saved on taxes will be available for use in maintaining and restoring the property. The agreement runs for ten years and can renew annually, thus extending the agreement term unless a notice of cancellation is filed by the owner or the City.

The property value and property taxes are recalculated by the County Tax Assessor and do not involve City staff. The loss of tax revenue is shared among applicable agencies that receive the property taxes.

#### Eligibility and Program Guidelines for Mills Act Contract Applications

Staff developed Administrative Rules and Guidelines for all Mills Act contract applications (included in and approved by Council Resolution). To enter into a Mills Act contract, a property owner’s structure must already be designated a City Landmark, Structure of Merit or as a contributing resource to a Historic District. An individual property may also not exceed \$1.5 million in total tax assessed value to qualify for the tax abatement program. The assessed valuation cap limit was intended to maximize benefits to as many properties as possible given the proposed cap in total program revenue loss. If no caps were in

place, larger higher-assessed properties could significantly impact the overall program cap limits.

Ordinance amendments to Municipal Code Chapter 22.22 (Historic Structures Ordinance) were adopted to authorize and implement the Mills Act program including a provision that allows Council to grant exceptions.

*SBMC Section 22.22.135 C-4m reads as follows:*

*“Historic Property Contracts that exceed the limits identified in this Section shall only be approved and executed after and upon the express approval of the City Council.”*

#### Mills Act Program Update

Mills Act rehabilitation work and contracts are monitored by the City’s Urban Historian with requirements that periodic reports be provided to the City Council regarding the status and progress of all ongoing repair work. Since inception of the program, only two contracts have been approved with two currently pending. Any contract may be cancelled by either party (as provided in the Mills Act) and the City may terminate for failure to make progress or complete scheduled repairs as per the approved rehabilitation plan. No problems have arisen so far with the executed contracts.

In 2008, the City evaluated the potential effects of implementing the Mills Act. The Finance Committee discussed the scope and quantity of Mills Act contracts and agreed that a simple program be established with an appraised valuation cap, a limit of eight contracts per year, with a total maximum revenue loss cap for incentive program not to exceed \$300,000 to lessen the financial impact in reduced city tax revenue. The Finance Committee also expressed concerns regarding possible long-term impacts to staff resources as a result of the cumulative number of contracts requiring administration year after year. For this reason, a re-evaluation of the program after several years was recommended

In 2009, Council agreed that the proposed Mills Act program had been crafted with sufficient mechanisms in place to limit total city tax revenue loss and that limits on the number of contracts or a cap on the amount of total tax revenue loss. The Ordinance Committee agreed with staff that all reference to caps should not be included in the municipal code itself, but rather in the administrative guidelines approved by Council Resolution in order to allow the Council to more readily modify the program caps in the future, if deemed necessary.

**BUDGET/FINANCIAL INFORMATION:**

Staff originally estimated the initial years of the total annual city tax revenue loss to be in the \$6,000 to \$15,000 range. Staff believes this estimate is still accurate. The revenue loss is variable and is expected to incrementally grow since it is based on the number of actual contracts executed, the amount of assessed property values, and the percentage of actual tax revenue the City actually receives from the Tax Assessor’s Office from each property.

Significant budget or staffing impacts have not occurred to date due to the limited amount of contracts. The Community Development Department budget provides for sufficient staff time to accommodate the proposed program administration. However, since the number of contracts is expected to increase over time, staff recommends that Staff continue to periodically return to provide Council with a status report which would include an update on program costs and planning staffing hours utilized to support the Mills Act Program.

The planned rehabilitation project at 2112 Santa Barbara Street is an excellent candidate project for a Mills Act contract as it restores this historic estate to its original appearance and use. Only two contracts have been executed since adoption of the program. Staff believes that little financial impact will result with the execution of this contract. Both staff and the HLC recommend approval (see Attachment 2) of an exception for this property and request Council authorize execution of the historic property contract.

