



**DISCUSSION ITEM**

**Agenda Item # 9**

**AGENDA REPORT SUMMARY**

**Meeting Date:** March 23, 2021

**Subject:** Process for Determining the Future of the Halsey House

**Prepared by:** Dave Brees, Special Projects Manager

**Reviewed by:** Jim Sandoval, Engineering Services Manager

**Approved by:** Brad Kilger, Interim City Manager

**Attachments:**

1. Redwood Grove Recreation Programming
2. Architectural Resources Group Proposal, December 4, 2020

**Initiated by:**

City Council

**Previous Council Consideration:**

January 12, 2021, December 15, 2020, January 28, 2018, November 15, 2016 (continued); June 14, 2016; December 8, 2015, April 23, 2013

**Fiscal Impact:**

The cost of the following expenditure recommendations is to be determined.

**Environmental Review:**

This effort is Statutorily Exempt pursuant to CEQA Guidelines Section 15262 – Feasibility and Planning Studies and CEQA Guidelines Section 15331- Historic Resource Restoration and Rehabilitation.

**Policy Questions for Council Consideration:**

- Does the City Council desire to provide any additional clarifying direction to the staff and Commissions to assist them in their development of a recommendation?
- Does the City Council desire to consider a different approach to assist them in their development of a recommendation?

**Summary:**

Setting a course of action for the future of the Halsey House needs to be guided by Council priorities, community input, relevant facts, and information. The purpose of this agenda report is to give Council an update on the status of the decision-making process directed by Council at the January 12, 2021 meeting and to allow Council to provide any additional input and direction on that process. To assist the Council in providing this direction, staff is presenting the relevant information and community input that has been gathered to date. In addition, staff poses several questions that have been raised

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**Reviewed By:**

City Manager

BK

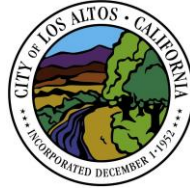
City Attorney

JH

Finance Director

JM

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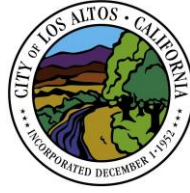
by the commissions, community, and staff on the future of the Halsey House that the City Council should consider as it sets in place a direction that establishes future actions.

Key points for Council consideration include:

- Policy decisions that establish a direction for the future of the Halsey House
- What key decision-making drivers should be considered?
- The need for additional structural and site conditions analysis and historic restoration expertise

**Staff Recommendation:**

Receive an update on the Halsey House building, site, historical and program information gathered and Commission recommendations and input to date, review this information and the questions raised, and then agree upon a specific course of action that will result in a final decision on the building's future. Furthermore, based on the number of policy considerations and questions staff has received from the commissions and community, staff recommends that Council direct staff to schedule a study session to allow Council and staff an opportunity to discuss this process in more detail. Council should also direct staff on any specific information or presentations Council would appreciate having as part of the study session discussion.



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### **Purpose**

To provide an update on the process for determining the future of the Halsey House that Council approved on January 12, 2021 and seek City Council direction regarding the process based on this update.

### **Background**

At the January 12, 2021 meeting, City Council “*directed staff to share the historical study conducted by (ARG) and any other past studies relative to Halsey House that has not yet been shared with Parks and Recreation Commission, Historical Commission and Financial Commission and work with the Commissions to formulate recommendations for Council on the direction they would like the Council to proceed relative to Halsey House, including such options of the options of renovation, partial renovation (adaptive reuse), demolition, partial demolition/ restoration (mothballing), and bring back all recommendations, if there is not a consensus of the recommendations by the Commission, to the Council for consideration by March 2021.*”

Staff presented its report and Council direction to the Parks and Recreation Commission (PARC) on February 10, 2021. Due to the volume of legislative meeting reports, Minutes, Agendas, staff reports, consultant studies relating to the Halsey House, a webpage was developed to gather all the information in one location on the City’s website, [www.losaltosca.gov/halseyhouselegislativehistory](http://www.losaltosca.gov/halseyhouselegislativehistory) .

