

HISTORIC RESOURCE COMMISSION  
MEETING MINUTES

Regular Meeting

September 7, 2011

The regular meeting of the Coronado Historic Resource Commission was called to order at 3 p.m., Wednesday, September 7, 2011, at the Coronado City Hall Council Chambers, 1825 Strand Way, Coronado, California, by Chairperson Ryan.

MEMBERS PRESENT: Crenshaw, Jones, McGowen, Ryan, St. Denis

MEMBERS ABSENT: None

STAFF PRESENT: Tricia Olsen, Associate Planner  
Ann McCaull, Senior Planner  
Martha L Alvarez, Recording Secretary, Minutes Preparer

CITY ATTORNEY: Lisa Foster

APPROVAL OF MINUTES

The minutes of August 3, 2011, were approved as submitted.

DIRECTOR'S REPORT

Ms. Olsen reported that written correspondence relating to item HAP 2011-07 (Mark and Julie Frahm) had been received by the City from residents Brian L Trotier, JD, and Judith M. Bambace, JD. The letter expressed concern about the setback variance being requested along their property line.

Ms. Olsen also reported that written correspondence relating to item HP 2011-03 (Mills Act program) had been received by the City from two residents: John Powell, 941 J Avenue and David E. Warrant D.D.S., 566 B Avenue.

Ms. Olsen then reported that the Commission has processed 110 historic designation applications; designated 134 homes; denied 8 nominations for designation; 10 nominations have been withdrawn; recorded 44 Mills Act agreements with 26 applicants on the waiting list and 2 applications submitted in 2011 (which have not been prioritized or placed on the waiting list); and reviewed 105 non-historic and 4 historic Notice of Intent to Demolish (NOI) applications.

ORAL COMMUNICATIONS AND OTHER MATTERS

There were no members of the public wishing to speak at this time.

Vice Chair St. Denis announced that at the City Council meeting of September 6, Mayor Tanaka proclaimed that September 2011 is "Celebrate the Arts" month. Ms. St. Denis said there are a number of free art events open to the public including Concert in the Park – Sep. 11, Open

Gallery Night – Sep. 16, Coronado Art Walk – Sept 17/18, Art in the Park – Sep. 18, the Art Happening – Sep. 26, and a Special Meeting of the City Council – Sep. 26.

Commissioner McGowen said she oversees the Coronado Art Walk, which will take place on Sep. 17 and 18, and is actively looking for persons to volunteer.

### PUBLIC HEARING

**HAP 2011-07 MARK AND JULIE FRAHM** – Preliminary review of a Historic Alteration Permit including zoning exceptions related to setbacks for the property addressed as 824 Adella Avenue and located in the R-1A (Single Family Residential) Zone.

Ms. Olsen introduced the staff report as outlined in the agenda.

Commissioner Crenshaw mentioned that the home located next door to the aforementioned property has been newly purchased and asked staff to ensure that the new property owners are noticed.

Ms. Olsen said notices are sent to property owners listed on the County Assessor's rolls. Notice to the new property owners would depend on the date they purchased their home. She said she would ensure that the property owners are noticed.

Vice Chair St. Denis asked about the second story rear yard setback.

Ms. Olsen said it is 20 percent of the lot depth, which is about 18 or 19 feet.

Vice Chair St. Denis asked why the preliminary review of the property was scheduled to be heard before the historic designation review.

Ms. Olsen said the reason the items were arranged in this order today was because requests were previously made by applicants to have the preliminary review heard before the historic designation review. She said that from the applicant's point of view, if their house is historically designated and the applicant is encumbered with the designation before the preliminary historic alteration permit review, the applicant's options are more limited. The applicants appreciate the Commission's feedback in order to determine if they wish to pursue historic designation.

Chairperson Ryan asked the City Attorney if discussion could take place about the order in which items are heard.

City Attorney Foster said discussion is inherent in the items that are being heard today. She said she is comfortable with the discussion being held within the agenda item.