- ATTACHMENTS:**
1. Proposed Mills Act Contract Draft
  2. HLC Minutes dated 10/23/2013

**PREPARED BY:** Jaime Limón, Design Review Supervisor

**SUBMITTED BY:** Paul Casey, Community Development Director

**APPROVED BY:** City Administrator's Office

RECORDING REQUESTED BY, )  
AND WHEN RECORDED MAIL TO: )  
City of Santa Barbara )  
Community Development Department )  
630 Garden Street )  
P.O. Drawer 1990 )  
Santa Barbara, CA 93102  
Attn: Community Development Director

SEND ANOTHER COPY TO:

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(Space Above for Recorder's Office)

**HISTORIC PROPERTY PRESERVATION AGREEMENT**  
**("MILLS ACT CONTRACT")**

**between**

**THE CITY OF SANTA BARBARA**  
**a municipal corporation**

**and**

**Restore, LLC- Trustee Andreana Weiner**  
**715 State St., SB, CA 93101.**

**Owner of the property located at**

**2112 Santa Barbara Street**

**APN's: 25-252-006 and 25-252-007**

## HISTORIC PROPERTY PRESERVATION AGREEMENT

### ("MILLS ACT CONTRACT")

**THIS AGREEMENT** is made this December 10, 2013, by and between the City of Santa Barbara, a municipal corporation ("City") and Restore, LLC- Trustee Andreana Weiner (hereinafter collectively referred to as "Owner").

#### RECITALS

1. California Government Code section 50280, et. seq. allow cities the discretion to enter into contracts with the owners of qualified historic properties, as that term is defined in Government Code section 50280.1, for the purpose of providing for the use, maintenance, protection, and rehabilitation of such historic property so as to retain its characteristics as property of historic significance.

2. Owner holds fee title in and to that certain real property, together with associated structures and improvements thereon, generally located at the street address 2112 Santa Barbara Street Santa Barbara, California ("Historic Property"). A legal description of the Historic Property is attached hereto as Exhibit "A," and incorporated herein by this reference.

3. On December 10, 2013, the City Council designated the Historic Property as an historic resource pursuant to the terms and provisions of Title 22 of the Santa Barbara Municipal Code.

4. City and Owner desire to enter into this Agreement for the purpose of protecting and preserving the characteristics of historical significance of the Historic Property that help preserve and maintain the community's unique civic identity and character.

5. Owner, in consideration for abiding by the terms of this Agreement, shall be entitled to qualify for a reassessment of valuation of the Historic Property, pursuant to the provisions of Chapter 3, Part 2, of Division 1 of the California Revenue and Taxation Code, and any corresponding adjustment in property taxes resulting therefrom.

## TERMS

NOW, THEREFORE, the City and Owner in consideration of mutual covenants and conditions set forth herein, do hereby agree as follows:

1. Preservation of Historical Property. During the term of this Agreement, the Historic Property shall be subject to the following conditions, requirements, and restrictions:

A. The Rehabilitation Plan. Owner has proposed a specific list of projects, acceptable to City, that are to be undertaken and completed for the rehabilitation, repair, maintenance, or rehabilitation of the Historic Property during the term of this agreement (hereinafter the “Rehabilitation Plan.”) The proposed Rehabilitation Plan is listed in Exhibit “B,” which exhibit is incorporated herein by this reference. Owner shall conduct at least one of the projects listed in the Rehabilitation Plan during each year of this agreement. All such projects shall be undertaken and completed in accordance with the Secretary of Interior Standards for Rehabilitation and the City of Santa Barbara design guidelines.

The projects in the Rehabilitation Plan are listed in chronological order by the contract year(s) in which the projects are expected to commence. In addition, the project list provides an estimated cost of completion for each project. The project commencement dates and cost estimates are provided for purposes of illustration. A project does not have to be completed within a single contract year, nor do all of the listed projects have to be completed during the term of the agreement. However, during each year of this contract, Owner is required to spend an amount at least equal to the annual property tax savings realized by Owner on one or more of the projects listed in the Rehabilitation Plan. Without altering Owner’s obligation to invest the annual tax savings in the rehabilitation, repair, maintenance, or rehabilitation of the Historic Property, the Rehabilitation Plan may be amended or altered from time

to time by written agreement executed by the City Community Development Director or the Director's designee and Owner.

