



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Rosalynn Hughey

**SUBJECT:** SEE BELOW

**DATE:** November 20, 2020

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**COUNCIL DISTRICT: 3**

**SUBJECT: CITY LANDMARK DESIGNATION (FILE NO. HL20-003) AND HISTORICAL PROPERTY (MILLS ACT) CONTRACT (FILE NO. MA20-001) FOR “THE SOMAVIA-ANDERSEN HOUSE” AT 546 S. THIRD STREET**

## **RECOMMENDATION**

The Historic Landmarks Commission voted unanimously on November 4, 2020 to recommend that the City Council:

- a. Adopt a Resolution designating “The Somavia-Andersen House” located at 546 S. Third Street as a City Landmark of special historic, architectural, aesthetic or engineering interest, or value of a historic nature; and
- b. Adopt a Resolution to approve the Historical Property Contract (California Mills Act Contract) between the City of San José and property owner, Steve Cohen, for “The Somavia-Andersen House” located at 546 S. Third Street (APN: 472-27-006), on a 0.14-gross acre site.

## **OUTCOME**

Designation of the subject property as a City Landmark would preserve the integrity of a unique craftsman bungalow and recognize its historic value in San José. Adoption of the Mills Act Contract would result in a reduced property tax rate for the property 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.

## **BACKGROUND**

On June 15, 2020, the property owner of 546 S. Third Street submitted an application to nominate the single-family residence as a City Landmark and if designated, to enter a Mills Act Contract. The

property qualifies for City Landmark Status based on meeting the following three of the eight criteria enumerated in Section 13.48.110(H) of the San José Municipal Code as follows:

- **Criterion 1:** Its character, interest or value as part of the local, regional, state or national history, heritage or culture, in that the Somavia-Andersen House is associated with the horticultural era (1870-1918) in San José and is considered a fine example of an Arts and Crafts style bungalow. The single-family residence was home to John Y. Somavia who was a rancher and a banker and was a descendant of an early Spanish pioneer family in San José.
- **Criterion 4:** Its exemplification of the cultural, economic, social or historic heritage of the City of San José, in that the Somavia-Andersen House is a look into the past of a pioneer family who were ranchers and their home is an example of the early Arts and Crafts Movement in San José.
- **Criterion 6:** Its embodiment of distinguishing characteristics of an architectural type or specimen, in that the subject residence is a distinctive example of an early 20<sup>th</sup> century Arts and Crafts style with distinctive architectural features including the use of natural river stone, an atrium (natural light) and beveled wood exterior siding representing one of the finest examples of craftsmanship in San José.

On November 4, 2020, the Historic Landmarks Commission held a public hearing on the proposed Landmark Designation and Historical Property Contract (California Mills Act) for “The Somavia-Andersen House” located at 546 S. Third Street. The Historic Landmarks Commission recommended approval of the City Landmark designation to the City Council. The item was included on the consent calendar of the Historic Landmarks Commission agenda but was pulled from the consent calendar and placed under public hearing as members of public wanted to provide comment.

Staff provided a brief history of “The Somavia-Andersen House” and commented that the integrity of the single-family residence was intact. The one-story residence was built in 1909 and is a distinctive example of the craftsman bungalow style built in Downtown San José. The craftsman style of architecture was prevalent during the early twentieth century, and its architectural characteristics contribute to the rich architectural history and culture of the City of San José. Its character defining features include the use of natural materials such as stonework at the porch, chimney and foundation of the house.

The Mills Act Contract includes a ten-year plan for the preservation and maintenance of the house. The single-family residence is a strong candidate for recommendation to the City Landmark Status as well as eligible for a Historical Property Contract. Planning staff therefore recommended that the Historic Landmarks Commission recommend approval of the City Landmark designation and the Historical Property Contract to the City Council.

#### Public Testimony

The property owner gave a brief presentation on the architectural history of the house and the purpose of their interest in preservation and maintenance of the single-family residence as a City Landmark based on the fact that John Y. Somavia was a descendant of early Spanish pioneers and was known to have built the house in 1909. Between 1943 and 1963, the house was owned and occupied by Selvan Anderson, resulting in the compound designation “the Somavia-Andersen

House”. The property owner stated that he loved the preservation of older homes and the single-family residence would be an asset if properly preserved. He had carefully worked out the Mills Act program to preserve and rehabilitate to house.

One member of the public wanted to know what was so unique about the house that it was being considered for Landmark status. He also thought the Mill’s Act drew upon tax-payers’ money for restoration and he did not think that was appropriate. A second member of the public also inquired how the Mills Act program worked and whether it involved tax dollars.

