

**CITY OF CARMEL-BY-THE-SEA
CITY COUNCIL
RESOLUTION NO. 2023-052**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA DENYING THE
APPEAL BY ESPERANZA CARMEL COMMERCIAL LLC (APP 23-031) AND UPHOLDING THE
HISTORIC RESOURCES BOARD'S DECISION TO ISSUE A FINDING OF NONCOMPLIANCE WITH
THE SECRETARY OF THE INTERIOR'S STANDARDS FOR THE RELOCATION OF THE NORTHERN
CALIFORNIA SAVINGS AND LOAN COMPLEX COMMUNITY ROOM FROM APN 010-145-023 TO
APN 010-145-002.**

WHEREAS, the subject site is known as the Northern California Savings and Loan Complex ("Complex"); and

WHEREAS, the Complex consists of Lots 2, 4, 6, and 8 located on Block 91 and is currently comprised of Assessor Parcel Numbers (APNs: 010-145-002, 010-145-023, 010-145-024); and

WHEREAS, APN 010-145-002 is comprised of lots 2 & 4 and is owned by D&K Dolores, LLC ("D&K Dolores"). APN 010-145-023 and 010-145-024 are comprised of lot 6 and 8, respectively. Both lots 6 & 8 are owned by Esperanza Carmel Commercial LLC ("Esperanza Carmel"); and

WHEREAS, International Design Group (IDG), ("Applicant") submitted an application (DR 22-157) on behalf of Esperanza Carmel on May 24, 2022, requesting the construction of a mixed-use building located on Lots 6, 8, and 10 of Block 91; and

WHEREAS, the Applicant submitted a second application (DR 22-310) on October 3, 2022, on behalf of D&K Dolores for the relocation of the Community Room to Lot 4 from Lot 6 of Block 91, associated with the proposed improvements shown as part of the application, DR 22-157; and

WHEREAS, an intensive survey of the Complex dated December 2022, prepared by PAST Consultants, concluded that the Complex is eligible for listing on the Carmel Inventory of Historic Resources as the property is representative of the theme of Architectural Development in the Context Statement; retains all of its original character-defining features and has retained a high degree of integrity; is greater than 50 years old; and, meets the requirements of Criteria 3 for listing; and

WHEREAS, the survey concluded further that the subject property is eligible for listing in the Carmel Inventory because it is eligible for listing on the California Register of Historic Resources (CRHR) under Criteria #3, Embodies the distinctive characteristics of a type, period, region or method of construction or represents the work of a master or possesses high artistic values for its intact Bay Region Modern-stylistic elements designed by prominent local architects Walter Burde & Associates and Will Shaw & Associates, in addition to meeting the criteria for listing on the local inventory as outlined in CMC 17.32.040; and

WHEREAS, on January 23, 2023, the Historic Resources Board adopted Resolution 2023-001-HRB, listing the Complex on the Carmel Inventory of Historic Resources and Carmel Register of Historic Resources; and

WHEREAS, notwithstanding the adoption of Resolution 2023-001-HRB, in accordance with the California Environmental Quality Act (CEQA), sites determined to be eligible for listing on the CRHR are a historic resource for the purpose of CEQA and therefore subject to the requirements of the city's historic preservation ordinance (CMC 17.32); and

WHEREAS, the proposed relocation of the Community Room constitutes a major alteration to a historic resource; and

WHEREAS, pursuant to CMC 17.32.160.B, determinations of consistency for major alterations shall be prepared by a qualified professional and shall be supported by written documentation that (1) identifies which of the Secretary of the Interior's Standards for Rehabilitation are applicable to the project, (2) reviews the proposed project, and (3) explains the basis of the determination. If an evaluation concludes that a proposed alteration is not consistent with the Secretary's Standards, the report shall list aspects of the project that are not consistent, along with guidance for modifying the project to comply with the Secretary's Standards; and

WHEREAS, the City retained the services of PAST Consultants ("PAST"), a contracted qualified professional, to prepare a Phase II Evaluation ("Phase II") to determine whether the proposed relocation of the Community Room is consistent with the Secretary of the Interior's Standards; and

WHEREAS, PAST evaluated the project for consistency with the Secretary of the Interior's Ten Standards for Rehabilitation in a Phase II dated January 12, 2023. PAST found that Standards #1, 2, 3, 5, 6, 7, 9, and 10 are applicable to the project. The evaluation concluded that the project, as proposed, is not consistent with Standards #2, 5, 9, and 10 and therefore is not consistent with the Secretary's Standards; and

WHEREAS, the Phase II recommends as part of the conclusion: *The project under consideration proposes the relocation of a primary character-defining feature of the building complex's original design: the spatial relationship between the bank building and the Community Room. To maintain the integrity of the subject historic site and its environment, this report respectfully recommends a new design approach that allows the original Burde/Shaw design and the building complex's corresponding character-defining features to remain in place; and*

WHEREAS, on January 23, 2023, the Historic Resources Board held a public hearing to receive public testimony regarding the Application, including without limitation, information provided to the Historic Resources Board by City staff and public testimony on the project in accordance with CMC 17.58.040.B; and

WHEREAS, on January 23, 2023, the Historic Resources Board adopted Resolution 2023-02-HRB, issuing a Finding of Noncompliance with the Secretary of the Interior's Standards for the relocation of the Northern California Savings and Loan Complex Community Room; and

