

July 8, 2022

RE: Mills Act Application Recommendation Letter for the Property at 151 Hawthorne Avenue, Los Altos, Santa Clara County, California.

To Whom it May Concern,

In 2022, Evans & De Shazo, Inc (EDS) Principal Architectural Historian Stacey De Shazo, M.A., who exceeds the Secretary of Interior's qualification standards in Architectural History and History, completed a Historic Resource Evaluation (HRE) of the property at 151 Hawthorne Avenue, Los Altos, Santa Clara County, California within Assessor Parcel Number (APN) 170-41-030 consisting of a ca. 1922 house, ca. 1922 shed, 1972 inground swimming pool, and associated landscape to determine if the property or any of the built environment resources within the property are eligible for listing on the California Register of Historical Resources (CRHR). Prior to the completion of the HRE, EDS determined that the ca. 1922 house within the property is currently listed on the Office of Historic Preservation's (OHP) Built Environment Resources Directory (BERD) (P-43-002072) and within the City of Los Altos Historic Inventory (2013). As such, the ca. 1922 house is considered a Historical Resource as defined in Section 15064.5 of the California Environmental Quality Act (CEQA). The HRE, completed by EDS under CEQA regulations (PRC § 21000) and the Guidelines for Implementing CEQA (14 CCR § 15000 et seq.), determined that the ca. 1922 house is individually eligible for listing on the CRHR under Criterion 3 for its association with Craftsman Bungalow architecture with a period of significance of ca. 1922 and retains all seven aspects of integrity. Therefore the ca. 1921 house is a qualified historic property and eligible for the Mills Act.

Current Rehabilitation Project

To ensure that the current rehabilitation project (submitted to the city) would not impact the integrity of the ca. 1922 house, EDS completed a Secretary of Interior's Standards for the Treatment of Historic Properties (Standards), which is within the HRE report (updated 7/8/2022).¹ The Standards review was based on the architectural drawings by Brownhouse Design (dated 5/27/2022), submitted to the city. The Standards review determined that the proposed project meets the Standards for Rehabilitation. As such, the proposed project will not impact historical resources and is eligible for the Mills Act.

Mills Act

In 1972, the State adopted legislation (Government Code §§ 50280 – 50290) that created an alternative method for determining the assessed value of specific qualified historical properties, commonly referred to as the Mills Act. The Mills Act is a state law allowing cities to enter into contracts with the owners of historic structures. Such contracts require a reduction of property taxes in exchange for the continued preservation of the property. Property taxes are recalculated annually using a formula in the Mills Act and Revenue and Taxation Code. The Mills Act Program aims to provide economic incentives to foster the

¹ Stacey De Shazo, "Historic Resource Evaluation and Standards Review of the Property at 151 Hawthorne Avenue, Los Altos, Santa Clara County, California", Evans & De Shazo, 2022.

preservation of residential neighborhoods and the revitalization of downtown commercial districts. The Mills Act is the single most important economic incentive program in California to restore and preserve qualified historic buildings by private property owners. Enacted in 1972, the Mills Act legislation grants participating local governments (cities and counties) authority to enter into contracts with owners of qualified historic properties who actively participate in the restoration and maintenance of their historic properties while receiving property tax relief.

The law provides an income-based tax formula for legible properties subject to historical property contracts. The Mills Act allows cities and counties to enter into a contract with a property owner of qualified historic property. The state code defines a qualified historic property as a privately owned property that is not exempt from property taxation and which meets either of the following:

- (a) Listed in the National Register of Historic Places or located in a registered historic district, as defined in Section 1.191-2(b) of Title 26 of the Code of Federal Regulations.
- (b) Listed in any state, city, county, or city and county official register of historical or architecturally significant sites, places, or landmarks.

Qualified Historic Property

A qualified historic property is one that is listed on any federal, state, county, or city register, including the National Register of Historic Places, CRHR, California Historical Landmarks, State Points of Historical Interest, and locally designated landmarks. Owner-occupied family residences and income-producing commercial properties may qualify for the Mills Act program.

Recommendations

Based on the HRE, Standards review, and the requirements of the Mills Act program, EDS recommends that the ca. 1922 house at 151 Hawthorne Avenue, a qualified historic property, is eligible for consideration by the City of Los Altos for the Mills Act. In addition, as required by the city, the property owners are "actively" rehabilitating their property following the Secretary of the Interior's Treatment of Historic Properties, particularly the Standards for Rehabilitation.

Sincerely,



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