In addition to the staff presentation, the Commission received over 40 written public comments, 11 public speakers, and two individual commissioner presentations. After much discussion, the Commission considered a motion for a full or substantial renovation of the Halsey House with the desire for additional information before making a final Commission recommendation. The requested information included the following:

- Historical assessment
- Engineering facts and/or clarification
- Cost of four options
- Legal obligation
- California Environmental Quality Act (CEQA) process
- Outreach to long-time and new residents
- Delisting process, criteria, and cost
- Funding options
- Programs that require a building

The motion failed and a second motion was made to simply forward the recommendation for either a full or substantial restoration of the Halsey House. The recommendation was favored by a three to two vote. Staff subsequently learned that the motion was not official. Per the Commission Handbook, an official action requires a majority vote: (four) of the entire Commission (seven seats), not just of those present. Based on a lack of motion and confusion surrounding the decision-making process,



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staff determined that it was necessary to return to the City Council for additional direction before proceeding further.

### **Discussion/Analysis**

While there were many varying opinions regarding the Halsey House expressed at the PARC meeting, several factors were clear:

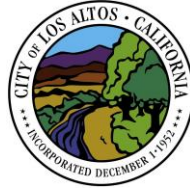
- Redwood Grove is a treasured resource and highly valued by members of the community.
- Past programming in the Halsey House and Redwood Grove is highly valued by members of the community.
- Making a decision on the Halsey House is a difficult task due to the many competing interests and the lack of a readily available source of funding.
- There is a desire for the City to be a good steward of a limited resource both from the historical integrity and fiscally responsible perspectives.
- The realization there is no one answer that will address all the desires and demands from the community.

Since 2008, there have been numerous public outreach efforts as well as commission and Council meetings attempting to address the future of the Halsey House structure with no clear, final decision being achieved. This has been complicated by trying to address competing policy, technical and funding issues simultaneously. While it is common practice to make policy decisions with sound technical and funding information, the challenge that has been faced in deciding the future of the Halsey House is that these issues are not mutually exclusive, each has some facet of the other embedded in it. Therefore, there are several different options available to the Council on how to proceed. One clear fact, however, is that while the City struggles to find an answer, the condition of the house has continued to deteriorate.

Therefore, the following areas need to be addressed:

- Council direction on policy related issues
- Agreeing upon what are the key decision-making drivers (historical, programming, funding, other) that should be considered and the relative importance each should be given in making a decision.
- The need for any additional technical information.
- The process for determining a future direction of the Halsey House and whether this includes further input from the commissions and/or the community.

As stated, there are several key policy related decisions that need to be made to establish a clear and agreed upon direction for the future of the Halsey House. Also as discussed above, there have been many questions raised by the commissions, community members, and staff during discussions on the future of the Halsey House. These questions will be presented and discussed at the conclusion of this report.



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### **Key Decision-Making Drivers**

In examining the history of the discussions held and issues raised as part of the deliberations over the future of the Halsey House, staff observed that there were some reoccurring subject areas that were discussed; these included 1) the historic value of the Halsey House, 2) was the recreation programming provided at the Redwood Grove dependent on having the Halsey House as a location, and 3) how much was the cost of each alternative and who would fund it. Staff also recognized that there was a clear connection between the future of the Halsey House and the community's perception and concerns for the future development and use of the Redwood Grove. Below are brief discussions of each of these "key drivers" as staff has identified and defined them.

**Historic Value/Integrity:** The Halsey House, constructed in 1923, was designated a Historic Landmark in May 1981. The Spanish Revival style residence was constructed for Theodore Vail Halsey and Emma Wright Halsey, early residents of Los Altos. Emma Wright Halsey planted dozens of redwood trees from the Santa Cruz Mountains on the property, creating what is today known as Redwood Grove. The property is significant for its association with the Halsey family, early Los Altos residents, and as a good local example of the Spanish Revival style of architecture popular in California during the early 20th century.

