



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: 21-1049, **Version:** 1

Public hearing to consider:

- a. Approving a Historic Property Contract (Mills Act Contract) with property owner Jason Peltier, for the property located at 2852 Forest Lodge Road, Pebble Beach, CA; and
- b. Authorizing the Chair of the Board of Supervisors to execute the Contract.

[PLN200177 - Jason Peltier 2852 Forest Lodge Road, Pebble Beach, CA (APN: 007-192-009-000)]

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve a Historic Property Contract (Mills Act Contract) with property owner Jason Peltier, for the property located at 2852 Forest Lodge Road, Pebble Beach CA; and
- b. Authorize the Chair of the Board of Supervisors to execute the contract.

PROJECT INFORMATION:

Owners: Peltier Jason & Peltier Jean-Mari TRS

Plan Area: Greater Monterey Peninsula Area Plan

Flagged and Staked: Not Applicable

Proposed CEQA Action: Categorically exempt per CEQA Guidelines Section 15331

SUMMARY:

Property owner, Jason Peltier, has applied for an Historic Property Contract (aka Mills Act Contract) for property at 2852 Forest Lodge Road in Pebble Beach. Mills Act contracts provide property tax reductions in exchange for a commitment by a property owner to maintain and preserve an historic resource. The proposed Historic Property Contract, including the Work Program, is included as **Attachment A**. These documents outline how the property tax savings will be re-invested in the maintenance and preservation of the property.

The home at 2852 Forest Lodge Road is historic and was added to the Monterey County Register of Historic Resources by the Board of Supervisors on July 27, 2020 (Resolution No. 20-117). The home was found eligible for listing as a good example of Spanish Colonial Revival architecture from the work of two master architects, Clarence A. Tantau (1884-1943) and Wesley W. Hastings (1881-1939). Designation of the property on an historic register (local, state, or federal) is required for qualification for a Historic Property Contract (Mills Act Contract).

The request for a Mills Act Contract has been reviewed by the Historic Resource Review Board (HRRB). The HRRB unanimously recommended approval of the contract to the Board of Supervisors (**Attachment B**).

Because the Mills Act program includes reductions in property taxes, there will be a fiscal impact to approving the contract. The property and structure at 2852 Forest Lodge Road are currently assessed (under Proposition 13 value) based on combined value of \$1.62 million which equates to approximately \$16,200 in annual property tax revenue. Under the Mills Act restricted value, the property tax would be reduced by around \$7,000 annually.

DISCUSSION:

On April 8, 2014, the Board of Supervisors adopted a program implementing the State Mills Act (Government Code sections 50280 through 50290). The Monterey County Mills Act program is codified at Chapter 18.28 of the Monterey County Code (MCC), which sets requirements and establishes a process for consideration and approval of Historic Property Contracts in accordance with state law. Historic Property Contracts are contracts between the owner of a qualified historic property and the County of Monterey. The contracts provide preferential property tax assessment to the owner in exchange for the maintenance and preservation of an historic resource.

Addition of the Peltier house to the County's Local Official Register of Historic Resources was approved by the Board of Supervisors on July 27, 2020, and provided an opportunity for the property owner, Jason Peltier, to apply for a Mills Act Historic Property Contract. On August 14, 2020, Mr. Peltier applied for a Historic Property (Mills Act) Contract. On December 3, 2020, the Historic Resource Review Board of the County of Monterey (HRRB) approved a resolution finding that the Mills Act application complies with the applicable standards contained in the Monterey County Code and State law and recommending approval of the contract to the Board of Supervisors.

For a property to be eligible for a Mills Act contract, the following criteria must be met.

1. The property that is the subject of the application is a qualified historical property as defined by Chapter 18.27.
2. The application is consistent with the County's historic preservation goals and policies, as set forth in the County's General Plan and ordinances.
3. The application is consistent with the applicable Secretary of the Interior's Standards for the Treatment of Historic Properties, the rules and regulations of the Office of Historic Preservation of the California State Parks Department, and the California Historical Building Code.
4. The fair market value of the property that is the subject of the application is equal to or less than [\$3 million (for a residential property)], unless an exception has been granted.
5. The application is consistent with the requirements of Chapter 18.27.

The Peltier application meets these criteria as described below.

Criteria 1 ("qualified historical property"): The home is listed on the Monterey County Register of Historic Resources and therefore qualifies as an historical property for purposes of the Mills Act program.

Criteria 2 (consistent with goals and policies): Applicant submitted a 10-year work plan that describes how property tax savings will be used in the preservation and maintenance of the home with the application. The work plan proposes investment in the property of just over approximately \$270,000 in the 10-year period covered by the plan. Preservation of historic resources is consistent with the General Plan and County code.

Criteria 3 (secretary of interior standards): The contract itself would not result in any physical changes to an historic resource. A work plan describing how the property will be preserved and maintained has been reviewed by staff and the Historic Resources Review Board and has been found consistent with the Secretary of the Interior's Standards.

Criteria 4 (fair market value cap): The applicant for the contract has submitted an appraisal of the property that estimates the current fair market value of the property at \$2.36 million which is under the \$3 million property

value cap. Therefore, an exception to the cap is not required in this case.

Criteria 5 (consistent with County's Mills Act policies): All materials necessary for review of the Mills Act Contract application have been submitted and reviewed by staff and the Historic Resources Review Board. As described in these 5 criteria, the application has been found consistent with the Mills Act program contained in Chapter 18.27.

If the Board approves the Mills Act contract for the "2852 Forest Lodge Road house", as well as the Mills Act Contract for "Rancho El Robledo" (Webster PLN210296) which is being considered by the Board on the same day, the number of Mills Act contracts approved in the County would increase from nine to eleven.

The contract is categorically exempt under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15331, the category for historic resource restoration and rehabilitation, because the work program under the contract is limited to the preservation, rehabilitation, and maintenance of the Historic Property consistent with the Secretary of the Interior's Standards for the treatment of Historic Properties.

OTHER AGENCY INVOLVEMENT:

Monterey County Assessor
CAO Finance Office
Office of County Counsel

County Counsel has approved the contract as to form.

The proposed project was reviewed by the Historic Resources Review Board on December 3, 2020. The HRRB recommended approval of the contract by a vote of 7-0 (**Attachment B**).

FINANCING:

Approval of the "2852 Forest Lodge Road" Mills Act Contract (PLN200177) will result in a total loss of approximately \$7,000 annually in property tax revenue. The County receives 8% of the tax revenue, so the total impact on the County from unrealized property tax revenue is approximately \$519.00. Denial of the contract would result in no net impact to County property tax revenue. Funding for staff time associated with this project is included in the FY2021-22 Adopted Budget for Appropriation Unit HCD002, Unit 8543.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This action represents effective and timely response to HCD customers. Processing this application in accordance with all applicable policies and regulations also provides the County accountability for proper management of our land and historic resources.

Check the related Board of Supervisors Strategic Initiatives:

- Economic Development
- Administration
 - Health & Human Services
- Infrastructure
- Public Safety

Prepared by: Craig Spencer, Planning Services Manager

Approved by: Erik Lundquist, AICP - Director, Housing and Community Development

The following attachments are on file with the Clerk of the Board:

Attachment A - Draft Historic Property Contract

Exhibit 1 - Legal Description of the property

Exhibit 2 - Work Program

Attachment B - Historic Resource Review Board Resolution

cc: Front Counter Copy; Philip Angelo, Associate Planner; Applicant/Owner (Jason Peltier); The Open Monterey Project; Molly Erickson; LandWatch; Project File PLN200177