

Attachment 1

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Draft Resolution
Before the Historic Resources Review Board in and for the
County of Monterey, State of California

In the matter of the application of:

MENDOZA MICHAEL & LEAH (PLN220167)

RESOLUTION NO. 22-XXX

Resolution by the Monterey County Historic Resources Review Board (HRRB) recommending that the Board of Supervisors:

- 1) Grant an exception to the property value limit for historic property contracts established in Monterey County Code section 18.28.040.C.; and
- 2) Approve a Mills Act Contract Application for the property at 6 Miramonte Road, Carmel Valley (aka the Hayward House).

[Assessor's Parcel Number 187-081-006-000.]

WHEREAS, Michael and Leah Mendoza applied for a Mills Act Contract (PLN220167) to obtain preferential property tax assessment in exchange for restrictions on the property to help preserve, restore and/or maintain the home onsite; and

WHEREAS, this matter was heard by the Historic Resources Review Board (HRRB) of the County of Monterey on September 1, 2022, pursuant to the regulations contained in Chapter 18.28 (The Mills Act Program for Monterey County) of the Monterey County Code; and

WHEREAS, the Hayward house is eligible for listing on the Monterey County Register of Historic Resources, the Local Official Register of Historic Resources at the level of local significance under California Register Criteria 2 for its association with prominent Central California lumberman Homer M. Hayward; and California Register Criteria 3 as the last residential design of master architect William "Will" Shaw, FAIA; and

WHEREAS, at their June 2, 2022, meeting the HRRB adopted a resolution recommending that the Board of Supervisors add the home to the Monterey County Register of Historic Resources Resolution No. 22-006); and

WHEREAS, the Board of Supervisors would consider the listing as a pre-requisite for consideration of the Mills Act Contract Application; and

WHEREAS, should it be listed, the Hayward house will qualify as a Historic Property for the purposes of Chapter 18.28 (The Mills Act Program); and

WHEREAS, the home has been appraised at \$5,000,000, above the \$3,000,000 value eligibility cap for residential properties established under Monterey County Code Section 18.28.040.C; and

WHEREAS, an exception to this value limitation can be met if the following criteria are met:

1. The site, building, object, or structure is a particularly important resource such as the last or only example of its kind, and it represents an exceptional example of an architectural style, the work of a master, or is associated with the lives of significant persons or events important to history; and
2. The historical property contract will result in the preservation of a site, building, object, or structure whose significance as a historical resource would otherwise be at immediate risk of substantial adverse change. A substantial adverse change in the significance of the historical resource means the physical demolition, destruction, relocation, or alteration of the resource or its immediate surroundings such that the significance of the resource would be materially impaired; and
3. The exception is warranted due to one or more of the following additional factors:
 - a. The resource is highly visible to the public;
 - b. The difference between the current property tax obligation for the property and the estimated property tax obligation under the Mills Act is within the same range as the expected estimated lost property taxes from historic property contracts for properties meeting the valuation limit;
 - c. The work program proposes to provide for critical improvements immediately necessary to preserve the resource, and it provides for the best and most efficient use of the expected property tax savings; or
 - d. Approval of the contract would generate heritage tourism, affordable housing, or similar public benefits; and

WHEREAS, in regard to: Criteria 1 The home is associated with the lives of significant persons to Monterey County and is the last residential design of a master architect. The home is the last residential design of William Shaw, FAIA, a master architect remembered as a steward for environmental protection of the central coast. The home is also associated with prominent central California lumberman Homer M. Hayward. The Hayward Lumber company is one of the oldest businesses in Monterey County, being owned by the family since 1919. Homer M. Hayward assumed management of the company after World War 2, and during his management it became the leading supplier of lumber and building materials on the central coast. He was also a community leader, being the youngest individual to serve on the Salinas City Council at 28, served on the Salinas Planning Commission, was the Chairman of the Monterey County Housing Authority, President of Lumber Merchants Association, and Chair of the National Lumberman's Research Council; and

