



# CITY OF LONG BEACH

DEPARTMENT OF DEVELOPMENT SERVICES

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June 10, 2019

CHAIR AND CULTURAL HERITAGE COMMISSIONERS  
City of Long Beach  
California

## RECOMMENDATION:

Recommend that the City Council approve Mills Act contracts for the following 9 properties: 2634 E. 1st Street, 326 W. 10th Street, 520 Daisy Avenue, 805 Maine Avenue, 630 Obispo Avenue, 110 W. Ocean Boulevard, 730 Sunrise Boulevard, 361 Temple Avenue, 733 Walnut Avenue. (Districts 1, 2, 3, 6)

APPLICANT: Various

## REQUEST

The Department of Development Services requests that the Cultural Heritage Commission recommend that the City Council approval a total of 9 Mills Act contracts. The combined applications consist of five single-family properties, three multi-family properties less than three units, and one multi-family property greater than four units (Exhibit A- Location Map). In consideration of the tax abatement provided, each property owner has proposed a workplan to rehabilitate their historic buildings and maintain them over the ten-year contract term (Exhibit B – Workplans).

## BACKGROUND

The Mills Act, enacted by State law in 1972, allows local governments to enter into tax abatement contracts with property owners of historic structures. Property owners agree to restore, maintain, and preserve the property in accordance with specific historic preservation standards and conditions identified in the contract. Entering into a Mills Act contract results in a property tax reassessment by the County Assessor, using the income-capitalization method, which may result in a 30 to 50 percent reduction in property tax.

This is the fifth year the City of Long Beach has opened the application cycle since it was suspended in 2006. With each year, Development Services staff continues to evaluate the process to provide the Cultural Heritage Commission with feedback of how previous modifications to the program have affected the program and process.

As with previous application cycles, staff conducted outreach to notify the public and provide technical assistance with the application process. Staff mailed notices to all owners of historic district properties and historic Landmark properties notifying them of upcoming Mills Act workshops. One workshop was conducted at the Long Beach Gas & Oil auditorium which was attended by over 120 people and a second workshop was held at the Ramona Park Community Room which was attended by over 50 people. Planning Bureau staff also advertised the workshops in local newspapers this year, which was not done in past application cycles.

There are five properties requesting landmark designation through this process. Of those five properties, four are located outside of a historic district. The other property is located in a historic district but is over the single-family valuation limit and requesting landmark designation. The property's value currently exceeds the \$1,089,482 valuation limit allowed under the program for single-family residences and is eligible to apply, but the property is applying under the exceptional architecture category which does not have a valuation limit. Under the Mills Act program, property owners are eligible to apply if their property value does not exceed the annual maximum property value cap. Valuation limits are established by property types. These five properties will be reviewed at separate Cultural Heritage Commission meeting to allow staff additional time to review the landmark nominations.

### **2019 Application Cycle Summary**

Under the existing program requirements, a total of 22 Mills Act contracts can be awarded in an application cycle based on application categories, not including rollover contracts from previous cycles. Application categories are based on property type and have a corresponding annual limit of contracts that can be awarded under each property type. A maximum of 12 contracts can be awarded per year to single family properties, three contracts per year for duplex or triplex properties, four contracts to multi-family properties with 4 units or greater, one contract each to non-residential (commercial, industrial, and institutional) properties, and two contracts regardless of property type if the property is deemed to be of exceptional architecture, culturally significant or at risk of demolition. There are also ten rollover contracts that are available from previous application cycles. This year, Development Services staff received 19 total Mills Act applications. Staff is recommending nine (9) applications be awarded through this action, five (5) applications be denied, and five (5) other applications be considered at a separate hearing pending evaluation of landmark designation status. No applications from last year's application cycle are recommended for approval this year.

To be eligible for the Mills Act program, a building must be currently designated as a landmark, be eligible for landmark designation, or be a contributing structure located in a historic district. The Commission also added a category for buildings that are exceptional architectural buildings, culturally significant, or at risk of demolition.

Following is a summary of the applications that are currently designated historic landmarks that are recommended for approval. The second table summarizes combination applications for both Mills Act and Landmark designation that are pending evaluation of landmark designation status.