WHEREAS, on February 6, 2023, a timely appeal (APP 23-031) of the decision to adopt a finding of non-compliance by Esperanza Carmel; and

WHEREAS, on April 21, 2023, notice of the public hearing was published in compliance with State law (California Government Code 65090) indicating the date and time of the public hearing; and

WHEREAS, on May 2, 2023, the City Council held a duly noticed de novo public hearing to receive public testimony regarding the appeal, including without limitation, information provided to the City Council by City staff and through public testimony on the proposed project; and

WHEREAS, this Resolution and its findings are made based upon evidence presented to the Council at the May 2, 2023 hearing including, without limitation, the staff report and attachments submitted by the Community Planning and Building Department; and

WHEREAS, the City Council did hear and consider all said reports, attachments, recommendations and testimony herein above set forth and used their independent judgement to evaluate the project; and

WHEREAS, the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., "CEQA"), together with State Guidelines (14 California Code Regulations §§ 15000, et seq., the "CEQA Guidelines") and City Environmental Regulations (CMC 17.60) require the review of certain projects for environmental impacts and preparation of environmental documents; and

WHEREAS, the listing of the subject property on the Carmel Inventory is "not a project" pursuant to section 15378 of the CEQA Guidelines. Adopting a Finding of Noncompliance does not grant any permits or entitlements approving a project that would result in a direct or indirect physical change in the environment. However, CEQA requires environmental review for alterations to historic resources that are not consistent with the Secretary of the Interior's Standards. Consistent with CMC 17.32.160.C and CEQA, if the applicant does not choose to modify the project to comply with the Secretary's Standards, the Department shall require preparation of environmental review documents to further analyze and mitigate any impacts to the historic resource. These CEQA documents would be required prior to issuance of any discretionary permits for the project, and could include up to an Environmental Impact Report (EIR); and

WHEREAS, the facts set forth in the recitals are true and correct and are incorporated herein by reference.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Carmel-by-the-Sea does hereby **DENY** the appeal by Esperanza Carmel (APP 23-031) and uphold the Historic Resources Board's decision to issue a Finding of Noncompliance with the Secretary of the

Interior's Standards for the relocation of the Northern California Savings and Loan Complex Community Room, as found in Historic Resources Board Resolution: Resolution 2023-02-HRB adopted on January 23, 2023.

Findings for Denial of Appeal	
No.	
1.	The appeal filed by the Appellant (included as Attachment XX to the subject staff report) is without merit as it fails to address why the action taken by the Historic Resources Board is incorrect or should be overturned based on factual evidence that was applicable to the decisions made by the HRB at the subject hearing.
2.	The subject site is determined to be a historic resource. Historic resources are subject to review under the California Environmental Quality Act (CEQA). Generally, under CEQA, a project that follows the Standards for Rehabilitation contained within <i>The Secretary of the Interior's Standards for the Treatment of Historic Properties</i> is considered to have mitigated impacts to a historical resource to a less-than-significant level (CEQA Guidelines §15064.5)
3.	<p>The city's historic preservation ordinance (CMC 17.32) outlines the process for determining project consistency with the secretary's standards.</p> <p>Determinations of consistency for major alterations shall be prepared by a qualified professional and shall be supported by written documentation that (1) identifies which of the Secretary's Standards are applicable to the project, (2) reviews the proposed project, and (3) explains the basis of the determination (CMC 17.32.160.B).</p> <p>The city contracted with PAST Consultant, LLC to prepare the Phase II Evaluation for the associated project. The evaluation concluded the subject project as proposed is not consistent with Standards #2, 5, 9, and 10, and therefore is not consistent with the Secretary's Standards.</p> <p>As outlined in CMC 17.32.160.C.1, an evaluation that concludes that a project is not consistent with the Secretary's Standards shall constitute evidence of substantial adverse impact to an historic resource.</p>
4.	<p>On August 3, 2021, the City Council adopted Resolution 2021-043 that included the following findings:</p> <ul style="list-style-type: none"> The Bank building and the Community Room are a historically related unit. Though the room is subordinate to the Bank, it has retained its historic integrity and is an integral component of the original design as approved by the architects' client, the owners of the Palo Alto Savings and Loan Bank. The Bank complex is eligible for listing on the California Register of Historic Resources for purposes of the California Environmental Quality Act (CEQA).

	<ul style="list-style-type: none">• In the case of the Community Room, despite being an auxiliary use it was still part of the original concept of the building from the beginning.• A new construction project on the site of a demolished Community Room would constitute an adverse effect on the Bank complex and destroy the original concept as designed by two of Monterey County’s most respected master architects.• The community room section of the building was designed right along with the rest of the building and contains all the character defining features of the main bank building: shed roof and copper roofing, angular forms and irregular massing, plate glass window walls, traditional materials used within a Modern architecture vocabulary, Integration of the building with its setting, Integration of the outdoors with interior spaces, Redwood siding and beams.• The structural connection in the design of this building was very intentional and strong, and is all part of one piece of significant architecture—one historic resource.• By removing the community room the south elevation of the resource is completely changed and is not the intended design from the public right-of-way on the south side.
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PASSED, APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA this 2nd day of May, 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

Dave Potter
Mayor

Nova Romero
City Clerk