As outlined in the Los Altos General Plan, it is a goal of the City to preserve and enhance historic and cultural structures and resources within the community. To support that goal, the General Plan identified specific historic preservation policies:

- Ensure that the integrity of historic structures and the parcels on which they are located are preserved through the implementation of applicable design, building and fire codes.
- The City shall regard demolition of landmark and historic resources listed in the Historic Resources Inventory as a last resort. Demolition would be permitted only after the City determines that the resource has lost its physical integrity, retains no reasonable economic use, that demolition is necessary to protect health, safety, and welfare, or that demolition is necessary to proceed with a new project where the benefits of the new project outweigh the loss of the historic resource.
- Work with property owners to preserve historic resources within the community.

These goals and policies are implemented through the City's Historical Preservation Ordinance. The primary purpose of the Ordinance is to ensure the protection of irreplaceable historic resources, enhance visual character through architectural compatibility, and encourage appreciation and recognition of the City's past. Both the City's General Plan and Historic preservation ordinance call out the interest in and value of historic structures in Los Altos.

The proposal by the Architectural Resource Groups, included as an attachment to this report, was intended to provide additional information on the process, timeline and estimate the cost of the three potential treatment options: rehabilitation and adaptive reuse, full or partial demolition, and mothballing.



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The full or partial demolition scope of work would include an EIR with a potential historic resource evaluation to evaluate the potential “significant adverse effect” of demolition or partial demolition of a historic resource. The California Environmental Quality Act (CEQA) is California’s main legal protection for historic structures. Alterations to, or demolition of, a “historically significant” structure, must comply with CEQA. This is because making some alterations or the issuance of a demolition permit, which are normally a “ministerial” decision outside the purview of CEQA, are considered a “discretionary” decision when they could cause a “significant adverse effect” on a historic resource like the Halsey House. As of today, additional information and analysis would be required through the EIR process to determine if the Halsey House should maintain its local historic significance status or possibly be expanded to include registration on another list of historically significant structures or sites. This information from the ARG study would be helpful in addressing questions by some regarding the historical value integrity of Halsey House.

The rehabilitation and adaptive reuse alternative would procedurally include a Secretary of the Interior's Standards for Rehabilitation evaluation to assist with the long-term preservation of the property's significance through the preservation of historic materials and features. An effort to restore and preserve a historic structure in compliance with the Secretary of the Interior’s Standards is entitled to request a specific “categorical exemption” from CEQA. Use of any otherwise applicable CEQA categorical exemption is prohibited if demolition or alteration would cause a substantial adverse change in the significance of a historic resource.

The mothballing option would comply with the Preservation Brief 31: Mothballing Historic Buildings. An ARG study would use Brief 31 from the Nation Parks Services to outline the process to secure the historic building and its component features to reduce vandalism or break-ins. It would also provide adequate ventilation to the interior, and secure or modify utilities and mechanical systems. The study would include procedures for mothballing will also require developing and implementing a maintenance and monitoring plan for protection of the historic structure.

**Programming:** One of the key considerations discussed by the PARC was Redwood Grove programming and whether the Halsey House structure is necessary to offer environmental, nature-based, or other recreation programs. As noted earlier, programming in the Grove is highly desired and valued in the community. What level of programming should be offered, how it would be delivered (i.e., contractor and/or city staff), indoor/outdoor class/exhibit needs? These are just some of the complicated questions that arise in the discussion. Attachment 1 contains an outline of recreation programs currently being offered in the Grove and a listing of programs from the past, as well as program opportunities in the future. In staff’s professional opinion, the delivery of the desired programs is not dependent on the availability of the Halsey House, most if not all can be provided outdoors or in adjoining structures. However, it is undeniable that many members of the community have a deep emotional attachment to the Halsey House from their own experiences and that providing certain programs within or tied to the structure are enhanced from an historical perspective.