**Table 1. Recommended applications that are landmark properties**

<b>Landmark Building Name</b>	<b>Address</b>	<b>Building Type</b>	<b>Historic District</b>
Parsonage	326 W. 10 <sup>th</sup> Street	Duplex	Drake Willmore Historic District
Ocean Center	110 W. Ocean Blvd.	Office (multi-family adaptive reuse proposed)	N/A
Harnett House	730 Sunrise Blvd.	Single Family Residence	Sunrise Blvd Historic District

**Table 2. Applications requesting Mills Act and landmark evaluation**

<b>Historic District</b>	<b>Address</b>	<b>Building Type</b>	<b>Additional Notes</b>
Bluff Park	3200 E. 1st Street	Single Family	Association with architects Dedrick and Bobbe (Bay Hotel, Barker Bros Building)
N/A	20 Corona Avenue	Single Family	Associated with architect Reginald F. Inwood (Gaytonia Apartments, Belmont Theater)
N/A	5281 E. El Roble Street	Single Family	Associated with architect John Lautner (Sheats House)
N/A	716 Havana Avenue	Single Family	Researching historic associations and historic significance
N/A	3735 Pine Avenue	Single Family	Associated with architect Paul Tay

### **Mills Act by the Numbers**

Application information by historic district and council district are included in this report to illustrate the applications' geographic distribution throughout the City. The largest single source of applications this year were from outside the historic districts. This may be the result of advertising in local newspapers this year. Residents from the Drake Park/Willmore City Historic District filed four (4) applications which is the most of any historic district. The City received applications from eight out of 18 historic districts, and 5 out of 9 council districts. By Council District, most applications filed were by property owners located in Council District 2, which is home to five historic districts. Council District 1 and 3 include high numbers of applications. Table 2 and 3 summarize the results of this year's application cycle by historic district and council district.

**Table 3. Mills Act Applications by Historic District**

<b>Applications By Historic District</b>	
Bluff Heights	1
Bluff Park	2
California Heights	1
Drake Park/Willmore City	4
Hellman Craftsman	1
Rose Park South	2
Rose Park South	2
Sunrise Blvd	1
N/A	5
<b>TOTAL</b>	<b>19</b>

**Table 4. Mills Act Applications by Council District**

<b>Applications By Council District</b>	
CD1	4
CD2	7
CD3	5
CD4	0
CD5	0
CD6	1
CD7	2
CD8	0
CD9	0
<b>TOTAL</b>	<b>19</b>

The tables illustrate that most applications are from the southern part of the City. While there are historic properties through out all of Long Beach, historically the southern portion of the City was developed first and retains the City's older building stock which explains why there is a preponderance of applications in Council Districts 1, 2 and 3.

### **Number of Contracts**

A total of 19 Mills Act applications were filed this year. In this application cycle, 13 out of the 19 total applications received were in the single-family category. Three applications were received for the duplex and triplex category, which is equal to the annual limit for this property type. Three multi-family property applications were received, which is within the limit of four that can be awarded in a year.



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Staff is recommending nine (9) contracts be awarded, and five (5) contracts not be awarded through this action. The primary reasons are that the proposed workplans were not as thorough and competitive as other applications received and/or the properties did not need substantial repair and restoration. Five other contracts, totaling the 19 applications submitted, will be presented to this Commission at a separate hearing, and will consider both Landmark and Mills Act designation.

**Table 5. 2019 Applications Under Consideration**

Property Type	Contracts Allowed Per Year (Adopted Guidelines)	2018 Application Cycle Applications Recommended	2019 Applications Filed	2019 Applications Recommended	2019 Pending Applications
Single Family Residential (1 dwelling unit)	12	16****	13	5	5
Duplex or Triplex Residential (2 or 3 dwelling units)	3	3	3	3	0
Multi-family Residential or Mixed-Residential/Commercial (4 or more dwelling units)	4	2	3	1	0
Non-Residential (Commercial, Industrial, or Institutional)	1	1	0	0	0
Exceptional Architecture, Culturally Significant or at-risk for demo	2	0	0	0	0
<b>TOTAL</b>	<b>22</b>	<b>22*</b>	<b>19</b>	<b>9**</b>	<b>5***</b>

\* No applications from 2018 are included in this year's application cycle.

\*\* No rollover "slots" from previous years are included.

\*\*\* 5 pending applications for combined Landmark and Mills Act designation will be presented at a separate CHC meeting.

