

September 25, 2023

City of San Diego Historical Resources Board Chair Hutter and fellow Board Members 1122 First Avenue San Diego, California 92101

RE: City of San Diego Historical Resources Board meeting September 28, 2023, Item #4 – Lucile Hamilton / Robert Mosher House

Chair Hutter and Board Members:

Thank you for reviewing our Historical Resources Research Report (HRRR), dated October 20, 2022, for *Lucile Hamilton / Robert Mosher House* located at 485 San Gorgonio Street in the Peninsula Planning Area of San Diego.

The purpose of this letter is to communicate that the Property owners, Ms. Jan and Mr. John Driscoll, are in support of the staff recommendation to designate the Property under Criterion C and D as recommended.

Staff's conclusion that *Lucile Hamilton / Robert Mosher House* is eligible for designation under Criterion C as an example of the <u>Contemporary style with Organic Geometric influences</u> contradicts Nexus evaluation. However, as explained in the report, Mr. Mosher was a modernist architect and his designs spoke to his own personal, unique response to each project's unique program and site. He designs were therefore, deeply personal, and specific to each project (See pages 29-36 of the HRRR). As such, it is challenging to define any of Mr. Mosher's designs according to any strict style definition contained within the San Diego Modernism Context Statement. As a result, Nexus does not take any issue with staff's Criterion C conclusion or recommendation.

Therefore, we ask the HRB to keep *Lucile Hamilton / Robert Mosher House* on the consent agenda as Staff and the property owner are aligned on the concept that the Property should be designated and recognized under Criterion C and D.

Best regards,

Jennifer Ayala 619-985-9280



JOHN & JAN DRISCOLL September 25, 2023

City of San Diego Historical Resources Board

Chair Hutter and Board Members:

We are writing to ask your support in designating our home, the *Lucile Hamilton/Robert Mosher* house. We support Staff's position.

When my wife first saw this house come on the market for sale she knew it was a Mosher design and that I would love it.

She was right, of course, for a number of reasons, including the wood, the storage space and the many other boat-like features.

As soon as I saw it, I called Bob, a gentleman I've known and respected my entire life. I'm not sure who was more excited about our buying the house, Bob or Jan or me. He told us then as he did multiple times going forward that this was his favorite residential project of his career and he knew we would really take care of it.

Over the years, any time we wanted to do anything to the house, we would call Bob. He always came over to discuss whatever it was we were considering.

Bob was very proud of this home. He would show up, unannounced, on a Sunday morning for example and ask if he could bring in a couple of friends to see the house. He knew we always kept everything ship-shape and we always told him he was free to stop by any time.

We were very fond of Bob. We were invited to his 95th, and probably final, birthday party. We know he would be extremely happy to have this house designated. Thank you for considering it.

Jan and John Driscoll



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GROWTH AND HOUSING

Historic Properties Are Again a Battleground for Housing

As Mayor Todd Gloria considers reforming the city's historic regulations, preservationists want to expand the list of historic resources while critics contend that will slow the pace of new homes and hurt the city's bottom line.





Dermatology Surgical & Medical office on Fourth Avenue and Palm Street in Banker's Hill on May 12, 2023. / Photo by Ariana Drehsler

The one-story building located at the corner of Fourth Avenue and Palm Street in Banker's Hill is more than a dermatology office. It's a window into the feud between preservationists and developers.

In 2021, the city's volunteer Historic Resources Board determined the commercial building should be set aside for its cultural significance. They argued it was a rare example of the Streamline Moderne style by architect Charles Salyers in the 1930s.

There was one problem: the skin doctor who owned the property didn't think it was worth protecting. He planned to sell the land to a developer to make way for <u>a 72-unit mixed use building</u> only two blocks from Balboa Park.

The dispute came to an end last year when <u>the City Council intervened</u> to remove the site's historic designation. That act was notable by itself, but the discussion exposed a conflict within San Diego government.

On the one hand, officials are seeking to incentivize the development of taller, denser buildings on the rationale that boosting supply will bring down the cost of living and bring the city closer to its climate and mobility goals. But many of those same areas targeted for development — close to major transit corridors — also tend to be older.

Housing advocates have pointed to the dermatological office as evidence the historic review process needs reform. Their beef isn't with historic structures per se, but the standards and frequency with which historic designations are applied and what the subsequent tax break awarded to historic structures means for the city's bottom line.

Instead, advocates argue that historic designations are being weaponized to pump the brakes on construction while putting money in the pockets of single-family homeowners without much oversight from City Hall. Preservationists have countered that historic homes are a fraction of the region's housing stock and that developers are attempting to knock down one more barrier to maximize their profits.

Yet another appeal to overturn the historic designation of <u>the Mission</u> <u>Hills library</u> is expected to come up for City Council discussion this summer.

"Some of the stuff we're saving has nothing to do with history," said Marcela Escobar-Eck, a landscape architect, planner and former city official. "It's just about trying to stop development."

Less than two years ago, she was part of a working group for Mayor

Todd Gloria that included developers and labor leaders. They <u>concluded</u> "existing historic preservation criteria are generous and slow the pace of middle-income housing development." Gloria's staff agreed to "evaluate all historic regulations and develop a historic resources regulation reform program."

That report came on the heels of <u>a white paper</u> produced by a group of land use consultants and shared with the city. It proposed, among other things, that officials stop designating entire areas as historically significant in community plan updates and raise the requirements for what's deemed historic.





