



PLANNING COMMISSION

AGENDA REPORT

MEETING DATE: JANUARY 22, 2024 ITEM NUMBER: PH-1

**SUBJECT: LOCAL HISTORIC REGISTER FOR THE “LEROY ANDERSON HOUSE”
(208 MAGNOLIA STREET)**

**FROM: ECONOMIC AND DEVELOPMENT SERVICES DEPARTMENT/
PLANNING DIVISION**

PRESENTATION BY: CAITLYN CURLEY, ASSISTANT PLANNER

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RECOMMENDATION:

Staff recommends the Planning Commission adopt a Resolution to:

1. Recommend that the City Council designate the property on the City's local Historic Register by adoption of a City Council resolution; and
2. Recommend the City Council direct Planning staff to finalize a draft Mills Act Contract for City Council consideration and approval.

APPLICANT OR AUTHORIZED AGENT:

The property owner, John Barnett, is processing this request.

BACKGROUND:

The property owner at 208 Magnolia Street (Assessor Parcel Number 425-402-02) has submitted an application for placement of his residence on the City's local Historic Register, and approval of a Mills Act Contract. The subject property, also referred to as the “Leroy Anderson House”, is not currently listed on any federal, State, or local historic registers. However, this property is identified in the 1999 *City of Costa Mesa Citywide Historic Resources Survey* prepared by PCR Services Corporation as eligible for local landmark designation, and is also identified as a potential historical resource in the City's General Plan *Historical and Cultural Resources Element*. Specifically, the “Leroy Anderson House” was included as a potential historic resource in the 1999 Survey based on its locally significant historic architecture, and its association with an early prominent local citizen, Leroy Anderson.

The subject property is located on the north side of Magnolia Street between Orange and Westminster Avenues. The property consists of a one-story single-family residence facing Magnolia Street, with a two-story rear addition and garage facing the rear alley. Based on historic aerial photographs, the original house is estimated to have been constructed between 1927 and 1931 (no original permits are on record). However, the existing garage and second-story addition, located at the rear of the property, was constructed in 1997.

The original one-story portion of the residence is “L” shaped and has a steeply sloping cross-gable roof with front gable projection on the southwest corner, and has a combination of flush and enclosed, shallow eaves. The roof is clad in composition shingles and the exterior walls are clad in smooth stucco. The elevations are asymmetrically arranged and fenestrations consist of a combination of multi-light and single-light wood casement and double-hung sash windows in various groupings and sizes. Within the gable peaks are attic vents, each with three circular openings containing red clay vent tubes. Rectangular foundation vents with wire mesh are unevenly spaced across the building base. (See Exhibits A and B below for historic and current property photographs.)

Exhibit A – 1950 historic photo of 208 Magnolia Street



Exhibit B – Current photo of 208 Magnolia Street



Pursuant to the City's General Plan, "Costa Mesa is home to 31 historical properties, built environments, and landmarks that have been determined eligible for listing in the City's Local Register of Historic Places. Five of these historical properties have been determined eligible for listing in the National Register of Historic Places and in the California Register of Historical Resources". In 2008, the City Council approved the City's first and only property to be designated on the Costa Mesa local Historic Registry, and also approved the City's first Mills Act Contract at 546 Bernard Street ("the Huscroft House").

ANALYSIS:

Pursuant to the Costa Mesa Municipal Code (CMMC), the City Council, upon the recommendation of the Planning Commission, may designate any building, structure, site, object, district, improvement, or natural feature that is over fifty (50) years of age on the City's local historic register if it meets the criteria for listing in the National Register of Historic Places, or one or more of the City's local historic resource criteria as listed below:

- a. Exemplifies or reflects special elements of the City's cultural, social, economic, political, aesthetic, engineering, architectural, or natural history;
- b. Is identified with persons or events significant in local, state, or national history;
- c. Embodies distinctive characteristics of a style, type, period, or method of construction;
- d. Is a valuable example of the use of indigenous materials or craftsmanship;
- e. Represents the work of a notable builder, designer, or architect;
- f. Contributes to the significance of an historic area, being a geographically definable area possessing a concentration of historic or scenic properties or thematically related grouping of properties which contribute to each other and are unified aesthetically by plan or physical development;
- g. Has a unique location or singular physical characteristics or is a view or vista representing an established and familiar visual feature of a neighborhood, community or of the city;
- h. Embodies elements of architectural design, detail, materials, or craftsmanship that represent a significant structural or architectural achievement or innovation;
- i. Is similar to other distinctive properties, sites, areas, or objects based on a historic, cultural, or architectural motif;
- j. Reflects significant geographical patterns, including those associated with different eras of settlement and growth, particular transportation modes, or distinctive examples of park or community planning;
- k. Is a type of building or is associated with a business or use which was once common but is now rare; and/or
- l. Yields, or may yield, information important in prehistory or history; and retains the integrity of those characteristics necessary to convey its significance.