\*\*\*\* Total from the 2018 application cycle which includes 3 single family applications from 2017

Application's in this year's application cycle reflect a broad range of improvements from major systems upgrades to roof improvement. Window rehabilitation and/or replacement along with exterior finish repairs continue to be consistent workplan items. Electrical and plumbing repairs were also featured workplan items in this cycle.

## **2019 MILLS ACT APPLICATIONS**

Staff is recommending Mills Act contract approval as noted for each of the following properties:

1. **2634 E. 1st Street** – A two-story single-family residence that features a hip and roof gable, symmetrical façade and arched entry porch. The building is intact and the workplan includes installation of a 30-year roof; repairs to water damage in the exterior stucco; inspection and replacement of drainpipes to resolve occasional sewer odors; replacement of water damage in exterior kitchen wall; plumbing repairs; repairs to and refurbishment of all existing wood sash windows throughout the house; replacement of non-period windows and doors with period-appropriate doors; repairs to and replacement of original galvanized iron interior water distribution pipes; repainting of the entire building exterior with period-appropriate colors.
2. **326 W. 10th Street (Landmark)** – This duplex building is a designated historic landmark known as the Parsonage Building (formerly 640 Pacific Ave). In 2018, the Commission granted relocation of the structure to its current address and approved a restoration plan. Due to its direct association with the Bixby family it is among one of the most important historic residential buildings associated with early Long Beach. Repair work is anticipated to start in July 2019. This year's work is ineligible, but their 2020 workplan includes the following: window restoration; wood siding repair and/or replacement as needed; restoration of original front door opening; new paint colors per forensic paint analysis; 14 ornamental windows will be refurbished and restored. This recommendation is conditional upon the owner obtaining a building permit to start construction. The City will only execute a contract if the owner obtains building permits and demonstrates substantial construction progress for the project.
3. **520 Daisy Avenue** – Originally constructed in 1904, this single family building is one of the earliest examples of the American Foursquare style in the Drake Park Willmore City historic district. The building is remarkably intact, but still in need of substantial work. The building requires considerable foundation work to include new footings; new connectors; replacement of girders, piers and pillars; an earthquake retrofit; and jacking up the building to level it. Work also includes replacement of all knob and tube electrical wiring; service upgrade to a 200 amp panel; tree trimming; dry rot and termite damage repairs to front porch; exterior siding repair; and upper exterior deck repair, repair of double-hung windows and historic doors throughout the building; replacement of old galvanized pipes; new paint throughout the building; repair and/or replacement of composition roof for house and garage.
4. **805 Maine Avenue** – This triplex property has two Craftsman Bungalow style buildings and the original garage. The corner building is a duplex and the rear unit is a single-family dwelling. All structures are remarkably intact with original porches, entries, materials and ornamentation. The workplan includes foundation replacement; repair or reconstruction of the front porch, has settled, after

completion of foundation; repair of cracked sewer lines; repair of windows and windows frames on south walls due to building shifting; repair of front porch cracks and crumbling and deterioration of back unit; repair of termite damage and termite abatement; replacement of knob and tube electrical wiring in all structures; refurbishment of 45 windows; restoration/repair of wood siding; removal of non-period features; new period appropriate painting of all structures; and roof replacement of all structures.

