

CULTURAL HERITAGE COMMITTEE AGENDA REPORT

SUBJECT: 1133 PISMO STREET (HIST-0211-2024) REVIEW OF A REQUEST TO ENTER INTO A HISTORICAL PROPERTY PRESERVATION CONTRACT (MILLS ACT) FOR THE MASTER LIST PROPERTY KNOWN AS THE “BRECHEEN HOUSE”

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APPLICANT: Christopher & Heidi Frago

RECOMMENDATION

Provide a recommendation to the City Council regarding a Mills Act Historic Property Contract between the City and the owners of property at 1133 Pismo Street, to encourage maintenance and restoration of the “Brecheen House”.

1.0 BACKGROUND

The owners of the Brecheen House at 1133 Pismo Street submitted an application to enter into a Mills Act historical property contract with the City (Attachment A). The Committee will make a recommendation to the City Council about the request, as provided in § 14.01.030 (B) (8) of the City’s Historical Preservation Ordinance.

2.0 DISCUSSION

Site and Setting

The property is located on the south side of Pismo Street, between Santa Rosa and Toro Streets, in the Old Town Historic District, and is developed with a single-family dwelling built around 1907. On November 15th, 2022, the City Council designated the property as a Master List Historic Resource (see Resolution No. 11372, Attachment B), because it is more than 50 years old, exhibits a high degree of integrity, and satisfies the Eligibility Criteria set out in the City’s Historic Preservation Ordinance (HPO), specifically Architectural Criteria for Style and Design (HPO §§ 14.01.070 (A) (1) & (A) (2)).

The Resolution described several of the characteristic features of the dwelling’s Neo-Classical Cottage style, including an asymmetric unenclosed porch with a single Tuscan column, a low-pitched bell-cast roof, and geometric fenestration design. A fuller description of the property, the “Brecheen House” (so named because of its association with Thomas Brecheen, teacher, principal, and Board of Education president, and his wife May Miller Brecheen), and its architectural style is provided in an evaluation of the property’s historical significance, prepared by James Papp, PhD (see Attachment C).

Mills Act Contracts

The Mills Act Program is a property tax reduction program for protection of cultural resources that encourages their maintenance and restoration (§ 3.6.2 of the General Plan Conservation and Open Space Element). Participation in the program is limited to Master List Resources; the most unique and important historic resources in terms of age, architectural or historical significance, rarity, or association with important persons or events in the City's past (HPO § 14.01.050 (A)).

The City and owners of a Master List Resource enter into an historical property contract under which the owners agree to restore, maintain, and protect the property in accordance with historical preservation standards. Owners may qualify for property tax relief, potentially realizing tax savings of between 40% and 60% per year. Contracts have a minimum term of ten years, and contain standard elements set out in the Mills Act (Govt. Code §§ 50280-50290), including: a provision for preservation (or, where necessary, restoration and rehabilitation) of the property in conformance with state historic preservation guidelines; periodic examination of the property for compliance with the contract; and a provision binding the contract upon successive owners. Automatic one-year extensions are provided, unless either party gives notice of non-renewal of the contract. On acceptance and recordation of the contract, the property is assessed using an "income approach" that values the property by an income capitalization method, following guidelines provided by the State Board of Equalization.

Proposed Improvements

Several improvements and maintenance items are identified by the applicant (Attachment D) for completion during the term of the proposed contract. All of the items discussed appear to be relevant to the preservation and maintenance of this property and are included in Exhibit A of the proposed draft contract (Attachment A). Additionally, any work undertaken on the property must, under the terms of the contract, be carried out in a manner consistent with the City's historical preservation standards and guidelines and with the Secretary of the Interior's Standards for Treatment of Historic Properties, so as to retain and preserve original, character-defining architectural features and the historical character of the property.

3.0 ENVIRONMENTAL REVIEW

Entering into a "Mills Act Contract" with the owners of historical property is not subject to the provisions of the California Environmental Quality Act (CEQA) because it is not a project as defined in CEQA Guidelines § 15378 (Definitions-Project). Implementation of the Mills Act is a government fiscal activity which does not involve commitment to any specific project resulting in a potentially significant physical impact on the environment (CEQA Guidelines § 15378 (b) (4)).

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4.0 ACTION ALTERNATIVES

1. Staff Recommendation: Recommend to the City Council that the City enter into a Mills Act historic property contract with the property owners, to encourage maintenance and restoration of the historic property at 1133 Pismo Street.
2. Continue consideration of the request with direction to the applicant and staff.
3. Recommend to the City Council that the City not enter into the proposed historical property contract. This action is not recommended because the City participates in incentive programs that encourage maintenance and restoration of historic properties, (General Plan Conservation and Open Space Element, Program 3.6.2), and as a Master List Resource, this property is eligible for this program.

5.0 ATTACHMENTS

- A - Historic Property Contract - Draft (1133 Pismo)
- B - Council Resolution No 11372
- C - Evaluation of Eligibility (1133 Pismo)
- D - Applicant Request Letter and List of Improvements (HIST-0211-2024)