B. Maintenance Plan. In addition to the Rehabilitation Plan described in Subsection 1(A) above, Owner shall preserve and maintain the characteristics of the cultural and historical significance of the Historic Property. Attached hereto as Exhibit "C," and incorporated herein by this reference, is a listing of character defining features and the minimum standards and conditions for maintenance, use, protection, and preservation of the Historic Property, which shall apply to the Historic Property and with which Owner shall comply throughout the term of this Agreement. In addition, Owner shall comply with the terms of the City's Historic Structures Ordinance (Chapter 22.22 of the Santa Barbara Municipal Code), and shall obtain any applicable permits necessary to protect, preserve, restore, and rehabilitate the Historic Property so as to maintain its historical and cultural significance. At a minimum, during the term of this agreement Owner shall maintain the exterior of the Historic Property in a condition that is at least equal to the condition documented in Exhibit "D." The condition of the exterior of the Historic Property on the effective date of this Agreement is documented in photographs attached as Exhibit "D" and incorporated herein by this reference.

C. Public View of the Historic Property. Owner shall not construct, install, allow, or maintain any wall, fence, or landscaping along the right of way frontages of the Historic Property so as to prevent the viewing of the Historic Property from the public right-of-way.

2. Periodic Examinations. Upon reasonable advance notice, Owner shall allow reasonable periodic examinations of the interior and exterior of the Historic Property by representatives of the County Assessor, the State Department of Parks and Recreation, the State Board of Equalization and City, as may be necessary to determine Owner's compliance with the terms and provisions of this

Agreement.

3. Provision of Information of Compliance. Owner hereby agrees to furnish City with any and all information requested by City, which City deems necessary or advisable to determine eligibility of the Historic Property and compliance with the terms and provisions of this Agreement. Owner shall provide the City with photographs and receipts documenting the progress and expenditures on the required Rehabilitation Plan project(s) during each year of the agreement.

4. Effective Date and Term of Agreement. This Agreement shall be effective and commence on December 10, 2013, (“Effective Date”) and shall remain in effect for a term of ten (10) years thereafter.

5. Yearly Renewal. Each year upon the anniversary of the Effective Date (“Renewal Date”), an additional one (1) year shall automatically be added to the remaining term of the Agreement unless a notice of nonrenewal is delivered as provided in Section 3 of this Agreement.

6. Nonrenewal. If either the Owner or City desires in any year not to renew this Agreement, Owner or City shall serve a written notice of nonrenewal upon the party in advance of the Renewal Date (“Notice of Nonrenewal”). The Notice of Nonrenewal shall be effective only if served by Owner upon City at least ninety (90) days prior to the Renewal Date, or if served by City upon Owner, the Notice of Nonrenewal shall be effective only if served upon Owner at least sixty (60) days prior to the Renewal Date. If either City or Owner serves a Notice of Nonrenewal in any year, this Agreement shall remain in effect for the balance of the term then remaining.

7. Owner Protest of City Nonrenewal. Within fifteen (15) days of Owner’s receipt of the Notice of Nonrenewal from City, Owner may file with City a written protest of the Notice of Nonrenewal. Upon receipt of the written protest, the City Council shall set a hearing prior to the

expiration of the Renewal Date of this Agreement. Owner may furnish the City Council with any information which Owner deems relevant and shall furnish the City Council with any information it may require. The City Council may, at any time prior to the annual Renewal Date, withdraw its Notice of Nonrenewal.

8. Breach of Agreement; Remedies.

A. Notice of Breach; Opportunity to Cure. If Owner breaches any provision of this Agreement, City may give written notice to Owner by registered or certified mail detailing Owner's violations. If such violation is not corrected to the reasonable satisfaction of City within thirty (30) days after the date of notice of violation, or within such a reasonable time as may be required to cure the violation (provided the acts to cure the violation are commenced within thirty (30) days and thereafter diligently pursued to completion), the City may, without further notice, declare Owner to be in breach of this Agreement. Upon City's declaration of Owner's breach, City may pursue any remedy available under local, state, or federal law, including those specifically provided for in this section.

B. Remedy - Cancellation. City may cancel this Agreement if City determines, following a duly noticed public hearing in accordance with Government Code section 50285, that Owner breached any of the conditions of the Agreement, Owner allowed the Historic Property to deteriorate to the point that it no longer meets the standards for a qualified historic property, or Owner failed to maintain and preserve the Historic Property in accordance with the terms of this Agreement. If this Agreement is cancelled, under this paragraph, Owner shall pay a cancellation fee to the Office of the Auditor for the County of Santa Barbara as required by Government Code section 50286.