Chairperson Ryan said he would prefer, in the future, that the historic designation review be heard first and the preliminary review of the property be heard second. He said he understands from an applicant's standpoint why they would want the preliminary review be conducted first.

Commissioner Crenshaw agreed with Vice Chair St. Denis about the order of the items, and requested that the items today be taken up in a different order.

Commissioner Jones said that after hearing staff's comments, she understands why the applicant would be concerned about being able to make changes to their home once their home is designated. Ms. Jones said it behooves the Commission to provide the applicant their feedback before the applicant makes a definite decision on designation. Ms. Jones said she feels the applicant deserves such a courtesy.

Chairperson Ryan asked staff on how to proceed with the items to be heard today.

Ms. Olsen reminded the Commission that the current item is open and in the process of being heard. She said she would take the Commission's comments into consideration when agendaing items in the future.

The applicant's representative, Christian Rice, project architect, provided an overview of the request and answered questions of the Commission.

Vice Chair St. Denis asked if the applicant is planning to re-use every window.

Mr. Rice said yes, for the most part, as there are some windows along the north side which are not worth saving and do not look like original windows. He said that all of the windows along the front façade will be kept, as well as the windows located along the two sides which are most visible from the Adella Avenue side.

Commissioner Jones asked why the windows along the north side are not worth saving.

Mr. Rice said that some windows appear to have been changed over time and not original to the structure. He said that only one or two windows will be removed.

Commissioner Crenshaw asked if the door will be re-used.

Mr. Rice said that the door, the casing around the door, and side lights will be re-used.

Commissioner Jones asked if the door, casing, and side lights are original to the house.

Mr. Rice said yes.

Vice Chair St. Denis asked if it is possible to preserve the front door assembly as it appears to be a challenging task.

Mr. Rice said two contractors looked at the house and they both seem confident that it could be relocated.

Vice Chair St. Denis asked if the doorbell could be saved because it is original looking.

Mr. Rice said that the doorbell is not presently visible from Adella Avenue but will be if he relocates it.

Chairperson Ryan said that as he looked at the design, there appears to be a distance of five feet from the backyard setback. He asked if some or all of it could be added into the garage addition thereby lessening the rear setback so that it doesn't have the effect that the neighbor has drawn to the Commission's attention.

Mr. Rice replied that it would not work very well because the galley kitchen and dining area are small and will be expanded. He said he would consider the suggestion; however, his understanding is that they are still within several feet of what could be done under current zoning.

Chairperson Ryan asked if Mr. Rice made a site visit to study sunlight issues for neighboring property owners.

Mr. Rice said they are only adding a few feet along the southern side. The neighbor's house is rather unique as well as it appears that the house is built to just a few feet from the rear property line, which would not be permitted today. Unfortunately, the property is designed with a courtyard that is located in the middle of the property and the zoning code does not make exceptions for a neighbor's property. The height of the applicant's house at 16 feet is very low relative to other two-story homes in Coronado, so a small extension of that would permit light into the courtyard.

Chairperson Ryan asked if reducing the expansion by 12 to 16 inches would help the sunlight issue.

Mr. Rice said he does not believe that a reduction of 12 inches would make a significant difference.

Vice Chair St. Denis asked if the garage could be moved back about four or five feet in order to be in compliance and to have less of an impact on the neighboring property.

Mr. Rice said this could be a consideration. He said he was trying to add a south-facing window on the new kitchen. If the rear façade is flat, it will not have the same articulation. Mr. Rice said the property owner spoke with the new buyer, who received the notice and the plans, and the neighbor communicated that she was fine with the suggested changes.

#### PUBLIC COMMENT

There were no members of the public wishing to speak at this time.

#### COMMISSION DISCUSSION

Vice Chair St. Denis said she read the letter from the neighboring property owner and visited the site. The neighbor's concern was having a five vs. a four foot setback. She asked if the master bedroom and garage could be moved back because part of the elevation happens to be a Herreshoff project. She also suggested leaving the entry door as is as it would be very respectful of the historic architecture.

