

CULTURAL HERITAGE COMMITTEE AGENDA REPORT

SUBJECT: REVIEW OF A MILLS ACT HISTORICAL PROPERTY CONTRACT FOR 531 DANA STREET (THE DANA/BARNEBERG HOUSE)

PROJECT ADDRESS: 531 Dana Street

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FILE NUMBER: HIST-0572-2021

FROM: Brian Leveille, Senior Planner

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 531 Dana Street (Dana/Barneberg House).



Figure 1: The Dana/Barneberg House

1.0 BACKGROUND

The owner of the Dana/Barneberg House at 531 Dana Street (Figure 1) submitted an application to enter into a Mills Act historical property contract with the City. 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 SITE AND SETTING

The property is on the south side of Dana Street, about 400 feet west of Nipomo Street, in a Medium High Density Residential (R 3) Zone, within a residential section the Downtown Historic District characterized by single family dwellings. Several properties in the vicinity are included in the City's Inventory of Historic Resources. It is developed with the Dana/Barneberg House, a single-family dwelling originally constructed in the late 19th Century (from about 1887), on property across Dana Street (at 550), and moved to the subject site in 1914. The property (531 Dana) was designated as a "Master List Resource" by the City Council in June 2021 (by Resolution No. 11255).

3.0 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

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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.

4.0 PROPOSED IMPROVEMENTS

Several improvements and maintenance items are identified by the applicant (Attachment 1) 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 contract (Attachment 2). 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.

5.0 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 531 Dana 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.

6.0 ATTACHMENTS

A – Applicant Request Letter and List of Improvements (Aug 23, 2021)

B – Historic Property Contract (531 Dana – Draft)

C – Historic Background (531 Dana – from Applicant)