As previously indicated, in 1999, the subject property was identified in the *City of Costa Mesa Citywide Historic Resources Survey*, and the Survey indicated that the property was “Not eligible for the National Register but of local interest because the property is eligible for separate designation under an existing local ordinance.” In order to determine if the property at 208 Magnolia Street is a cultural resource pursuant the CMMC, an updated historic survey evaluation has been prepared by GPA Consulting (2023 - *Historic Assessment Report*). The Report includes a comprehensive building conditions assessment that documents the current conditions of the historic building (see Attachment 5). The conclusions of the Historic Report indicate that the property is eligible for City Historic Register designation as a local landmark under local criteria.

The Report specifically indicates that 208 Magnolia Street is eligible under CMMC criterion “a”, “because it reflects the transitional period of early residential development during which the former farming community of Harper evolved from an agricultural area to the more densely developed town of Costa Mesa, and is one of the earliest residences constructed in the Newport Heights Tract during that period. The period of significance under criterion “a” is 1927. Additionally, the Report indicates that the property is eligible under CMMC criterion “b” because the house was the long-term residence of Leroy P. Anderson, a prominent local attorney who was instrumental in the early development of Costa Mesa. The period of significance under criterion “b” is 1936 to 1957, when Anderson resided at the property.

Lastly, the 2023 Report provides an analysis of the subject property’s “character-defining features”. According to the Report, “character-defining features are the architectural components that contribute to a building's sense of time and place. Character-defining features can be generally grouped into three categories: (1) the overall visual character of a building, (2) the exterior materials and craftsmanship, and (3) the interior spaces, features, and finishes. The relative importance of character-defining features depends on the level of craftsmanship, visibility, and integrity”. The Report concludes that the residence located at 208 Magnolia Street retains integrity of location, design, setting, feeling, and association, and has sufficient physical integrity to convey its historical significance.

MILLS ACT CONTRACT AND FISCAL REVIEW

Mills Act Contract

Pursuant to CMMC Section 13-200.11 (Preservation Incentives), the City Council may adopt a program of economic and other incentives to support the preservation, maintenance, and appropriate rehabilitation of the City’s cultural resources. The owner of 208 Magnolia Street is requesting local historic register designation and also approval of a Mills Act contract.

The Mills Act is a State law allowing cities to enter into contracts with the owners of historic structures. Such contracts allow for a reduction of property taxes in exchange for the continued preservation of an historic resource. The Mills Act law enables the City Council to enter into a 10-year contract with owners of historic properties. Under these contracts

("Mills Act contracts"), owners agree to maintain and if necessary rehabilitate their historic structures with specific improvements during a 10-year contract period, and subsequently maintain the property pursuant to local, State and federal historic laws. Mills Act Contracts automatically extend annually for one-year after the initial 10-year term.

The intention of the Mills Act Contract tax benefit is to provide the historic property owners with greater means and motivation for historic property maintenance, which can be especially beneficial for underutilized or undermaintained properties. The City does not control or set the assessed value of property and benefits under the Mills Act Contract. This value and the ultimate property tax paid by the property owner is determined by the Orange County Assessor's Office, using a formula that is established by the State Mills Act legislation. Pursuant to California Government Code Section 50281 (State Mills Act Legislation), Mills Act Contracts shall contain the following provisions:

- a) The term of the contract shall be for a minimum period of 10 years, and all protections and incentives for the property owner and City will remain in effect following the 10-year contract period; and
- b) Where applicable, the contract shall provide the following:
 1. Preservation of the historic resource, and conformance with rules and regulations of the Office of Historic Preservation of the Department of Parks and Recreation, the United States Secretary of the Interior's Standards for Rehabilitation, and the State Historical Building Code.
 2. For an inspection of the interior and exterior of the premises by the City, prior to a new agreement, and every five years thereafter, to determine the owner's compliance with the contract.
 3. For it to be binding upon, and continue to benefit all successors in interest of the property.

Pursuant to State Code Section 50281, if the City Council designates the subject property on the City's Historic Register and also approves a Mills Act Contract, the contract would include the aforementioned provisions and a "Rehabilitation / Restoration / Maintenance Plan". The City's Historic Consultant and the applicant have worked together to prepare the proposed project Rehabilitation / Restoration / Maintenance Plan (see Attachment 7.) The Plan includes an itemized future property maintenance schedule to be completed within a 10-year contract term. The schedule includes the specific work/task to be completed, the building features to be improved and the date in which the work/task will be completed within the 10-year contract.