Chairperson Ryan asked staff if design review was part of the process being considered at today's meeting, and if a vote was to be taken on this review.

Ms. Olsen said that the purpose of the preliminary review is to provide feedback to the applicant.

Commissioner Crenshaw commended Mr. Rice for working on such a uniquely-shaped lot as it appears to present such a challenge. She said she understood concerns by the neighboring property owners at 820 Adella Avenue; however, she does not feel that the applicant is responsible for the amount of sunlight in their neighbor's patio. She agreed that if the applicant adds an addition to the side of the house, it should not be at a different level than the existing setback. She agreed that moving the front door would make it asymmetrical.

Commissioner Jones said she likes the different elevations and the roof line. She agreed that adding a few feet along the southern side should not have a significant impact for the neighboring property owners as the property's height is less than most two-story houses. She said she did not have an issue with moving the entry doorway as she feels the Commission's intent is to save homes, keep them intact, save the design features, and work with the homeowner to make a small home more livable by adding square footage and adjusting the exterior appearance if necessary. Ms. Jones said she loves the simplicity of the home and she is pleased that the architect is sensitive to the integrity of the home.

Commissioner McGowen said she had a concern about whether it will be feasible to safely move the entry door and the fact that it will open directly into the living room.

Vice Chair St. Denis expressed concern about the integrity and symmetry of the front elevation, especially with the change to the location of the front door.

Mr. Rice said the challenge of this design is that the front window leads into the stair vestibule. The decision to shift the front door design is to try to maintain as much of the rear yard, which is the primary living space for the house as there is no fence or wall in the front yard. He said they considered the design in keeping the front entry door as is, but the garage door was very close to the corner of the front door and it does not feel like a very good adjacency. Therefore, by adding one window, it provides the potential for landscape and a cushion between the garage and the front door.

Vice Chair St. Denis said she agreed that relocating the front door was a good idea; however, she suggested that it be moved in such a way as to be more symmetrical.

#### COMMISSION ACTION

NO ACTION TAKEN ON THIS ITEM.

Total deliberation time: 42 minutes.

**HR 2011-03**    **MARK AND JULIE FRAHM** – Request for Historic Designation of the Single Family Residence addressed as 824 Adella Avenue and located in the R-1A (Single Family Residential) Zone.

Ms. Olsen introduced the staff report as outlined in the agenda.

Commissioner Jones asked if other Herreshoff homes in Coronado had been demolished.

Mr. Rice said he was not aware of any homes.

Ms. Olsen said she did not know of any homes either.

#### PUBLIC COMMENT

There were no members of the public wishing to speak at this time.

#### COMMISSION DISCUSSION

Commissioner Crenshaw said this house will be a phenomenal part of our historical homes.

Commissioners Jones and St. Denis agreed.

#### COMMISSION ACTION

CHAIRPERSON CRENSHAW MADE A MOTION THAT THE HISTORIC RESOURCE COMMISSION WOULD CONSIDER 824 ADELLA AVENUE TO BE A HISTORICALLY SIGNIFICANT PROPERTY AND WOULD APPROVE A REQUEST FOR HISTORIC DESIGNATION, IF REQUESTED, WITH THE ADOPTION OF A RESOLUTION STATING THE FOLLOWING REASONS:

- A) IT DOES NOT EXEMPLIFY OR REFLECT SPECIAL ELEMENTS OF THE CITY'S MILITARY, CULTURAL, SOCIAL, ECONOMIC, POLITICAL, ENGINEERING, OR ARCHITECTURAL HISTORY;
- B) IT IS IDENTIFIED WITH CHARLES FREDERICK HERRESHOFF, A PERSON SIGNIFICANT IN LOCAL, STATE, AND NATIONAL HISTORY;
- C) IT IS ONE OF THE FEW REMAINING EXAMPLES IN THE CITY POSSESSING DISTINCTIVE CHARACTERISTICS OF THE ITALIANATE ARCHITECTURAL STYLE, AND IS VALUABLE FOR THE STUDY OF A TYPE, PERIOD, OR METHOD OF CONSTRUCTION AND HAS NOT BEEN SUBSTANTIALLY ALTERED;
- D) IT IS REPRESENTATIVE OF THE NOTABLE WORK OF AN ARCHITECT, CHARLES FREDERICK HERRESHOFF;
- E) IT DOES NOT MEET THE STATE PROGRAM OF LANDMARKS AND POINTS OF HISTORICAL INTEREST AS SET FORTH IN SECTION 5024.1 OF THE CALIFORNIA PUBLIC RESOURCES CODE.

