

CULTURAL HERITAGE COMMITTEE AGENDA REPORT

SUBJECT: 1116 PISMO STREET (HIST-0151-2025) REVIEW OF A REQUEST TO ENTER INTO A HISTORICAL PROPERTY PRESERVATION CONTRACT (MILLS ACT) FOR THE MASTER LIST PROPERTY KNOWN AS THE “VOLLMER 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 1116 Pismo Street, to encourage maintenance and restoration of the “Vollmer House”

1.0 BACKGROUND

The owners of the Vollmer House at 1116 Morro Street submitted an application to enter into a Mills Act historical property contract with the City (see Draft Agreement, 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 north side of Pismo Street, about 150 feet east of Santa Rosa Street, in the Old Town Historic District. It is developed with a two-story single-family dwelling, known as the Vollmer House (see Figure 1), built in 1912. The property was included in the Master Inventory of Historic Structures adopted in 1983 (Resolution No. 5197).



Figure 1: Vollmer House (1116 Pismo)

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The Historic Resources Inventory for the building (Attachment B) notes its architectural significance and several of the characteristic features of the dwelling's architectural style, described as "Bungaloid," such as its clapboard siding, medium-pitched roof, large dormer, and exposed rafters, brackets and purlins. The architect is noted as Charles McKenzie (Wolf and Wolf, San Jose) and H. R. Lyman as builder. Also noted is its association with Ernest and Marguerite Vollmer, partners in A. McAlister and Co., and owners of commercial property in the city, for whom the house was built (Inventory, pg. 2).

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 a 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 C) 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)).

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 1116 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 (1116 Pismo)
- B - Historical Resources Inventory (1116 Pismo)
- C - Applicant Request Letter and List of Improvements (HIST-0151-2025)