Staff explained that the house represented an early arts and craft movement in San Jose and qualified for City Landmark designation by meeting three of the eight landmark criteria. Additionally, the Mills Act Contract would aid in the preservation and maintenance of the house. The City’s Historic Preservation Officer explained the history and relevant points of the California Historic Property Contract Program to clarify specifics for members of the public. He explained that the program is an agreement between the State of California and the City of San José to provide an economic incentive for the preservation and rehabilitation of historic resources.

#### Historic Landmarks Commission Discussion

The Commission noted that “The Somavia House” is a good example of the craftsman bungalow style. The Commissioners agreed that it needs ongoing special maintenance and has a unique architectural style which merits preservation. The Commissioners appreciated the research on the property’s history and agreed that the Mills Act contract was an incentive that helped preserve such unique architectural styles in San José. The Commission commended the owner for his landmarking efforts. The Commission unanimously recommended that the City Council designate the single-family residence as a City Landmark and approve the Mills Act Contract. For further details, please see the attached Minutes (Attachment 2).

The Ten-Year Mills Act Contract Preservation Plan is as follows:

- Year 1:** Repair and restore all wood siding on the exterior and interior wall surfaces. Repair and repaint windows, exterior trim, and details. Install historic marker on site.
- Year 2:** Foundation repairs, earthquake proof the structure, bolt the foundation with Simpson ties to maintain the structural integrity of the home, as applicable. Termite repair work to prevent termites from causing damage to the structure, as applicable.
- Year 3:** Replace HVAC system and electrical upgrades as necessary.
- Year 4:** Replace galvanized pipes with copper pipes and other plumping upgrades as necessary.
- Year 5:** Replace composition shingle roofing.
- Year 6:** Replace, repair and upgrade kitchen appliances and finish materials.
- Year 7:** Remove linoleum and refinish original interior wooden floor and all striated wooden panels and seal.
- Year 8:** Strip the interior trim and door paint and varnish as original.
- Year 9:** Repaint and repair exterior siding and walls, as necessary.

**Year 10:** Replace the doors on the original carriage single-family residence.

### **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**

The preservation of this single-family residence through the City Landmark designation process will preserve and foster the architectural history of the early 20th Century period in San José, more specifically, the craftsman bungalow style of architecture.

With the designation of this site as a City Landmark and approval of the Mills Act Contract, the homeowners will be granted a reduction in their property taxes which will enable them to reinvest those savings into the maintenance and preservation of the single-family residence. Furthermore, the designation of this site as a City Landmark will require careful review by the City and the Historic Landmarks Commission prior to any future exterior alterations.

### **EVALUATION AND FOLLOW UP**

If the proposal is approved, the subject site will be deemed a City Landmark, and the County Assessor will determine the tax reduction which the property owners would reinvest in the City Landmark, pursuant to the Historical Property Agreement. All work on the exterior of the single-family residence 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 will have no negative effect on the Climate Smart San José energy, water, or mobility goals.

### **POLICY ALTERNATIVES**

The City Council could opt to disapprove the recommended designation of “The Somavia-Andersen House” as a City Landmark. If the building is not designated a City Landmark, the owners would not be required to obtain a Historic Preservation Permit to demolish or otherwise alter the building but may still be subject to CEQA review. Without designation, the owners are not eligible for the Mills Act Program. The designation is at the request of the property owner.

## **PUBLIC OUTREACH/INTEREST**

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**

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 Robert Manford, Deputy Director, at (408) 535-7900.

Attachments:

1. [November 4, 2020 Historic Landmarks Commission Staff Report with Attachments](#)
2. HLC Minutes dated November 4, 2020

## **HLC Meeting Minutes of 11/4/2020**

### **FILE NO. HL20-002**

On November 4, 2020, the Historic Landmarks Commission (HLC) held a Public Hearing on the proposed City Landmark Designation for “The George A. Fleming House” located at 1516 Newport Avenue. The Historic Landmarks Commission recommended approval of the City Landmark designation to the City Council. The item was included and remained on the Consent Calendar of the Historic Landmarks Commission Agenda.

#### Historic Landmarks Commission Discussion

The Commission noted that “The George A. Fleming House” is a good example of Dutch Colonial Revival style architecture. The Commissioners appreciated the research on the property’s history. They applauded the applicant for nominating their house for the Landmark designation and voted unanimously to recommend approval of the City Landmark designation of the “George A. Fleming house” to the City Council, as recommended by the Planning staff.