C. Alternative Remedies. As an alternative to cancellation of this Agreement for Owner's breach of any condition, City may bring an action in court necessary to enforce this Agreement

including, but not limited to, an action to enforce this Agreement by specific performance, injunction, or receivership.

9. Destruction of Property; Eminent Domain; Cancellation. If the Historic Property is destroyed by earthquake, fire, flood, or other natural disaster such that in the opinion of the City Building Official more than seventy-five percent (75%) of its market value immediately prior to the damage is lost, this Agreement shall be cancelled because the historic value of the structure will have been destroyed. If the Historic Property is acquired in whole or in part by eminent domain or other acquisition by any entity authorized to exercise the power of eminent domain, and the acquisition is determined by the City Council to frustrate the purpose of this Agreement, this Agreement shall be cancelled. No cancellation fee pursuant to Government Code section 50286 shall be imposed if the Agreement is cancelled pursuant to this Section.

10. Waiver. City does not waive any claim of default by Owner if City does not enforce or cancel this Agreement. All other remedies at law or in equity which are not otherwise provided for in this Agreement or in City's regulations governing historic properties are available to the City to pursue in the event that there is a breach of this Agreement. No waiver by City of any breach or default under this Agreement shall be deemed to be a waiver of any other subsequent breach thereof or default hereunder.

11. Binding Effect of Agreement. Owner hereby subjects the Historic Property to the covenants, conditions, and restrictions set forth in this Agreement. City and Owner hereby declare their specific intent that the covenants, conditions, and restrictions set forth herein shall be deemed covenants running with the land and shall inure to and be binding upon Owner's successors and assigns in title or interest to the Historic Property. Each and every contract, deed or other instrument herein after

executed, covering or conveying the Historic Property, or any portion thereof, shall conclusively be held to have been executed, delivered and accepted subject to the covenants, reservations and restrictions are set forth in such contract, deed or other instrument.

12. Covenants Run with the Land. City and Owner hereby declare their understanding and intent that the burden of the covenants, reservations and restrictions set forth herein touch and concern the land in that it restricts development of the Historic Property. City and Owner hereby further declare their understanding and intent that the benefit of such covenants, reservations and restrictions touch and concern the land by enhancing and maintaining the cultural and historical characteristics and significance of the Historic Property for the benefit of the public and the Owner.

13. Notice. Any notice required to be given by the terms of this Agreement shall be provided at the address of the respective parties as specified below or at any other address as may be later specified by the parties hereto:

City: City of Santa Barbara  
Planning Division  
630 Garden Street  
Santa Barbara, CA 93101

Owner: Restore, LLC- Trustee Andreana Weiner  
715 State Street  
Santa Barbara, CA 93101

14. Effect of Agreement. None of the terms, provisions or conditions of this Agreement shall be deemed to create a partnership between the parties hereto and any of their heirs, successors or assigns, nor shall such terms, provisions or conditions cause the parties to be considered joint venturers or members of any joint enterprise.

15. Indemnity of City. Owner shall defend, indemnify, and hold harmless City and its elected

officials, officers, agents and employees from any actual or alleged claims, demands, causes of action, liability, loss, damage, or injury to property or persons, including wrongful death, whether imposed by a court of law or by administrative action of any federal, state or local governmental agency, arising out of or incident to (i) the direct or indirect use operation, or maintenance of the Historic Property by Owner or any contractor, subcontractor, employee, agent, lessee, licensee, invitee, or any other person; (ii) Owner's activities in connection with the Historic Property; and (iii) any restrictions on the use or development of the Historic Property, from application or enforcement of Title 22 of the City's Municipal Code, or from the enforcement of this Agreement. This indemnification includes, without limitation, the payment of all penalties, fines, judgments, awards, decrees, attorneys' fees, and related costs or expenses, and the reimbursement of City, its elected officials, employees, and/or agents for all legal expenses and costs incurred by each of them. Owner's obligation to indemnify shall survive the termination, cancellation, or expiration of this Agreement and shall not be restricted to insurance proceeds, if any, received by City, its elected officials, employees, or agents.

16. Binding Upon Successors. All of the agreements, rights, covenants, reservations and restrictions contained in this Agreement shall be binding upon and shall inure to the benefit of the parties herein, their heirs, successors, legal representatives, assigns and all persons acquiring any part or portion of the Historic Property, whether by operation of law or in any manner whatsoever.