VICE CHAIR ST. DENIS SECONDED THE MOTION.

AYES: Crenshaw, Jones, McGowen, Ryan, St. Denis.  
NAYS: None.  
ABSENT: None.  
ABSTAIN: None.

The motion passed with a vote of 5-0.

There is a 10-day appeal period.

Total deliberation time: 13 minutes.

**HP 2011-03** **CITY OF CORONADO** – Consideration of a change to the Mills Act program to negotiate the property tax benefit of each new Mills Act Agreement in order to reduce the Mills Act Agreement waiting list (continued from August 3, 2011).

Ms. Olsen introduced the staff report as outlined in the agenda.

Vice Chair St. Denis asked if the property owner determines the rental value.

Ms. Olsen said that traditionally yes, when the property owner submits a Mills Act application, the owner provides the City with certain information, e.g. monthly expenses, list of improvements, and estimated monthly rental value. She said that in the past year or so, the owners have had real estate agents estimate their rental value and look into neighboring properties that are similar to estimate a more realistic value. Ms. Olsen said that staff has obtained, within the past month, comparative rental values for all of the properties on the waiting list from three different companies in order to provide a more accurate rental estimate. She said that the City provides the County Assessor with a rental value, and they calculate the Mills Act valuation. If the City Council were to impose the 50 percent property tax savings, the City would then calculate the negotiated rental value in order to achieve the 50 percent property tax savings. This is the only formula that the Board of Equalization provides in order to adjust the Mills Act formula in terms of setting the maximum amount of benefit.

Commissioner Jones said the current listed values of the Mills Act homes reflect estimates based on today's values as opposed to 10 or 12 years from today.

Ms. Olsen said the current listed values reflect assessed values from the current tax rolls.

Vice Chair St. Denis asked if the values remain the same for the life of the Mills Act, or if the values are reassessed every certain number of years.

Ms. Olsen replied that the values can change over time, e.g. if the property is sold or if a modification/addition is made to the home.

Commissioner McGowen asked if changes to the methodology would apply to the homes that have already been given the Mills Act.

Ms. Olsen said City Council specifically addressed the waiting list issue. The aforementioned issue was not considered as part of what the City Council directed the Commission to do.

Commissioner McGowen asked how the two issues could be separated.

City Attorney Foster stated that one group has certain contract rights that cannot be impaired so those arrangements must be left in place.

### PUBLIC COMMENT

Suzy Vetter thanked staff for checking the tax records as she felt it made a significant difference in the calculations. Ms. Vetter asked about the schedule of approval dates for the Mills Act waiting list and the begin date for these timelines.

Ms. Olsen replied that the waiting list provides an estimate of the length of time it will take from today to approve the properties on the waiting. She clarified that Year 1 would be the estimated approval date for this year.

Ms. Vetter asked if the fiscal cap is currently \$15,000.

Ms. Olsen said yes.

Virginia Turpit asked if the order of the current list is based on the reformulation of points established in 2007, or is it based on the application submittal date.

Ms. Olsen replied that the waiting list is in the order that the Commission originally prioritized the applications. Subsequent applications were prioritized within the same group but were not added into the original group as there was a cut-off at some point. She replied that Ms. Turpit's property, as listed, has not changed positions.

Ms. Turpit asked if the Mills Act program has a lifespan of 10 years.

Ms. Olsen said that the Mills Act is a 10-year agreement that is renewed annually.

Ms. Turpit asked for clarification on the methodology percentage applied to property owners who currently have a Mills Act agreement.

