

Exhibit A

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DRAFT RESOLUTION

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

Resolution No. 24-XXX

PLN240184 - YEUNG GABRIEL M TR

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

- 1) Determine that the property at 62 Yankee Point does not qualify for a Historic Property (Mills Act) Contract; and
- 2) Find that determining the property doesn't qualify for such a contract would be statutorily exempt from CEQA pursuant to CEQA Guidelines section 15720.

WHEREAS, this matter was heard by the Historic Resources Review Board (HRRB) of the County of Monterey on October 3, 2024, pursuant to the regulations for the Mills Act Program contained in Chapter 18.28 of the Monterey County Code.

WHEREAS, 62 Yankee Point Drive, Carmel (Assessor's Parcel Number 243-152-005-000), which contains the "June Haas House".

WHEREAS, on June 21, 2024, Tai Tang of Studio Schicketanz representing property owner Gabriel Yeung, trustee of the Gabriel Yeung living trust filed an application for a Historic Property (Mills Act) contract.

WHEREAS, the "June Haas House" is listed on the Monterey County Register of historic resources (Board of Supervisors Resolution No. 23-454, HCD-Planning File No. REF230016).

WHEREAS, the property is significant under the California Register of Historic Resources Criterion 2, "*Associated with the lives of persons important to local, California or national history*" for its association with the noted architect Mark Mills and under the California Register of Historic Resources Criterion 3, "*Embodies the distinctive characteristics of a type, period, region or method of construction or represents the work of a master or possesses high artistic values*".

WHEREAS, to be eligible for a Historic Property (Mills Act) contract, five criteria detailed in Monterey County Code (MCC) section 18.28.080.A must be met.

WHEREAS, based on the property's 2023 – 2024 tax bill, the Proposition 13 assessed value of the property is \$2,916,189 while the total tax obligation for that year was \$30,694.66. The estimated property taxes based on the Mills Act tax savings worksheet are \$583.42, resulting in an approximate tax savings (or loss of revenue) of \$30,111.24. Over a period of 10 years this would be a savings of \$301,112.40 dollars.

WHEREAS, the application does not meet criteria 18.28.080.A.4, "*The fair market value of the property that is the subject of the application is equal to or less than the valuation limits set forth*

in Section 18.28.040.C of this Chapter, unless an exception has been granted pursuant to this Chapter.” A uniform residential appraisal was prepared by Sandra Cimo of S.A.C Appraisal Service, State Certification No. AR005902, which concluded that the fair market value of the property is \$5,200,000, \$2,200,000 over the value cap limitation for residential properties of \$3,000,000 dollars.

WHEREAS, the applicants agent submitted a request for an exception to this value cap limitation in accordance with MCC section 18.28.060.C.

WHEREAS, to grant this value cap exception, all three exception criteria in MCC section 18.28.080.B shall be met.

WHEREAS, exception criteria 18.28.080.B.2 cannot be met, *“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”*. The residence has a high degree of physical integrity as discussed in the historical report prepared for the property (HCD-Planning File No. LIB220321). It doesn’t appear to be at immediate risk of adverse change without the approval of the Mills Act contract, and the applicants are pursuing the construction of new detached structures, a remodel of the residence, and site improvements (HCD-Planning File No. PLN210268).

WHEREAS, in weighing the circumstances of the applications to grant an exception under the criteria 18.28.080.B.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,”* there are insufficient additional factors necessary to grant the application, as detailed in the subsequent recitals.

WHEREAS, the property only has limited visibility from the public right way. The large lancet shaped windows and large rounded doors, both character defining features, are not visible from the right of way.

WHEREAS, the heritage tourism benefit of allowing a tour once annually would be a limited public benefit disproportionate to the cost of granting the value cap exception. There is some potential benefit, but the utilization of public access conditions for previous Mills Act contracts has been extremely limited.

WHEREAS, the granting of the value cap exception would create a fiscal impact

disproportionate to the impact of those properties that are within the value cap, resulting in lost property taxes. Property tax revenues are distributed with approximately 61% going to schools, 16% to special districts, 15% to Monterey County, and 8% to redevelopment successor agencies. Based on County assessor's data for the 2023-2024 fiscal year, the average tax savings for the nine properties under a Mills Act contract and within the value cap in the same year was \$15,949. Approval of this contract would result in an estimated tax savings to the property owner of \$30,111.24 annually. This contract would result in property tax reductions of \$14,162.24 (or 89%) more than the average for properties under the value cap.

WHEREAS, the overall unrealized property tax revenues due to the Mills Act program in 2023 was approximately \$317,459 annually. Of that, four properties were over the value cap, and these four properties account for \$218,243 of that amount, while the other nine properties under the value cap accounted for \$99,215 annually. Based on the estimates of that year, the most valuable 31% percent of properties were receiving 69% of the benefits of the program.

WHEREAS, based on the property's 2023 – 2024 tax bill, the Proposition 13 assessed value of the property \$2,916,189 while the total tax obligation for that year was \$30,694.66. The estimated property taxes based on the Mills Act tax savings worksheet are \$583.42, resulting in an approximate tax savings (or loss of revenue) of \$30,111.24. Over a period of 10 years this would be a savings of \$301,112.40 dollars for the property owner and unrealized property tax revenue for public services.

WHEREAS, CEQA Guidelines section 15720 statutorily exempts applications that an agency disapproves or rejects, which would apply to the Chief of Planning making a determination that the project does not qualify for a Historic Property (Mills Act) contract.

THEREFORE, BE IT RESOLVED, that having considered all the written and documentary information submitted, oral testimony, and other evidence presented before the HRRB, the HRRB recommends that the Chief of Planning determine the property at 62 Yankee Point does not qualify for a Historic Property (Mills Act) Contract, and adopts the following findings, supported by the listed evidence:

Finding: The property is not eligible for a Historic Property (Mills Act) contract as it exceeds the value cap limitation criteria in Monterey County Code section 18.28.080.A.4.

Finding: The property does not qualify for an exception to the value cap limitation as it does not meet the criteria in Monterey County Code sections 18.28.080.B.2 and 18.28.080.B.3 required to grant an exception to it.

Finding: A determination that the project does not qualify for a historic property (Mills Act) contract is statutorily exempt from CEQA pursuant to CEQA Guidelines section 15270.

Supporting Evidence:

1. Application materials in the file PLN240184, including the tax savings estimate;
2. Uniform residential appraisal prepared by Sandra Cimo of S.A.C Appraisal Service, State Certification No. AR005902;

3. 2023-2024 fiscal year assessments of the base year and mills act valuations for properties under Mills Act contracts in 2023;
4. Estimated tax savings from HCD-Planning files PLN230067 and PLN230088;
5. The Mills Act Program contained in Chapter 18.28 of the Monterey County Code;
6. The Preservation of Historic Resources Code in Chapter 18.25 of the Monterey County Code;
7. The phase I historic assessment prepared for the property by Kent L. Seavey (HCD-Planning File No. LIB220321);
8. The historic register listing for the property, Board of Supervisors Resolution No. 23-454, (HCD-Planning File No. REF2300162);
9. Oral testimony and HRRB discussion during the public hearing and the administrative record;
10. County staff site visits and photos from September 29, 2022 and October 3, 2023;
11. HCD-Planning File No. PLN210268; and
12. CEQA Guidelines section 15270.

Passed and adopted on this **3rd day of October, 2024**, upon motion of _____, seconded by _____, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Attest

Philip Angelo, HRRB Secretary
October 3rd, 2024