17. Legal Costs. In the event legal proceedings are brought by any party or parties to enforce or restrain a violation of any of the covenants, conditions or restrictions contained herein, or to determine the rights and duties of any party hereunder, the prevailing party in such proceeding may recover all reasonable attorneys' fees to be fixed by the court, in addition to court costs and other relief ordered by the court.

18. Severability. In the event that any of the provisions of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, or by subsequent preemptive legislation, the validity and enforceability of the remaining provisions, or portions thereof, shall not be effected thereby.

19. Recordation. No later than twenty (20) days after the Effective Date, City shall cause this Agreement to be recorded in the office of the County Recorder of the County of Santa Barbara. Owner shall provide written notice of the contract to the State Office of Historic Preservation within six (6) months of entering into the contract.

20. Amendments. This Agreement may be amended, in whole or in part, only by written recorded instrument executed by the parties hereto.

21. Governing Law and Venue. This Agreement shall be construed and governed in accordance with the laws of the State of California. Any action at law or in equity brought by either of the parties hereto for the purpose of enforcing a right or rights provided for by this Agreement shall be tried in a court of competent jurisdiction in the County of Santa Barbara, State of California, and the parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county.

Ⓢ "Y Ⓢ/P GUUY J GTGQH "j g'r ctvku'j cxg"gz gewgf "j ku'O km'Ce v'Eqptcev'ht "4334"  
Santa Barbara Street as of the date and year first written above.

CITY OF SANTA BARBARA  
a Municipal Corporation

OWNER

\_\_\_\_\_  
James L. Armstrong  
City Administrator

\_\_\_\_\_  
(Name as it appears on title)

ATTEST:

\_\_\_\_\_  
(Name as it appears on title)

\_\_\_\_\_  
City Clerk Services Manager

APPROVED AS TO CONTENT:

\_\_\_\_\_  
Paul Casey  
Community Development Director

APPROVED AS TO FORM:

Stephen P. Wiley  
City Attorney

By \_\_\_\_\_  
Assistant City Attorney

STATE OF CALIFORNIA    )  
  )ss  
COUNTY OF SANTA BARBARA    )

On \_\_\_\_\_, before me, \_\_\_\_\_, the undersigned, a notary public in and for said State, personally appeared \_\_\_\_\_ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Notary Signature

Title No. 13-425102291-A-RR  
 Locate No. CAFNT0942-0942-0051-0425102291

**LEGAL DESCRIPTION**

**EXHIBIT "A"**

Parcel One:

All that certain land situated in the City of Santa Barbara, County of Santa Barbara, State of California, described as follows:

That portion of the parcel of land described in the deed from Robert Taylor Hodges to Leo M. Sanders, et ux., dated October 20, 1943 recorded in Book 595, Page 23 of Official Records of Santa Barbara County, State of California, described as follows:

Beginning at a cross cut on a stone post on the Northwesterly line of Padre Street distant North 41°30' East, 125.52 feet from the Northeasterly line of the extension of Santa Barbara Street;

thence along the Northwesterly line of Padre Street North 41°30' East, 73.30 feet to a cross cut on top of a concrete curb wall, said point being the most Southerly corner of the excepted parcel of land described in said deed to Sanders and 198.82 feet Northeasterly from the Northeasterly line of Santa Barbara Street;

thence leaving said line of Padre Street North 48°30' West, 28 feet;

thence North 41°30' East, 26.24 feet to an old 1/2 inch survey pipe set at the most Northerly corner of said excepted parcel and on the Northeasterly line of Sanders Tract;

thence along the Northeasterly line of said Sanders Tract North 48°30' West, 41.07 feet to a 3/4 inch survey pipe;

thence South 41°30' West, 99.54 feet to a spike and tag set in a driveway;

thence South 48°30' East, 69.07 feet to the point of beginning.