5. **630 Obispo Avenue** – A single family residence and classic Craftsman Bungalow style building that features a half-width porch and dual front gable roof. The work includes replacement of 11 aluminum frame windows with new period-appropriate wood windows; repair and/or replacement of damaged wood siding on three building sides; installation of wall insulation; paint exterior of house and garage in period appropriate colors' installation of new foundation support post beams where missing or deteriorated to support floor joists, replace missing foundation fasteners/nails to secure framing; re-center support post under beams; retrofit building foundation for earthquake safety; back-fill soil to prevent settling/shifting/moving; and replacement of deteriorated garage door with a period appropriate door.
6. **110 W. Ocean Boulevard (Landmark)** – The Ocean Center building is a 13-story Italian Mediterranean style building that is a designated historic landmark designed by the architectural firm of Meyer and Holler known for Grauman's Theater and the Egyptian theater. The building was previously granted a Mills Act contract in 2015 when the Mills Act program was reopened after being inactive since 2006. In 2015, the award was contingent upon the owner obtaining building permits to convert the structure from office to multi-family residential which never occurred. The new ownership is currently working towards obtaining permits to convert the building's upper floors to multi-family residential use and ground level commercial. Staff's recommendation is for conditional approval contingent upon obtaining a building permit. A contract will only be executed after building permits are obtained and substantial construction progress is shown. The new workplan includes repair and restoration of plaster walls; replacement of missing or broken clay tiles as necessary; removal of non-original features; repair of features such as finials, spires, parapets and quoins; removal of nonperiod storefronts and wall in-fills; restoration of original storefronts; refurbishment of all 544 metal casement windows and lead remediate; polish and repair of original vestibule and lobby floors and ceiling; restoration of elevators and bring it up to current safety standards; upgrade of structural and shear wall systems; removal of lead and asbestos throughout the building; upgrades to the fire sprinkler system and fire life safety system; and upgrades to plumbing and HVAC systems to code-compliant standards throughout the building.
7. **730 Sunrise Boulevard (Landmark)** – The Harnett House is a single-family residence and is a designated historic Landmark. The stately two-story Craftsman style building was constructed in 1918 and is associated with the Harnett family, who had a long family history of civic engagement in Long Beach. The building is intact, but is in need of restoration. The proposed workplan includes termite and

dry rot repairs on both house and garage; reroof of garage; upgrade of electrical service in the garage; removal of knob and tube wiring; replacement of aluminum kitchen window with a period appropriate wood window; repair of brick and mortar and addition of a chimney cap and spark arrestor; repair and/or replacement of damaged exterior siding and trim as needed; refurbishment of dining room French doors; removal of aluminum slider and replacement with wood French doors; undertaking an engineering evaluation to determine source of cracked brick at northwest porch column; repair/replacement of damaged wood siding on garage; repair of basement water damage and waterproofing of walls; evaluation of all wood windows and wood screens and refurbishment, and replacement of all damaged glazing.

8. **361 Temple Avenue** – This property consists of a single family Craftsman constructed in 1919 which is eligible for Mills Act and a non-historic duplex was constructed behind the original historic building. Proposed work includes replacement of circuit breaker box; replacement of knob and tube electrical wiring; repair of prior electrical repairs with code compliant repairs; installation of new gutters and downspouts; repair incorrect drainage patterns that pool water at foundation; investigate source of leaks and replace outdated plumbing systems; replace heating system; replace cast stone finish on porch foundation; remove non-period stucco from building and restore siding underneath and/or replace with period-appropriate wood siding throughout the house; investigate and repair warped roof frame; repair roof areas of leaks and properly seal throughout.
9. **733 Walnut Avenue** – This single family property is a one-story Craftsman style building with a covered porch in the Hellman Craftsman Village Historic District. Proposed work includes installation of new attic and wall insulation; bolting the house to the foundation for seismic retrofitting and earthquake safety; installing epoxy-set foundation bolts with plate washers; sealing of cracks in foundation and strapping together cracked sections; and installation of additional supports and brackets in foundation; electrical upgrades; removal of knob and tube wiring system; replacement of deteriorating cast-iron drain lines; reconfiguration of incorrect drain lines for more efficient drainage; replacement of existing compositing roof with new roof for house and garage; repair of termite damage and reinforcement of garage; repainting of garage and house; refurbishment of 20 double-hung windows; replacement of broken glazing; replacement of two aluminum windows with new wood windows; and restoration of original front door finish and replacement of non-period door glazing.

## **APPLICATIONS NOT AWARDED THIS YEAR**

Most applications this year included important workplan items. Applications that included a comprehensive scope of work including “major” repair items and reversed exterior modifications and/or restored original architectural features were given strong consideration. Repairs that improve the condition of the structure for the long term were also the focus of applications that staff are recommending to receive Mills Act approval from the Commission. Applications that included limited work plan items or no major repairs were not recommended for consideration. Generally, staff found these properties

were in good to fair condition, where properties have already had more substantial repairs or where the scope of the workplans were limited and did not address the more long-term needs of the subject properties.

Awarding contracts with insufficient workplans is, in staff's evaluation, inappropriate in comparison to the property owner benefit and city cost of the contract, even on noteworthy or architecturally significant properties. It is also inequitable to require extensive workplans of some and not other applicants.