Chairperson Ryan said that property owners who currently have a Mills Act agreement are on a perpetuity basis, whereas property owners who do not have a Mills Act agreement are potentially subject to a different methodology percentage. The final determination on the methodology percentage will be determined by the City Council.

Dave Gillingham said that the Mills Act program should be an incentive for historic preservation. He said there should be a commensurate incentive for property owners who modify their historic homes. He felt that a 4 to 5 year time schedule for approval of homes is not much of an incentive. He encouraged the Commission to recommend to City Council an improved process. Mr. Gillingham suggested one way to improve the process is to increase the fiscal cap. He also asked the Commission to recommend to the City Council that the subtitle on

the Mills Act Waiting List Estimated Approval Schedule be changed from Rent Controlled Methodology to Rental Value Methodology.

Tom Angioletti said that at the August 3 meeting, he expressed concern regarding the potential negotiation process on an individual basis for the Mills Act tax benefit. He thanked the Commission for the information provided today and said he feels better informed. He also acknowledged that despite his earlier statement, he did in fact receive notification of the status of his property.

Molly Coumes said it is her understanding that the turnover for property owner compensation for the Mills Act waiting list in San Diego is far greater than in Coronado.

### COMMISSION DISCUSSION

Chairperson Ryan said the Commission has a time constraint on this item and the fiscal cap is imposing a decision from the Commission. At his request, he was advised by staff that the tax income to the City of Coronado was \$8 million dollars when the Historic Resource Commission was first formed in 2000. Ten years later, the income is \$20 million. Therefore, the property tax income increased nearly 10 percent annually, and he expects it will continue to grow. He said that the Commission has met in joint session with the City Council to discuss the “halo” effect—the fact that the Commission is preserving Coronado’s history, which affects people’s decision to live in Coronado. He asked for a show of hands by the Commission to determine which members support the change from the current 100 percent methodology to the 50 percent methodology. Mr. Ryan said that if the 50 percent methodology were approved, he would recommend that all current applications be approved within two years, and that approval move forward based on tiers.

Commissioner Crenshaw disagreed with members showing their support with a show of hands, as she feels there are many other options to consider in making the Mills Act process more appeasable. She said that the applicants who prefer to keep the methodology at 100 percent are those applicants who will be far more affected by the results of the change. She felt that support should be given to this group. She then said that the applicants least affected by the change most likely have no preference either way. Ms. Crenshaw did not feel that it is possible to communicate to property owners who have waited in good faith that the methodology will be changed. She did not support this action. She said she was comfortable with supporting those applicants who wish to stay on the waiting list and who are aware that a certain recommendation will apply to them. She summarized that she supports keeping the 100 percent methodology as it currently is; however, if a change is to be made, she suggested that the new methodology apply only to those applicants who have not submitted a Mills Act agreement application as of October 4, 2011 (City Council meeting date for review of this item).

Vice Chair St. Denis agreed with Commissioner Crenshaw’s comments. She said that based on the public comments at the August 3 meeting, it appears that concern was focused more on changing the methodology yet again and not necessarily on the idea of reducing the methodology to 50 percent. Ms. St. Denis said that the previous changes have not been well received by the public with regard to preservation goals. She felt that the Commission may be “throwing the baby out with the bath water” when instead the change should start at this time and should include receiving Mills Act funding with a maximum 50 percent tax savings, which is

significant.

Commissioner McGowen asked about the Percentage Saved column listed on the Owner Savings by Methodology. She asked if the reason some of the percentages are significantly higher than others is perhaps because the property was recently sold and the basis is higher.

Ms. Olsen yes. Another reason may be that some properties have a blended valuation in that there are additions to the property that are not included in the Mills Act benefit which explains a few anomalies on the list.

Commissioner McGowen agreed with Commissioner Crenshaw's comments and suggested that the fiscal cap could be raised, even if it is only to raise it for a certain period of time, e.g. next five years, in order to apply a formula that will speed up the process for the applicants currently on the list. She also suggested language may be included in the recommendation such as "not to exceed the current percentage savings."

