



**ITEMS FOR  
DISCUSSION/ACTION  
ITEM #6**

## **AGENDA REPORT SUMMARY**

**Meeting Date:** November 12, 2019

**Subject:** Resolution No. 2019-47; 210 Alta Vista Avenue Historic Preservation Agreement

**Prepared by:** Sean K. Gallegos, Associate Planner

**Reviewed by:** Jon Biggs, Community Development Director

**Approved by:** Chris Jordan, City Manager

**Attachment(s):**

1. Resolution No. 2019-47
2. Updated Historical Background and Architectural Evaluation Report, Urban Programmers
3. Updated Department of Parks and Recreation (DPR) Primary Record
4. 2016 Historical Background and Architectural Evaluation Report, Urban Programmers
5. Historic Preservation Agreement

**Initiated by:**

The property owners of 210 Alta Vista Avenue

**Previous Council Consideration:**

None

**Fiscal Impact:**

The fiscal impact cannot be established as the updated assessed value for the recently refurbished barn is not available from the Santa Clara County Assessor's Office. It is estimated that the City would see a 40 percent to 60 percent reduction in property tax revenue for the subject property annually if the barn was subject to the Mills Act.

**Environmental Review:**

The project is classified as a historic resource restoration/rehabilitation and exempt from the provisions of the California Environmental Quality Act (CEQA) per Section 15331.

**Policy Question(s) for Council Consideration:**

- Does the City Council wish to authorize the City Manager to execute a Mills Act agreement with the owners of 210 Alta Vista Avenue?

**Summary:**

- The owners of 210 Alta Vista Avenue, a Historic Landmark, are seeking to execute a historic preservation agreement with the City for the Gambrel barn in order to allow for a property tax reduction under the Mills Act.



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- The Mills Act is a state law that allows cities to enter into contracts with the owners of historic structures for a reduction of property taxes in exchange for the continued preservation of a historic structure.

**Staff Recommendation:**

Move to adopt Resolution No. 2019-47 authorizing the City Manager to execute a Mills Act agreement with the owners of 210 Alta Vista Avenue

**Purpose**

Provides funds to homeowner to be used for rehabilitation/restoration and ongoing maintenance of a historic landmark.

**Background**

The City of Los Altos currently has Historic Preservation Agreements with 12 Historic Landmark and Historic Resource properties. A property owner must enter into a Mills Act agreement with the City in order to receive a reduced property tax rate from the County Assessor in exchange for the maintenance and preservation, and in some cases, restoration and rehabilitation, of their historic property or structure. The County Assessor sets the property tax rate based on an appraisal of the market value of the land and improvements. This site under an agreement will receive a property tax reduction based on an appraisal of the rental value of the barn and improvements.

As outlined in the Updated Landmark Assessment Report and Updated Historic Property Evaluation (DPR 523A and 523B) prepared by Leslie Dill of Archives and Architecture (Attachment 2 and 3, respectively). The Landmark Assessment Report found that the recently completed rehabilitation project, including the repairs, restoration techniques, and alterations to the barn met the Secretary of the Interior’s Standards for the Treatment of Historic Properties – Rehabilitation Standards. The barn and its setting continue to maintain its historic integrity and convey an authentic representation of its historic significance.

After the rehabilitation and exterior alterations, the barn maintains its original location within the former farmstead of the William and Harriet Ames and the Edward and Helen Landels family. The immediate setting has been preserved with its character defining naturalistic appearance. The barn continues to maintain its historic integrity per the National Register’s seven aspects of integrity: location, design, setting, materials, workmanship, feeling, and association. The barn maintains its original location within the former farmstead of the Ames/Landels family. It sits in a preserved immediate setting surrounded by a grove of mature oak trees and bounded by the natural riparian habitat along Adobe Creek. Although some of the barn’s exterior has been altered by the installation of new windows in original openings and installation of differentiated French doors at a previously altered wall, the building has obvious visual integrity with its vernacular English Gambrel Barn design. The preservation or replacement-in-kind of its character-defining features, as well as the



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preservation of the visual aspects of its historic structure, represent the era's workmanship and use of materials. It's original character-defining materials have been preserved or replaced in-kind, including its roof form, hay hood and angle brace, skip roof sheathing, board-and-batten siding, board doors with strap hinges, window sizes and locations, and second story loft within the roof. The small barn continues to embody feelings of a rural twentieth-century family farm and continue to illustrate the property's associations with the Ames/Landels family and patterns of early Los Altos development.