1. **2125 E. 6<sup>th</sup> Street-** This application had some good workplan items but was not as competitive as other applications. The workplan does not include removal of aluminum clad windows and installation of wood windows. The property also has a substantial amount of overgrown trees and landscaping, and excess exterior storage of equipment which should be corrected if the owner should decide to reapply.
2. **801 E. 37<sup>th</sup> Street** – This application included good workplan items including removal of old knob and tube electrical wiring in the attic with new wiring and insulation, repair of water damage and leaks, repair/replace of side porch roof, and replacement and/or securing of foundation footings. However, the building appears to be in good condition and the workplan was not as strong or as competitive as other applications with more robust workplans.
3. **811 Coronado Avenue** – The workplan consists of interior electrical work to upgrade electrical outlets, repair faulty switches, replacing faulty fan wiring, repair and/or replacement of garage doors, upgrade heating and plumbing system, replace the water heater, paint water stains and repair basement mortar, and replace basement door. However, the building appears to be in good condition and the workplan was not as strong or as competitive as other applications that had more robust workplans.
4. **813 Coronado Avenue** – This property consists of two two-story buildings in the Spanish style located in the Rose Park Historic District. The workplan includes replacement of broken roof tiles and reseating dislodged tiles, repair of roof drainage at front porch, and repair asphalt main roof. Repair of front porch concrete slab and install proper drainage, replace wood electrical panel enclosures, scrape/seal and repaint double hung windows at front elevation, repair foundation cracks at rear building, replace two water heaters, replace wrought iron front gate, trim trees and roots at northerly side property line. This application was not as strong or competitive as other applications with more robust workplans.
5. **1247 N. Loma Vista Dr** - This property has two detached residential buildings and freestanding garage. The workplan addressed some work on the primary structure but did not propose work to the middle building which is also historic. There is also an open enforcement case on the property which the applicant was notified about but has not yet been resolved. Resolving the enforcement action and a more



comprehensive workplan may make this property a better candidate in next year's cycle.

### **Policy Changes for the 2019 Program**

In 2014, the Cultural Heritage Commission, developed policies and restrictions for the Mills Act program that were approved by the City Council in 2015. These policies established application periods, guidance for property type categories, property value limits, and overarching policies for the direction of the Mills Act program. Last year the Commission, adopted the policy to expand the number of contracts awarded in a year by creating a new category for properties that exhibit exceptional architecture, have cultural significance or are at risk of demolition. This year we are further researching five properties for landmark eligibility but at this time believe that only one property meets the criteria of exhibiting exceptional architecture. Those applications pending review for landmark designation and/or eligibility for Mills Act due to the recently added criteria described above will be further evaluated and presented to the Commission at a separate meeting.

Planning Bureau staff does not have recommended policy changes this year, but we are planning to improve outreach efforts this year. Despite a solid public turnout at the City's Mills Act workshops, social media outreach, and advertising in local newspaper for the first time, the Planning Bureau still received less applications this year than last year.

Next year outreach efforts will include working with community advocates to help identify potential candidates for Mills Act and landmark designation and begin a direct outreach campaign for properties that may be eligible under the recently added eligibility criteria in the categories of exceptional architectural, culturally significance properties and those at risk of demolition.

### **PUBLIC HEARING NOTICE**

Public notices are not required for the recommendation to City Council to award Mills Act contracts.

### **ENVIRONMENTAL REVIEW**

In accordance with the 15331 Guidelines for Implementation of the California Environmental Quality Act (CEQA), environmental review is not required for actions taken for the preservation or restoration of historic structures.

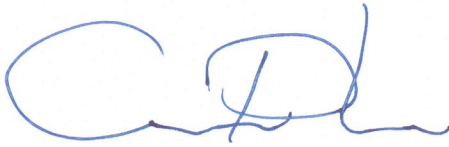


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Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Alejandro Plascencia'.

ALEJANDRO PLASCENCIA  
PRESERVATION PLANNER

A handwritten signature in blue ink, appearing to read 'Patricia A. Diefenderfer'.

PATRICIA A. DIEFENDERFER, AICP  
ADVANCE PLANNING OFFICER

A handwritten signature in blue ink, appearing to read 'Christopher Koontz'.

CHRISTOPHER KOONTZ, AICP  
PLANNING BUREAU MANAGER

CK:PD:AP

Attachments: Exhibit A – Location Map  
Exhibit B – Workplans