(Left to right) A home in South Park and a home and condominiums in La Jolla. / Photos by Ariana Drehsler

Escobar-Eck and others contend the Historic Resources Board is prevented from weighing the current use of a property against its longterm use, meaning the number of units the land could one day hold.

"I'm not saying let's tear everything down. I'd be the first one to stop that," she said. "But there's got to be some balance."

The groundwork is being laid for change. The mayor's proposed fiscal year 2024 budget notes that the city's historical resources program is <u>being transferred</u> from the Development Services Department to the Planning Department. The policy and individual site work were broken up and divided between the two departments in 2016.

"Restoring the City's historic preservation program under a single department will have several benefits related primarily to the planned comprehensive reform to the City's Historic Preservation program — a need identified by staff, the public, and most recently by the Mayor's Middle-Income Working Group," said Rachel Laing, the mayor's director of communications, in an email. That includes, she added, "greater coordination and consistency in the application of historic standards and criteria across the various aspects of the City's Historic Preservation program."

Bruce Coons, executive director of Save Our Heritage Organisation, a local preservationist lobbying group, however, is skeptical that private industry can build its way out of the current housing crisis. Calls for reform come up <u>every few years</u>, he noted, but the overturning of a historic designation is not common.

"We tend to be the scapegoats for why developers don't build lowincome and middle-income housing," he said. "They're not building it, because it's not as profitable as market rate."

If the city does make substantive changes to the historic review process it will have a secondary effect on revenue. That's because owners of historic structures are eligible to apply for a reduction in property taxes under the California Mills Act, a statewide incentive that can be passed on to the next buyer.

In other words, the more homes and offices on the historic list, the less tax revenue there is to go around.

Clint Daniels, a former SANDAG analyst who chairs the nonprofit Circulate San Diego, took a list of Mills Act properties in the city — <u>more than 1,800</u> — and estimated that officials give up at least \$20 million annually as a result. Most of that <u>financial relief</u> goes to singlefamily homeowners in La Jolla, Mission Hills, Kensington and the neighborhoods around Balboa Park.

The median annual tax break is around \$6,000, but some are getting considerably more than that, and the biggest beneficiaries live in mansions along the coast. The most expensive of these estates gets an estimated annual tax break of \$186,000, according to Daniels' analysis.

Per policy set by the City Council, officials every year are only allowed to <u>remove an additional \$200,000</u> from the property tax roll. But Daniels has argued Mills Act designations have an even greater effect on other agencies' ability to collect revenue. So the cumulative \$20 million number that he's come up with is, in his eyes, a conservative figure.

Coons argues that the lost tax revenue comes back in another form. He pointed to University of San Diego <u>research</u> from the early 2000s

showing that the overall taxable basis for the neighborhood increases for each historical home.

Daniels, however, doesn't find that research compelling because it doesn't take into account the foregone value and property taxes that would come from redeveloping the property with additional units of housing. Nor does it take into consideration the longer term effects of pushing home construction to the farthest reaches of the metro. At some point, he said, the tax break, while pushing up the value of historic homes for the owners, must have a negative effect overall.

In theory, the tax breaks are supposed to offset the cost of maintaining historic property. State law requires inspections <u>every five years</u> to ensure the structure is still in good condition and the owner is abiding by the terms of the underlying agreement. But when Daniels <u>asked the city</u> for a list of Mills Act inspections, officials had none.

As the owner of one historic property in Golden Hill joked to Voice of San Diego: "As long as the plaque is visible the tax benefits roll on through."

When it comes to historic designations, the city isn't just looking at older homes and offices. Properties completed within the last decade, like the mixed-use North Parker at 30th and Upas streets, have been granted historic status on the grounds that the architect is a "master" craftsman. San Diego doesn't have an age requirement for historic structures but tends to look more favorably on properties older than 45 years. By contrast, Coronado typically sets the bar at 75 years.



The North Parker on 30th and Upas on May 12, 2023. / Photo by Ariana Drehsler

These and other complaints have not fallen on deaf ears. The Historic

Resources Board's policy subcommittee <u>took up a discussion</u> of its own standards in October but didn't come to any firm conclusions.

Preservationists, in the meantime, are positioning themselves ahead of any reforms — by arguing that historic homes yet to be designated as such are a naturally affordable option and that, while some may seek to weaponize the city's list of historic resources, the criteria is far from lax.

In a <u>recent blog post</u>, Coons called for the expansion rather than contraction of historic home policies in San Diego. He argued that historic structures predominantly reside outside "lower income and ethnically diverse neighborhoods" because it costs thousands of dollars to get the designation. The preservation work has to be done upfront in San Diego and the owner needs to make a case that the property is worth saving, often by hiring a consultant or historian.

Instead, Coons proposed the city waive fees for low-income applicants and funnel low-interest loans or grants to those properties needing repairs.

"One of the best ways to provide affordable housing is to help people stay in their already affordable homes," he said.



District Staff Decry San Diego Unified's Return-to-Office Demand



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JESSE MARX

Jesse Marx is a former Voice of San Diego associate editor. More by Jesse Marx

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8 Comments

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Michael Donovan

May 22, 2023 at 9:19 am

Preserving truly historic properties is a laudable goal. Allowing the process to be weaponized to block or delay affordable housing is something that should lead us to consider some simple reforms. For owners looking to save their historic properties, rather than offering a blanket tax break, we should look to offer tax credits or rebates for work done to restore or preserve the property. This relieves the burden on the homeowners without overly reducing the tax base with most benefit going to our wealthiest residents. For historic properties that a

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