Ms. Olsen said there are no current percentage savings at this time—it is a range.

Commissioner McGowen clarified that the recommended language could then be "not to exceed a set percentage." It would be a combination of Commissioner Crenshaw's suggestion and a very distinctly increased cap for a specific period of time, and a recommendation that the percentage saved not exceed a certain amount, even in the certain period of time.

Chairperson Ryan agreed and said that low impact properties on the waiting list should be recommended for approval to the City Council.

Commissioner Jones stated that she supports the 50 percent methodology. With regard to those applicants currently on the waiting list, she finds it difficult to support changing the methodology because they have been on the waiting list for such a long period of time.

Vice Chair St. Denis said that for the last two years, City Council has significantly exceeded the fiscal cap, approving 14 homes in the last two years. She feels that City Council has a desire to approve homes when it is fiscally responsible.

Chairperson Ryan said it appeared the Commission would like to recommend to the City Council that the current 100 percent methodology remain as-is for those property owners who have already been approved for the Mills Act; that all future applicants not yet approved for Mills Act be funded at the 50 percent methodology; and that suggestions be given to City Council regarding program improvements, e.g. raise the fiscal cap, approve immediately those properties that have less than \$1000 per year impact.

Commissioner St. Denis disagreed with the last suggestion because she noted that if a property owner should die, the children may sell the designated historic resource.

Commissioner Crenshaw said she was interested in Commissioner McGowen's suggestion in not exceeding a set percentage, and asked if this was possible.

Ms. Olsen said it would be essentially the same idea as setting a maximum 50 percent property tax savings, it would only be set it at a different percentage. She suggested, for example, that the Commission may want to recommend that it does not agree with the 50 percent rental value methodology but does agree with a 75 percent rental value methodology.

Commissioner McGowen said that if City Council raises the fiscal cap from \$15,000 to \$40,000 for the next five years, the task could be accomplished.

Ms. Olsen said it sounded about right.

Chairperson Ryan said City Council could accomplish the task in one year if they desired; however, City Council has requested that the Commission provide feedback on the issue.

Commissioner McGowen again suggested that the Commission recommend raising the fiscal cap in such a way that every property owner on the list could be approved within five years.

Vice Chair St. Denis said this could also be accomplished if City Council continued to approve seven properties per year as they have previously done. After that, the remaining properties could be funded at the 50 percent methodology.

Ms. Olsen added that if City Council approved seven properties per year for the next four years, the task would be accomplished.

Vice Chair St. Denis agreed.

Commissioner McGowen suggested not specifically requesting that seven properties per year be approved but instead setting a dollar amount.

Vice St. Denis suggested requesting to City Council that all properties be approved in four years.

Commissioner Jones agreed with Commissioner McGowen that a dollar amount should be requested.

Chairperson Ryan reminded the Commission that City Council will also need to be sensitive to public comment.

### COMMISSION ACTION

CHAIRPERSON RYAN MADE A MOTION TO RECOMMEND TO CITY COUNCIL THAT ALL CURRENT WAITING LIST APPLICATIONS WILL BE FUNDED AT THE PRESENT RATE USING THE PRESENT METHODOLOGY AND THAT ALL CURRENT APPLICATIONS BE APPROVED WITHIN FOUR FISCAL YEARS. IN ADDITION, ALL FUTURE APPLICATIONS RECEIVED BY THE CITY WILL BE FUNDED USING THE 50 PERCENT METHODOLOGY.

COMMISSIONER CRENSHAW SECONDED THE MOTION.

AYES: Crenshaw, Jones, McGowen, Ryan, St. Denis.  
NAYS: None.  
ABSENT: None.  
ABSTAIN: None.

The motion passed with a vote of 5-0.

There is a 10-day appeal period.

Total deliberation time: 1 hour, 2 minutes.

### ADJOURNMENT

There being no further business, the meeting was adjourned at 4:57 p.m.

---

Rachel A. Hurst, Director of Community Development,  
Redevelopment & Housing Services