The barn continues to embody the significance according to California and Los Altos criteria as presented in the 2016 historic resource evaluation report and historic property evaluation (DPR 523) prepared by historian Leslie Dill. The barn at 210 Alta Vista Avenue continues to qualify for Historic Landmark designation at the local level and is eligible for listing in the California Register of Historic Resources under Criteria 1, as it is associated with significant historic patterns of growth of the City of Los Altos, and Criteria 3, as the structure embodies the distinctive characteristics of an early-twentieth-Century English Gambrel Barn. The barn's 2016 historic evaluation report is included in Attachment 4.

The Historical Commission held a public hearing on August 26, 2019 to consider the owner's request for a Mills Act agreement for the Historic Landmark at 210 Alta Vista Avenue. The Commission discussed the merits of the request, noting the physical integrity of the barn, and it found the barn represents a unique and rare architectural style of an early-twentieth-Century English Gambrel Barn design in its present form and original detailing, it incorporates many character-defining features and materials that represent the era in which it was built. Following the discussion, the Commission voted unanimously to recommend that the City Council authorize the City Manager to execute a Mills Act agreement with the property owners for the barn at 210 Alta Vista Avenue.

### **Discussion/Analysis**

Execution of a Historic Preservation Agreement with the City will make the barn eligible for a property tax reduction under the Mills Act. For the subject site, it is estimated that the City would see a 40 percent to 60 percent reduction in property tax revenue annually if the barn is subject to the Mills Act agreement. The Santa Clara County Assessor's Office has not provided an updated assessed value for the recently refurbished barn. Therefore, staff is unable to determine the fiscal impact to the City based on current tax rates provided by the County Assessor's Office. For reference purposes, the City took in \$21,137,200 in property tax revenue in fiscal year 2018/19.

The standard term of a Historic Preservation Agreement is a ten-year period with an automatic renewal clause each year thereafter. However, both the City and the owner have a revocation clause in the agreement, and either party has ability to exercise their right to revoke the agreement should they desire to do so at a future date. The agreement also includes a requirement that all money saved on property taxes be invested into the maintenance, preservation, restoration and/or enhancement of the historic structure. The Historical Commission required a Schedule of Improvements for



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improvements to the barn, which demonstrate funds will be used for: 1) ongoing efforts to maintain the historic structure and surrounding property, and 2) amortizes the cost of recent improvements to the historic structure. This Schedule is included as Exhibit B in the Draft Historic Preservation Agreement (Attachment 5).

### **Options**

- 1) Authorize the City Manager to execute a Historic Preservation (Mills Act) Agreement with the owners of 210 Alta Vista Avenue

**Advantages:** Execution of the Historic Preservation Agreement will ensure that this historic property is preserved and maintained over time.

**Disadvantages:** Execution of the Historic Preservation Agreement will result in a reduction of approximately forty to sixty percent in annual property tax revenue for the site as a result of the barn being subject to the Mills Act.

- 2) Deny executing a Historic Preservation agreement with the owners of 210 Alta Vista Avenue

**Advantages:** The City would maintain the current annual property tax revenue as a result of the barn not being subject to the Mills Act.

**Disadvantages:** The homeowners will be required to underwrite the full cost of preserving, maintaining and rehabilitating the historic landmark, which may not ensure retention of the historic integrity of the structure over time.

### **Recommendation**

The Historical Commission has recommended Option 1.