



HISTORIC SITE PRESERVATION BOARD STAFF REPORT

DATE: July 8, 2014 Consent Agendas

SUBJECT: APPLICATION BY VICTORIA CRANDALL AND STEPHANIE HANKEY,
OWNERS FOR A MILLS ACT HISTORIC PROPERTY AGREEMENT

CASE: HSPB-88 / HD-3 MILLS ACT

LOCATION: 360 Cabrillo Road Unit 229 (APN 504-131-036)

FROM: Department of Planning Services

SUMMARY

An application by Victoria Crandall and Stephanie Hankey owners of 360 Cabrillo Road Unit 229, 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 Victoria Crandall and Stephanie Hankey, owners of 360 Cabrillo Road Unit 229 Racquet Club Cottages West (HSPB #88/ Historic District #3).

PRIOR ACTIONS TAKEN ON THE PROJECT

On November 20, 2013 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.

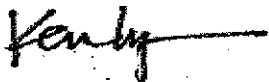
The property at 360 Cabrillo Road Unit 229 meets this criteria because is a contributing structure within the Racquet Club Cottages West Historic District (HSPB 88 / Historic District #3) as noted above. As a contributing structure, it meets the criteria of a Class 1 historic site.

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 Victoria Crandall and Stephanie Hankey dated June 26, 2014.



Department of Planning Services Vicinity Map



CITY OF PALM SPRINGS

CASE NO: HSPB 88 HD-3 360
Cabrillo Road Unit 229

APPLICANT: Victoria Crandall and
Stephanie Hankey

DESCRIPTION: Application for a Mills Act contract with the City of Palm Springs, Racquet Club Cottages West HOA, Victoria Crandall and Stephanie Hankey. The site is located at 360 Cabrillo Road Unit 229 in Historic District 3 (HD 3)

Victoria Crandall and Stephanie Hankey

929 Agate Street

San Diego, CA 92109

June 26th, 2014

M. Margo Wheeler, FAICP,

3200 Tahquitz Canyon Way

Palm Springs, CA 92262

RE: Mills Act Contract – Racquet Club Cottages West Historic District (HD-3 / HSPB 88)

Dear M. Margo Wheeler,

We are the Owners of 360 Cabrillo Rd. #229, Palm Springs, CA 92262 (Assessment Parcel Number 504131036) located at The Racquet Club "Garden Villas". The Racquet Club "Garden Villas" is the newest Historic District, opening its gates for the first time last year for the week of modernism. I am writing to kindly request that the city execute the Mills Act agreement between myself (Owners) and the city. Enclosed is a check for \$824.00 to begin the application process.

We purchased this unit because of the historical and original exterior features this complex has preserved. We also desired Unit #229 for the significance that Linda Christian lived and painted in this unit until she passed in 2011. We are historical advocates and will carefully maintain the trademark designs of William Cody with our décor and any restoration, interior or exterior, that we may address in the future.

We are excited to open our doors for next year's week of modernism with Linda Christian and Racquet Club memorabilia.

Through the Mills act economic incentives, we look forward to performing ongoing preservations of our unit.

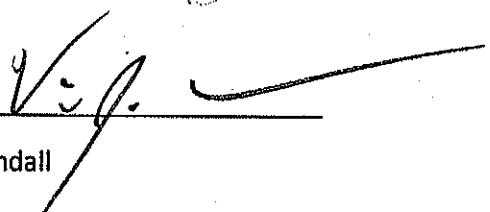
If you have any questions or need additional information, you may contact me at vcrandall@torreypinespm.com or 858-232-7652

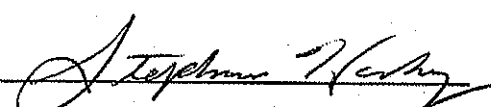
Sincerely,

RECEIVED

JUN 30 2014

PLANNING SERVICES
DEPARTMENT


Victoria Crandall


Stephanie Hankey