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**Funding:** Full or partial restoration of the Halsey House structure will require a significant amount of capital funding. If one of these options is selected as the desired outcome, funds will need to be identified. There are numerous projects that have been discussed as priority improvements in recent years, all of which compete for limited capital improvement dollars. During the annual budget process, the Council prioritizes how to use these limited dollars. Most recently, the Council has placed construction of an Emergency Operations Center as the top priority.

Should the City Council wish to use City dollars for this project, Halsey House will need to be prioritized among the other demands for these dollars. Should the Council wish to provide the community the opportunity to fund one of the options, the Council will need to set parameters around the process for community funding, including a specific time period for the securing of community funding, as past efforts have been unsuccessful.

**Other Possible Drivers:** Three key decision drivers have been identified above; however, there are other possible drivers to consider. These include annual maintenance and operating costs associated with any improvements; traffic and noise impacts on neighboring properties; increase usage of the park (Palo Alto's Foothills Park opening for example: "if you build it, they will come"); demand for access via Los Altos Hills.

A fundamental step in establishing a clear process for making a decision on the future of the Halsey House requires that the Council agree upon how much influence or significance these drivers will impact the decision-making process.

### **Decision-making Process**

Over the years, Council has referred the future of the Halsey House to the PARC, Historical, and Financial Commissions for consideration. Several reports and studies have been submitted to the commissions and to Council regarding the house, yet additional questions arise with each pass through of these advisory bodies. Often there is a blending of policy decisions, such as those noted above, with a desire to get specific technical questions answered (i.e., what is the condition of the roof?) or policy direction from the Council before a recommendation can be made.

At the February 10, 2021 PARC meeting, some of the commissioners were uncertain by what the Council was specifically requesting from them. Did Council desire the PARC's recommendation from the recreation perspective only or was it to include the historical perspective as well? Or, from the capital cost of restoration or operational perspective? What exactly were the limits, boundaries, and factors available to the Commission to be used in developing a recommendation?

Therefore, before proceeding further staff recommends Council decide on what specific policy issues need to be answered and decision-making drivers will be used and what additional technical information and commission/community input may be desired. Key decision points are as follows:



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1. Does the Council agree that the key decision-making drivers identified by staff are programming, historic value, and cost?
2. Of the three identified key drivers, which is the primary driver?
3. Does the Council believe that the Halsey House either fully or partially restored is essential to providing certain desired programs at the Redwood Grove that cannot be provided outdoors or in another existing structure?
4. Can a decision on the Halsey House be made without consideration of the whole park (Redwood Grove Preserve/Shoup Park) and its programming?
5. Does the Council feel that the historic value/integrity of the Halsey House needs to be further assessed?
6. In terms of cost/funding does the Council wish to evaluate the Halsey House in relation to other Council priorities?
7. Does the Council wish to consider individual proposals from private individuals?
8. If the Council desires the community to fund the preferred option, when would the funding need to be secured, given that the structure is rapidly deteriorating?
9. Does the Council agree with staff's recommendation to hire a consultant to provide additional structural and site conditions and historic restoration analysis? Is there any additional information the Council feels is needed to assist in deciding the future of the Halsey House? Attachment 2 contains the proposed scope of Services from the Architectural Resources Group (ARG).
10. What role should the commissions have in making a final decision? What issues/questions should they be asked? Are the issues/questions policy or technical in nature, or both?
11. Does the City Council desire any additional information or community input before a determination on a course of action for the Halsey House can be made?

### **Recommendation**

Receive an update on the Halsey House building, site, historical and program information gathered and Commission recommendations and input to date, review this information and the questions raised, and then agree upon a specific course of action to date that will result in a final decision on the building's future. Furthermore, based on the number of policy considerations and questions staff has received from the commissions and community, staff recommends that Council directs staff to schedule a study session to allow Council and staff an opportunity to discuss this process in more detail. Council should also direct staff on any specific information or presentations Council would appreciate having as part of the study session discussion.



