



Historic Site Preservation Board Staff Report

DATE: July 8, 2014 NEW BUSINESS

SUBJECT: APPLICATION BY RICHARD COOK AND CHRISTOPHER
MACALUSO, OWNERS FOR A MILLS ACT HISTORIC PROPERTY
AGREEMENT

CASE: HSPB-88 MILLS ACT

LOCATION: 360 CABRILLO ROAD UNIT 118 APN 504-131-026

FROM: DEPARTMENT OF PLANNING SERVICES

SUMMARY

An application by Richard Cook and Christopher Macaluso owners of 360 Cabrillo Road Unit 118, a contributing structure within the Racquet Club Cottages West Historic District (HSPB #88/ HD #3) to enter into a Mills Act Agreement with the City of Palm Springs.

RECOMMENDATION

That the City Council execute a Mills Act Agreement between the City, The Racquet Club Cottages West Homeowners Association, and Richard Cook and Christopher Macaluso, owners of 360 Cabrillo Road Unit 118 Racquet Club Cottages West (HSPB #88/ Historic District #3).

PRIOR ACTIONS TAKEN ON THE PROJECT

On February 3, 2010 the City Council designated the Racquet Club Cottages West a Historic District (HSPB #88 / Historic District #3)

BACKGROUND AND SETTING

Pursuant with California Government Code Section 50280 – 50290 upon the application of an owner of any qualified historic property, the legislative body of a city may contract with the owner or agent to restrict the use of the property to carry out the purposes and goals of historic preservation of the property. Such a contract is commonly referred to as a “Mills Act Agreement” and it provides for possible alternative property tax rate calculations in exchange for specific and ongoing preservation and maintenance of the property, specifically its historically significant elements and characteristics.

The Racquet Club Cottages West Historic District is comprised of thirty-seven (37) residences clustered in twenty-one buildings. All thirty-seven residences have been designed by the modernist architect William F. Cody, FAIA and all were designed in the mid-century modern style. As such, each of the thirty-seven units are deemed “contributing” and are therefore subject to Class 1 regulations and are also each qualified for application for a Mills Act Historic Property Preservation Agreement.

The Racquet Club Cottages West Historic District functions like any other typical historic district in which each property is owned by a different individual, each with its own tax bill and “unit value” that is determined by the County Assessor’s Office. In a historic district, each owner of a contributing Class 1 building is responsible for the exterior maintenance and preservation of the historic defining characteristics of his or her building or site.

At the Racquet Club Cottages West, routine maintenance and upkeep of the building exteriors and grounds is a shared responsibility of the Home-owners Association (HOA) and the individual unit owners. Because of this shared responsibility, the Mills Act Agreement in this particular instance has been drafted with both the homeowners and the Homeowners Associate (HOA) as parties to the agreement.

DESCRIPTION AND ANALYSIS

The Mills Act is state sponsored legislation granting local governments the authority to directly participate in a historic preservation program. It is designed to provide private property owners with an economic incentive, via property tax relief, to actively participate in the restoration of their historic properties.

Property owners may qualify for property tax relief if they pledge to restore and maintain the historical and architectural character of their properties for at least a ten-year period. A formal agreement known as a Mills Act 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 preserve and maintain the property in accordance with specific historic preservation standards and conditions as identified in the contract. 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.

The Mills Act contract has the effect of freezing the base value of the property. There is little effect over the first few years but as the property is restored over a longer period of time, it is presumed that the value of the property increases and thus the property tax savings have the potential to increase over time. The property owners have consulted with their tax advisors and determined that entering into a Mills Act contract with the City would be mutually beneficial for both parties. The owners also understand that entering into the Mills Act contract only represents the potential for property tax savings and is not a guarantee.

The potential property tax savings provided by the Mills Act contract will assist the owners in defraying the costs associated with restoring and maintaining the unique historic characteristics of the property.

REQUIRED FINDINGS

Although there are no specific findings for Mills Act Agreements, they may only be executed on qualified historic properties.

Pursuant California Government Code 50280.1 "*Qualified historical property*" for purposes of this article, means privately owned property which is not exempt from property taxation and which meets either of the following:

- (a) *Listed in the National Register of Historic Places or located in a registered historic district, as defined in Section 1.191.2(b).*
- (b) *Listed in any state, city, county, or city and county official register of historical or architecturally significant sites, places, or landmarks.*

The property at 360 Cabrillo Road Unit 118 meets this criteria because is a contributing structure within the Racquet Club Cottages West Historic District (HSPB 88 / Historic District #3) as noted above. As a contributing structure, it meets the criteria of a Class 1 historic site.

In order to coordinate individual unit-owner-initiated Mills Act Contract requests with the overall maintenance and preservation efforts of the common exterior elements of the Racquet Club Cottages West Home-Owners Association, staff has requested a letter from the Racquet Club Cottages West HOA supporting this Mills Act Contract request and the HOA has been included as a party to the agreement. By doing so, any owner-initiated exterior restoration efforts on this unit will be acknowledged by the HOA and must conform to any City-approved Certificates of Approval for changes to the exterior of the units


Following review and recommendation by the Board, the contract will be forwarded to the City Council for action.

ENVIRONMENTAL ASSESSMENT

This project is exempt from environmental review per Section 15331 (historic resources restoration/rehabilitation) of the California Environmental Quality Act (CEQA) Guidelines.



Ken Lyon, RA
Associate Planner



M. Margo Wheeler, FAICP
Director of Planning Services

ATTACHMENTS

1. Vicinity Map
2. Letter from Richard Cook and Christopher Macaluso dated April 23, 2014.



Department of Planning Services Vicinity Map



CITY OF PALM SPRINGS

CASE NO: HSPB 88, 360 Cabrillo
Road Unit 118

APPLICANT: Richard Cook and
Christopher Macaluso

DESCRIPTION: Richard Cook, Christopher Macaluso,
Owners Unit 118 and the Racquet Club Cottages
West Homeowners Association applying for a Mills Act
Contract agreement with the City of Palm Springs.

April 23, 2014

M. Margo Wheeler
Department of Planning Services
City of Palm Springs
3200 E. Tahquitz Canyon Way
Palm Springs, CA 92262

RE: Mills Act Contract request for
Racquet Club Cottages West, HD-3/HSPB-88
Unit # 118 (APN#504-131-026)

Dear Ms. Wheeler,

Please accept this letter as an application
request for the city of Palm Springs to execute
a Mills Act Contract for my property located at
360 Cabrillo Rd, Unit 118

Palm Springs, CA 92262.

richcook.rc@gmail.com / (949) 290-5895

Thank you for your consideration.

Sincerely,

Richard Cook and Christopher Macaluso
Owners (MACALUSO)

RACQUET CLUB GARDEN VILLAS
HOME OWNERS ASSOCIATION



HOA BOARD OF DIRECTORS
C/O
BROOKE ANCHETA
COMMUNITY ASSOCIATION MANAGER
42635 MELANE PLACE, SUITE 103

1 July 2014

City of Palm Springs
Planning Department Services
Palm Springs, California 92263

Please accept this letter of intent on behalf of the Racquet Club Garden Villas HOA to enter into a Mills Act Contract with the City of Palm Springs and Mr. Richard Cook and Chris Macaluso, Owner of Unit #118, 360 Cabrillo Road, Palm Springs, California 92262.

Sincerely,

A handwritten signature in cursive script that reads "Jean Gabriel".

Jean Gabriel
Board Vice President