Assessor's Parcel No. 025-252-06

Parcel Two:

All that certain land situated in the City of Santa Barbara, County of Santa Barbara, State of California, described as follows:

Beginning at a point on the Northeasterly line of Santa Barbara Street being Northwesterly 570 feet from the West corner of Block No. 2 in said City of Santa Barbara, being at the intersection of the Northeasterly line of Santa Barbara Street with the Northwesterly line of Padre Street, and also being the most Southerly corner of the tract of land described in the deed to Leo M. Sanders et ux. dated October 20, 1943 and recorded in Book 595, Page 23 of Official Records;

thence North 41°30' East along the Northwesterly line of Padre Street, 125.52 feet to a cross cut on a stone post;

thence North 48°30' West, 69.07 feet to a spike and tag set in a driveway;

thence North 41°30' East, 99.54 feet to a 3/4 inch survey pipe set in the Northeasterly line of said Sanders Tract;

thence North 48°30' West along said line, 155.93 feet to the most Northerly corner of said Sanders Tract;

thence South 41°30' West along the Northwesterly line of said Sanders Tract, 225 feet to the Northeasterly line of the extension of Santa Barbara Street;

thence South 48°30' East along said street line, 225 feet to the point of beginning.

Assessor's Parcel No. 025-252-07

EXHIBIT "A" (continued)

Title No. 13-**425102291**-A-RR  
Locate No. CAFNT0942-0942-0051-0425102291

APN: 025-252-06,07

**MILLS ACT PROGRAM TEN-YEAR  
REHABILITATION/RESORATION/  
REPAIR PLAN**

2112 Santa Barbara Street  
City of Santa Barbara

Year	Proposed Projects	Estimated Cost
Years 1 thru 5	Restoration of an existing 6,167 square foot, two-story building to a single-family residence interior improvements and exterior alterations to remove awnings, skylights, staircases, and an accessible ramp. Interior and exterior renovations, plastering and painting. New site work improvements. Install new electrical, plumbing, HVAC, Garage doors, chimney rebuild, patio repairs, alarm and security systems. Restoration of Accessory Structures.	\$490,000
Year 6	Annual Maintenance- Roof repair	\$30,000
Year 7	Annual Maintenance- Masonry	\$25,000
Year 8	Annual Maintenance- Stonework	\$25,000
Year 9	Annual Maintenance- Window repair and replacement	\$40,000
Year 10	Annual Maintenance and repair of Architectural trim	\$50,000

To be attached to the Historic Property Preservation Agreement (Mills Act Contract) as Exhibit B.

Projects may be interior or exterior, but must utilize all of your tax savings. All projects that affect the exterior of the residence are subject to Historic Landmarks Commission/Staff review and approval before work begins. Work must meet all City requirements and the *Secretary of the Interior's Standards for the Treatment of Historic Properties*. Restoration Plan may be amended or altered by mutual agreement. Retain copies of all receipts and permits for submittal with the required annual reports.

## Exhibit "C"

## Property Maintenance Minimum Standards

During the term of this Agreement, Owners shall maintain the Historic Property in compliance with all regulations of the state Health and Safety Code including compliance with the adopted Uniform Housing Code as referenced in Chapter 22.04 of the Santa Barbara Municipal Code. In addition, during the term of this Agreement, Owner shall:

1. Comply with Santa Barbara Municipal Code Section 22.22.070, Duty to Repair and Maintain Structures of Merit consistent with maintenance plan for preservation of character defining features.
2. Not store non-operational vehicles on the Historic Property in locations that are visible from the public right of way;
3. Not maintain stagnant or standing water on the Historic Property;
4. Not suffer or maintain overgrown or decaying landscaping on the Historic Property. All landscape features should be maintained including, but not limited to grass, trees, and any planting.