## Redwood Grove - Previous Programs

- Nature Center
- Redwood Grove Nature Camp
- Nature Programs
- Yoga Classes
- Ohlone History Lectures Artifacts
- Building of Ohlone Shelters
- Boy and Girl Scout Merit Badge Programs
- Guitar classes
- Children's Birthday Parties
- Archery classes
- Rose pruning demonstrations & lectures
- Rose Garden
- Ceramics Studio by Pinetree Pottery
- Blacksmithing
- Survival Skills Classes
- Teen program



Classes were operated by a full-time contractor who was living onsite and served as a caretaker of the preserve.



## Pre-Pandemic Programs

- Redwood Grove Nature Camp
- Counselor In Training Program
- Archery Birthday Parties
- Archery Lessons
- The Underground Drop-in Teen program
- Adult/Yoga/Pilates Classes

## Potential Programs

- Nature programs for School-age Children
- Seasonal Nature/Ecological Classes/Camps including water conservation, creek habitat, Native American programming, history of Santa Clara Valley and Los Altos
- Scout Merit Badge Programs
- Photography Classes
- Yoga, Pilates/Tai Chi/Meditation
- Hiking
- Birdwatching
- Gardening and Ikebana





### Potential Programs (Continued)

- Mommy & Me park exploration classes
- Nature and environmental inspired art classes
- Music classes and family camp sing-a-longs
- Cooking classes
- Small events and rentals
- Seminars & lectures
- Ohlone education
- Bohemian Forest Festivals
- Creek Talks regarding the connection between the community and historic homes along the creek
- Apricot STEM Event
- Volunteer program
- Interpretive programs, exhibits and signage





## Potential Collaborations

Reached out to 18 different agencies to discuss future partnerships including the Los Altos History Museum, Grassroots Ecology, Hidden Villa, YMCA, Los Altos GreenTown and Foothill College.

Los Altos GreenTown class examples:

- Electrify Your Home
- Good Urban Planning
- Why People Drive
- Let's Bike
- Waste and Recycling
- Regenerative Agriculture
- Backyard Cover Cropping
- Plant-Based Eating
- Can Art Change our Environmental Consciousness?
- The Circular Economy
- Environmental Initiatives

Most partners are hesitant to enter into an agreement due existing COVID-19 Pandemic impacts.

There are fifteen (15) contract instructors that will be available to teach different classes at Redwood Grove when the pandemic is under control and the County Health Department allows in-person programming.



Architectural  
Resources Group

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San Francisco, California 94111

[argsf.com](http://argsf.com)

December 4, 2020

Sean K. Gallegos  
Associate Planner  
Community Development Department  
City of Los Altos  
Via email to [sgallegos@losaltosca.gov](mailto:sgallegos@losaltosca.gov)

RE: Halsey House RFP – Pricing and Feasibility Study

Dear Sean:

Architectural Resources Group (ARG) is pleased to submit this proposal for further study at the Halsey House. Based on our review of your RFP dated 11/2/2020 and our conference call on 11/19/20, we understand that you are interested in studying the process, time frame, and costs for 3 potential treatment options: rehabilitation and adaptive reuse, full or partial demolition, and mothballing. For each of those 3 options, we propose the following tasks:


- ARG will outline the scope of work necessary to complete the treatment option. For the rehabilitation option, this will follow the recommendations made in the Historic Structure Report (HSR), with some expanded site work recommendations. For the demolition and mothballing options, a recommended scope of work will be identified. Maintenance tasks will also be identified and priced, based on the rehabilitation and mothballing options.
- The scope of work for each option will be reviewed by a cost estimator, who will provide estimated pricing for each task. For the demolition option, which may have substantial bureaucratic or administrative costs, ARG will advise on a potential range of costs.
- A potential timeline for each option, including construction, will be outlined.
- We have included a budget for consultation with our preservation planning team. They will advise on the EIR process for the demolition option, propose potential mitigation measures, and can analyze any partial demolition or new design proposals for compliance with *The Secretary of the Interior's Standards*.
- A budget for meetings or participation in public hearings has been included.