### **Subject: File Nos. HL20-003 and MA20-001**

On November 4, 2020, the Historic Landmarks Commission held a Public Hearing on the proposed Landmark Designation and Historical Property Contract (California Mills Act) for “The Somavia-Andersen House” located at 546 S. Third Street. The Historic Landmarks Commission recommended approval of the City Landmark designation to the City Council. The item was included on the Consent Calendar of the Historic Landmarks Commission Agenda but was pulled from the consent calendar and placed under Public Hearing as members of public wanted to speak.

Staff provided a brief history of “The Somavia-Andersen House” and commented that the overall integrity of the single-family residence had been maintained. The one-story residence was built in 1909 and was a distinctive example of Craftsman Bungalow style built in Downtown San José. The Craftsman style of architecture was prevalent during the early twentieth century and its architectural characteristics add to the rich architectural history and culture of the City of San José. The Mills Act Contract is a ten-year plan for preservation and maintenance of the house and the single-family residence was a strong candidate for engaging in a Historical Property Contract. Planning staff therefore recommended that the Historic Landmarks Commission recommend approval of the City Landmark designation and the Historical Property Contract to the City Council.

#### Public Testimony

The property owner, Steve Cohen, gave a brief presentation on the architectural history of the house and the purpose of his interest in preservation and maintenance of the single-family residence as a City Landmark based on the fact that John Y. Somavia was a descendant of early Spanish pioneers and was known to have built the house in 1909. However, between 1943 and 1963, the house was owned and occupied by Selvan Anderson until her death, and therefore he requested that the surname “Andersen” be added to Somavia resulting in the “the Somavia-Andersen House.” He added that he loved preservation of older homes and the subject single-family residence would be an asset if properly preserved. He had preserved three other homes in the area and was aware of how the Mills Act Contract program worked. The money spent on restoring the house would be much more than what is received back as tax incentives. He had

carefully worked out the Mills Act program to help preserve the house and structurally stabilize the home. He would also be preserving the natural river rock materials as well as the 8'x12' atrium in the center of the home, which is unique to that period of construction.

One member of the public wanted to know why the house merited Landmark status. He also thought the house would take tax-payer's money for restoration and he did not think that was appropriate. A second member of the public also inquired about how the Landmark designation and the City's Mills Act program worked and whether it involved tax dollars. A third member of the public commented on wanting the HLC to be live streamed on YouTube. A fourth member of the public wanted to know the architect's name and was curious on how the Mills Act program worked. She also corrected city staff's comment by stating the subject house was actually adjacent to apartment buildings and not to other single-family homes and therefore wanted to know if the area would qualify as historic.

The property owner commented that his intentions were purely to restore the house and he intended to live there. He was also interested in determining who designed the house, but because of COVID-19, couldn't access the California Room at the Martin Luther King Public Library. He also suggested the members of public should contact PAC\*SJ for more information on preservation and the Mills act program. Ben Leech of PAC\*SJ spoke next stating that they would welcome any inquiry on information on preservation of homes as Landmark structures and associated Mills Act programs. He added that not every state offers such a tax savings program which serves as an incentive to preserve homes. He went on to add that more homeowners like Mr. Cohen should think of preserving their homes through the Landmark designation process.

Staff explained that the house represented the early Arts and Craft movement in San José and met three of the eight criteria for City Landmark designation. Additionally, the Mills Act Contract would help preserve and rehabilitate the house.

The City's Historic Preservation Officer, Vicrim Chima, also commented that the Mills Act contract served as an economic incentive for the restoration and preservation of qualified historic buildings by private property owners. The Mills Act Program itself was administered and implemented by the local government and offered up to 35 percent to 65 percent in tax savings.

He added that the Mills Act was a State Law which allowed cities to enter into contracts with the owners of historic structures. Such contracts required reduction of the owner's property tax using a formula in exchange for the conservation of the property.

#### Staff and Historic Landmarks Commission Discussion

The Commission noted that "The Somavia House" is a good example of Craftsman Bungalow style architecture. The Commissioners agreed that it needs ongoing special maintenance and care as it does have a unique architectural style which merits preservation. The Commissioners appreciated the research on the property's history and agreed that that Mills Act contract was indeed an incentive that helped preserve such unique architectural styles in San José. They were aware that the owner was dedicated to preservation of such homes and commended him for pursuing Landmark status and committing to the preservation and rehabilitation of the house using the Mills Act Contract tax incentive. Commissioner Royer suggested conducting an informational training on Mills Act Contract at a future meeting. Commissioner Polcyn suggested that the ten-year work program should be displayed for comments. The HLC

unanimously recommended that the City Council designate the single-family residence as a City Landmark and approve the Mills Act Contract.