



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Historic Landmarks
Commission

SUBJECT: SEE BELOW

DATE: June 1, 2020

COUNCIL DISTRICT: 8

**SUBJECT: HISTORICAL PROPERTY CONTRACT (FILE NO. MA19-004) FOR THE
“SMITH HOUSE” AT 3556 SAN FELIPE ROAD**

RECOMMENDATION

The Historic Landmarks Commission recommend that the City Council adopt a resolution to approve the Historical Property Contract (California Mills Act Contract) between the City of San José and property owner, Oakmont of Evergreen, LLC, for the “Smith House located at 3556 San Felipe Road (APN: 659-04-056), on a 0.44-gross acre site.

OUTCOME

Adoption of the Mills Act Contract would result in a reduced property tax rate for the property owner over a ten-year period, provided that the property owner uses the property tax savings for the preservation, restoration and rehabilitation of the City Landmark property.

BACKGROUND

On October 2, 2019, the property owner, Oakmont of Evergreen LLC, of the property located at 3556 San Felipe Road (Smith House) submitted an application to enter into a Historical Property Contract (Mills Act Contract) to restore, rehabilitate and maintain the property over a ten-year period in consideration for a reduced property tax rate. The subject structure is a City Landmark (File No. HL86-031) on a 2.14-acre parcel designated under Resolution No.59146.

On May 6, 2020, the Historic Landmarks Commission held a Public Hearing on the proposed Mills Act Contract (File No. MA19-004) approval for the “Smith House” located at 3556 San Felipe Road. Planning staff recommended that the Historic Landmarks Commission recommend approval of the Historical Property Contract to City Council. The Historic Landmarks Commission also

recommended approval of an Amendment to the Historic Landmark Designation status of the Smith House, on a reduced parcel (0.44-acres), to City Council (File No. HLA86-031-01).

Staff Presentation and Historic Landmarks Commission Discussion

Staff introduced the project and explained that a Historical Property Contract (California Mills Act Contract), File No. MA19-004, would enable the preservation of the City Landmark building (Smith House). Staff added that the site was the home of the first pioneer family, Joseph and Catherine Smith, who had built the house in 1874. The site was also the first ever general store and post office to serve the Evergreen community from circa 1868 to 1929; the family's contribution to the community had added to the rich architectural history of the San José. The overall integrity of the Smith House, after its relocation on the same site, had been maintained and would continue to be preserved with the proposed Mills Act Contract. Staff, therefore, recommended approval of the project.

Historic Landmarks Commission asked staff about the adaptive reuse of the historic house and whether the transfer of ownership would still allow the Mills Act Contract to be valid and continued. Staff responded that the property had a commercial zoning which allowed all uses enumerated under that zoning district. Staff added that the Mills Act Contract was transferable to new owners and was handled by the County of Santa Clara.

Public Testimony

The applicant, John Frolli, and the property owner, Bill Mabry, gave a brief presentation on the architectural history of the house and the purpose of their interest in preservation and maintenance of the house as a City Landmark on a smaller parcel. They shared that their intent was to preserve the house with the added landscaping and continue with the interior and exterior improvements. They had carefully worked out the Mills Act 10-year plan to help with the continual preservation of the City Landmark building (Smith House).

Andre Luthard, on behalf of PAC*SJ, shared support of staff recommendation regarding the Smith House, including the Mills Act to help preserve this historic resource. He thanked staff for achieving this result.

The Commission noted that the "Smith House" was well-preserved after its relocation and was a good example of a Gothic Revival architectural style. The Commissioners agreed that the house needs ongoing special maintenance and care due to its age and unique history. The Commissioners appreciated the extra effort taken to add green vines, trees and landscaping on the side and front of the white stucco boundary wall. The Historic Landmarks Commission voted in favor of the project, 5-1-1 (Boehm abstained, Polcyn absent), and recommended that the City Council approve the Mills Act Contract, File No. MA19-004.

The proposed 10-year preservation work plan, as recommended by the Historic Landmarks Commission, is as follows:

- Year 1:** Installation of Historic site plaque and interpretive displays near public right-of-way.
- Year 2:** Foundation, utility connections and exterior structural repairs.
- Year 3:** Exterior wall siding and trim repairs and maintenance.
- Year 4:** Interior restoration, repairs, and rehabilitation of character-defining features.
- Year 5:** Exterior door and wood windows restoration and maintenance.
- Year 6:** Electrical and plumbing upgrades.
- Year 7:** Maintain and repair as needed for ancillary structures and landscaping.
- Year 8:** Repair and maintain front and rear porch, steps and railing.
- Year 9:** Exterior painting and maintenance.
- Year 10:** Roof repairs and maintenance.

ANALYSIS

A complete analysis, including the General Plan and the Historic Preservation Ordinance conformance, is contained in the attached Historic Landmarks Commission staff report.

CONCLUSION

With the approval of the Mills Act Contract, the property owner would get a potential tax relief, which will enable them to reinvest those savings into maintenance and preservation of the Smith House.

EVALUATION AND FOLLOW UP

If the proposal is approved, the County Assessor will determine the tax reduction which the property owner would reinvest in the City Landmark, pursuant to the Historical Property Agreement. All work on the exterior of the house would require issuance of a Historic Preservation Permit/Adjustment and will need to conform to all applicable standards and guidelines.

CLIMATE SMART SAN JOSE

The recommendation in this memorandum for File No. MA19-004 has no effect on the Climate Smart San José energy, water, or mobility goals.

POLICY ALTERNATIVES

If the City Council opts to disapprove the recommended Mills Act Contract, the continued rehabilitation and maintenance of the property would not receive the property tax reduction and financial benefits toward continued preservation.

PUBLIC OUTREACH

Staff followed the public notification requirements of Section 13.48.110 of the San José Municipal Code. A public hearing notice for the project was published in a local newspaper and posted at the site. Information about the proposed designation and the associated public hearings has been made available through the Planning Division website, and staff has been available to answer questions.

COORDINATION

The preparation of this memorandum was coordinated with the City Attorney's Office.

CEQA

The environmental impacts of the project will not have a negative effect on the home or adjacent property or properties in that the project has been determined exempt from the provisions of the California Environmental Quality Act (CEQA) per Section 15331. The project is limited to maintenance, repair, stabilization, rehabilitation, restoration, preservation, conservation, or reconstruction of historical resources in a manner consistent with the Secretary of the Interior's Standards for the Treatment of Historic Properties.

/s/

Rosalynn Hughey, SECRETARY
Historic Landmarks Commission

For questions please contact Juliet Arroyo, Historic Preservation Officer, at 408-535-7847.

Attachments: May 6, 2020 Historic Landmarks Commission Staff Report with Attachments