The same ARG team that prepared the HSR will lead this effort, including myself as project manager and project architect. ARG has also added KPJ Consulting as cost estimator to complete our team. KPJ Consulting is a cost consulting firm based in Southern California, and we frequently work together on

similar, small historic preservation projects throughout California. The estimates will be broken down as much as possible to allow you to consider smaller projects or phasing options.

Our proposed fees are detailed on the following page, and total \$16,240. We anticipate being able to kick this project off as early as mid-December, with deliverables ready in late January, if a contract can be executed quickly. ARG would be thrilled to continue working with you on this important project and I would be happy to discuss any revisions or additions to this proposed scope of work.

Sincerely,



Lacey Bubnash, AIA  
Senior Associate





Architectural  
Resources Group

Halsey House Feasibility Study

Los Altos, California

Client: City of Los Altos

December 4, 2020

ARG Project No. 190326

Proposed Scope and Fee	Principal	Project Manager/Architect	Historian	Totals
Update code study and develop scopes of work		20		
Coordination with estimator		8		
Develop timelines and maintenance tasks		8		
Compile report	2	8		
Budget for meetings or public hearings	2	4	4	
Planning consultation budget - mitigation and SOIS analysis	4	4	24	
<b>Total Hours (Task 1)</b>	<b>8</b>	<b>32</b>	<b>28</b>	
<b>Rate/Hr.</b>	<b>\$230</b>	<b>\$155</b>	<b>\$155</b>	
<b>Subtotal Labor (Task 1)</b>	<b>\$1,840</b>	<b>\$4,960</b>	<b>\$4,340</b>	<b>\$11,140</b>
<b>Total, Labor</b>	<b>\$11,140</b>			
<b>Reimbursables* (estimated)</b>	<b>\$100</b>			
<b>Cost Estimator</b>	<b>\$5,000</b>			
<b>TOTAL</b>	<b>\$16,240</b>			

Notes

Any meetings not covered by the proposed scope will be billed hourly at the rates above.

Reimbursable expenses shall be billed based on the attached rate sheet.

Billing will occur monthly based on percentage of work completed.

\*Reimbursables may include, but are not limited to: communication, delivery, postage, copying, reproduction, travel, and research fees.



Architectural  
Resources Group

## STANDARD BILLING RATES

1. Direct personnel expense shall be billed at the following rates, including time for meetings, public meetings, and presentations:

Principal	\$220 to \$250/hour
Project Manager	\$150 to \$180/hour
Senior Architect	\$170 to \$200/hour
Senior Designer, Senior Historian/ Planner, or Senior Conservator	\$150 to \$170/hour
Architect	\$150 to \$170/hour
Designer, Historian/ Planner, or Conservator	\$130 to \$150/hour
Junior Architect, Junior Designer, Junior Historian/ Planner, or Junior Conservator	\$120 to \$130/hour
Intern	\$75 to \$100/hour
Administrative Staff	\$85/hour

2. Reimbursable Expenses shall be billed at cost plus 15% and shall include the following:
  - a. Reproduction costs such as printing or duplication of drawings, specifications, written reports, and cost estimates, etc.
  - b. Lodging, subsistence, and out-of-pocket expenses for authorized travel in connection with work.
  - c. Travel: (including local) IRS allowable rate plus tolls and parking, or cost of air travel.
  - d. Teleconference charges and database access charges.
  - e. Cost of models, special renderings, photography, special process printing, special printed reports or publications and maps.
  - f. Postage and delivery charges.
  - g. Professional consultants retained with client approval.
  - h. Specialized equipment rental (required by the project) and equipment fees.
3. Rates shall increase 5% each year until the project is completed.
4. Rates effective January 1, 2020 thru December 31, 2020.