**EXISTING WEST ELEVATION (facing Santa Barbara Street)**

**2112 SANTA BARBARA STREET  
SANTA BARBARA, CA 93105**



**EXISTING WEST ELEVATION (facing Santa Barbara Street)**

**2112 SANTA BARBARA STREET  
SANTA BARBARA, CA 93105**



**EXISTING SOUTH ELEVATION (facing East Padre Street)**

**2112 SANTA BARBARA STREET**  
**SANTA BARBARA, CA 93105**



**EXISTING SOUTH ELEVATION (facing East Padre Street)**

**2112 SANTA BARBARA STREET  
SANTA BARBARA, CA 93105**



**EXISTING SOUTH ELEVATION (from paved parking area)**

**2112 SANTA BARBARA STREET  
SANTA BARBARA, CA 93105**



**EXISTING ELEVATION (from paved parking area)  
RESTORE GARAGE. REMOVE CANOPY STRUCTURE, RAMP, AND WALL**

**2112 SANTA BARBARA STREET  
SANTA BARBARA, CA 93105**

**HARRISON  
DESIGN  
ASSOCIATES**  
ARCHITECTS  
ATLANTA SANTA BARBARA



**EXISTING ELEVATION (from paved parking area)  
RESTORE GARAGE AND COTTAGE. REMOVE CANOPY STRUCTURE, RAMP, AND WALL**

**2112 SANTA BARBARA STREET  
SANTA BARBARA, CA 93105**

**HARRISON  
DESIGN  
ASSOCIATES**  
ARCHITECTS  
ATLANTA SANTA BARBARA



**EXISTING EAST ELEVATION (Rear)**

**2112 SANTA BARBARA STREET  
SANTA BARBARA, CA 93105**



**EXISTING EAST ELEVATION  
LOCATION OF PROPOSED SPA, POOL, AND RUNNEL**

**2112 SANTA BARBARA STREET  
SANTA BARBARA, CA 93105**

**HARRISON  
DESIGN  
ASSOCIATES**  
ARCHITECTS  
ATLANTA SANTA BARBARA



**REMOVE EXTERIOR REAR STAIRWAY CONSTRUCTED IN 1951**

**2112 SANTA BARBARA STREET  
SANTA BARBARA, CA 93105**

**HARRISON  
DESIGN  
ASSOCIATES**  
ARCHITECTS  
ATLANTA SANTA BARBARA



**EXISTING ROOFTOP ACCESS**  
(Remove stairs to rear yard area)

**2112 SANTA BARBARA STREET**  
SANTA BARBARA, CA 93105



**EXISTING MOTORCOURT (Access from East Padre Street)**

**2112 SANTA BARBARA STREET  
SANTA BARBARA, CA 93105**



**REMOVE PAVED PARKING LOT @ CORNER OF E. PADRE SANTA BARBARA ST.  
RESTORE LANDSCAPE IN FRONT YARD AREA**

**2112 SANTA BARBARA STREET  
SANTA BARBARA, CA 93105**

**HARRISON  
DESIGN  
ASSOCIATES**  
ARCHITECTS  
ATLANTA SANTA BARBARA



**EXISTING GARDENS**

**2112 SANTA BARBARA STREET  
SANTA BARBARA, CA 93105**

**HISTORIC LANDMARKS COMMISSION MINUTES****OCTOBER 23, 2013****MISCELLANEOUS ACTION ITEM**

2.     **2112 SANTA BARBARA ST**     E-1 Zone  
 (1:50)     Assessor's Parcel Number:   025-252-007  
            Application Number:        MST2013-00430  
            Owner:                        Santa Barbara Restore, LLC  
            Architect:                 Harrison Design

(The Commission is requested to recommend that the City Council authorize the execution of a Mills Act contract. The Historic Landmarks approved a project in August of 2013 consisting of the rehabilitation and restoration of a 6,167 square foot residence, 1,809 square foot accessory unit, and site improvements. *This structure is eligible for listing on the National Register and the California Register of Historical Properties and is eligible for City Landmark status: "Hodges House."*)

**(Requires a recommendation to City Council for approval of an exception to exceed contract limits.)**

Actual time: 1:57 p.m.

Staff comments: Jaime Limón, Design Review Supervisor, stated that City Council approved the Mills Act Historical Property Contract (reduced property tax incentive) Program and placed maximum limits to 8 contracts per year and only for properties with a total assessed cap value of 1.5 million dollars. Since 2009 when this provision was initiated, it was thought that applicants would not qualify for the program if they did not meet the property value maximum requirement. However, there is an allowed exception that grants the City Council authorization to approve a contract that exceeds the property value limit. The Commission is being requested to recommend such action.

Public comment opened at 1:59 p.m. and, as no one wished to speak, it was closed.

**Motion:**     **To recommend that the City Council authorize the execution of a Mills Act contract for the structure known as the "Hodges House" located at 2112 Santa Barbara Street and approve an exception to exceed contract limits.**

Action:     Winick/Orías, 6/0/0. (Boucher/Drury/Shallanberger absent.) Motion carried.