Fiscal Review

The City's Finance division recently reviewed the proposal and estimated the proposed Mills Act Contract fiscal impact to the City. Based on the County of Orange's assessed value of \$1.9 million for the subject property, the City's estimated property tax revenue reduction following adoption of the Mills Act contract is \$2,825 annually. This tax reduction may increase or decrease each year in proportion to its assessed property value.

GENERAL PLAN CONFORMANCE:

The Costa Mesa General Plan establishes the long-range planning and policy direction that guides change and preserves the qualities that define the community. The 2015-2035 General Plan sets forth the vision for Costa Mesa. This vision focuses on protecting and enhancing Costa Mesa's diverse residential neighborhoods, accommodating an array of businesses that serve local needs and attract regional and international spending, and provide cultural, educational, social, and recreational amenities that contribute to the quality of life in the community. Over the long term, General Plan implementation will ensure that development decisions and improvements to public and private infrastructure are consistent with the goals, objectives, and policies contained in this Plan. The project is consistent with the following applicable General Plan Historical and Cultural Resources (HCR) Element policies:

Policy HCR-1.1: *Encourage protection and enhancement of the diverse range of historical sites and resources in the City for the benefit of current and future residents and visitors.*

Consistency: Designating the "Leroy Anderson House" on the City's Local Historic Register will allow a City historic resource to be protected, consistent with the purpose of the Historical and Cultural Resources Element of the City's General Plan.

Policy HCR-1.2: *Encourage the preservation of significant historical resources by developing and implementing incentives such as building and planning application permit fee waivers, Mills Act contracts, grants and loans, and implementing other incentives identified in the Historical Preservation Ordinance.*

Consistency: Adding the "Leroy Anderson House" to the local Historic Register and approving a Mills Act contact for the property will result in continued preservation of a significant Costa Mesa historic resource, and is consistent with General Plan Goal HCR-1.2.

FINDINGS

Pursuant to CMMC Section 13-200.9(2)(b) – "Findings", in order to designate the subject property on the City's Historic Register, the City Council upon the recommendation of the Planning Commission must find that:

- *The site, building, structure, district, object, natural feature or improvement has special historical, archaeological, cultural, architectural, community value in the City, and that the purpose of the City's Historic Preservation Ordinance is maintained by such designation.*

The 2023 GPA Historic Assessment Report indicates that the residence located at 208 Magnolia Street has special historical, architectural and community value in that the structure reflects the transitional period of early Costa Mesa residential

development during which the former farming community of Harper evolved from an agricultural area to the more densely developed town, and is one of the earliest residences constructed in the Newport Heights Tract during that period. Additionally, the Report indicates that the subject residence has community value in that the house was the long-term residence of Leroy P. Anderson, a prominent local attorney who was instrumental in the early development of Costa Mesa (see the below Exhibit D).

Exhibit D - 1928 Chamber of Commerce, Anderson at bottom right. Source: *Early Costa Mesa*.



Further, preservation of this historical residence is consistent with the City's Historic Preservation Ordinance "Purpose" in that designating the property on the City's Historic Registry will: (1) further safeguard the City's heritage as embodied and reflected in the subject property, (2) encourage public knowledge, understanding, and appreciation of the City's past by fostering civic and neighborhood pride and a sense of identity based on the recognition of a cultural resource, (3) preserve a diverse and harmonious architectural style that reflects the City's history, and (4) enhance property values and increase economic and financial benefits to the City by protecting a local neighborhood historical resource asset.

ENVIRONMENTAL DETERMINATION

Exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) (“General Rule”) in that there is no possibility that the addition of the Leroy Anderson House to the Local Register will have a significant impact on the environment.

ALTERNATIVES

The following alternatives are available to Planning Commission:

1. Recommend approval to City Council of the designation of the “Leroy Anderson House” on the City's local Historic Register, and City Council implement a Mills Act Contract at 208 Magnolia Street; or
2. Recommend denial to City Council of the placement of the Leroy Anderson House on the City's Local Register and not approve a Mills Act Contract.

LEGAL REVIEW

This report has been approved as to form by the City Attorney's Office.

CONCLUSION

The placement of the of the Leroy Anderson House on City's local Historic Register will provide protection to ensure that a City historic resource is maintained and that no substantial modifications can be made without prior City approval. Future implementation of the Mills Act Contract would allow the property owner to receive tax benefits as long as the house remains on the Local Register and in Mills Act contract compliance.

- Attachments:
1. Draft Planning Commission Resolution
 2. Applicant Letter
 3. Vicinity Map
 4. Zoning Map
 5. Historical Assessment Report
 6. Mills Act Contract
 7. Rehabilitation / Restoration / Maintenance Plan
 8. State Inventory Form