WHEREAS, in regard to Criteria 2: The approval of the Mills Act Contract would protect the property from risk of substantial adverse change resulting potential future additions which are insensitive to the sites historically defining characteristics or re-development of the site. No new structures, major additions, or demolition are presently planned from the property. Nevertheless, as identified in the 2020-2021 Certified Local Government Report to State Parks reviewed by the HRRB, loss of historic resources due to demolitions and insensitive remodels are one of the

County's most critical preservation planning issues. Granting of the Mills Act Contract creates an economic incentive for the owner of the property to maintain its historically defining characteristics, and the provisions of historic property contracts listed in MCC 18.28 require the property owner to agree to do so over a minimum of 10 years and submit annual progress reports; and

WHEREAS, in regard to Criteria 3, the exception is warranted as approval of the contract would generate the opportunity for heritage tourism. As indicated in Ken Seavey's letter dated July 27, 2022, there are several significant historic homes in the adjacent Rancheria subdivision, designed by well known and regarded architects such as William Wurster, Pierre Koenig, Joseph Eichler, Marel Sedlezky, George Brook-Kathlow and Mickey Muennig, many of which are listed in Monterey Bay Chapter of the American Institute of Architects 2008 "A Guide to Contemporary Architecture of the Monterey Bay Region 1947-2008". The Historic Property Contract would include a provision requiring that the property be available for future tours; and

WHEREAS, the property's Proposition 13 assessed value is \$3,889,886, and its most recent tax bill was \$41,174/year. The Mills Act would cap the assessed value at \$1,501,538, meaning that estimated property taxes would be \$15,015/year, resulting in an approximate tax savings of \$26,159 annually; and

WHEREAS, a 10-year rehabilitation and maintenance plan was submitted which describes how the property tax savings will be used in the preservation of the home. The work plan provides for \$631,000 rehabilitation of the home, accessory structures, and site consisting of: re-roofing with a solar roof; gutter replacement; appliance replacement; exterior painting; wood replacement in the trellis and carport; restoration of exterior gates; stripping of interior paint and resurfacing underlying wood to match original finish; crawl space ventilation improvements; skylight replacement; electrical upgrades and re-sealing the concrete of the pool; upgrading the lighting of the existing fountain; and replacing non-native plants with native landscaping. \$65,000 anticipated for remodeling the exterior sport court were not included in this figure; and

WHEREAS, at the conclusion of the hearing, the matter was submitted to the HRRB for a recommendation. Having considered all the written and documentary information submitted, oral testimony, and other evidence presented before the HRRB, the HRRB rendered its decision to adopt findings and evidence to recommend that the property be listed on the Monterey County Register of Historic Resources, subject to the following findings:

Finding: The requested value cap exception meets the criteria established in Monterey County Code Section 18.28.080.B.

Finding: The Hayward house at 6 Miramonte Road, Carmel Valley (Assessor's Parcel Number 187-081-006-000) shall be eligible for a Mills Act Contract should the Board of Supervisors add it to the Monterey County Register of Historic Resources and grant the exception to the value cap limitation for historic property contracts.

Evidence:

1. Procedures and Criteria for listing contained in Chapter 18.25 of the Monterey County Code;

2. The Mills Act Program contained in Chapter 18.28 of the Monterey County Code;
3. Mills Act Application materials, including application forms, photographs, tax savings worksheet, 10-year maintenance and rehabilitation plan, and property appraisal in HCD-Planning file PLN220167;
4. Value Cap Exception Letters written by Kent L. Seavey dated July 27 and July 27th, 2022;
5. Phase I Historic Assessment prepared by Kent L. Seavey;
6. Site Plan (from HCD-Planning File No. 180225)
7. HRRB Resolution No. 22-006; and
8. Oral testimony and HRRB discussion during the public hearing and the administrative record.

NOW, THEREFORE, BE IT RESOLVED THAT, based on the above findings and evidence the Historic Resources Review Board does hereby recommend that the Board of Supervisors:

- 1) Grant an exception to the property value limit for historic property contracts established in Monterey County Code section 18.28.040.C.; and
- 2) Approve a Mills Act Contract Application for the property at 6 Miramonte Road, Carmel Valley (aka the Hayward House).

Passed and adopted on this **1st day of September, 2022**, upon motion of _____, seconded by _____, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Attest
Philip Angelo, Secretary
September 1, 2022