

# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Historic Landmarks Commission

**SUBJECT:** SEE BELOW

**DATE:** November 10, 2008

---

**COUNCIL DISTRICT:** 3

**SNI:** University

**SUBJECT:** HL08-174 & MA08-006, Historic Landmark Nomination and Mills Act Historical Property Contract for the Renzel House, located at 120 Arroyo Way;

## RECOMMENDATION

The Historic Landmarks Commission (HLC) recommends that the City Council adopt resolutions designating the Renzel House as a Historic Landmark No. 174 and approving associated Historical Property Contract File No. MA08-006.

## OUTCOME

Designation of the building as a Historic Landmark structure would establish the requirement for the issuance of Historic Preservation (HP) permits to approve any exterior changes proposed to the structure. Approval of the Historical Property Contract would allow the property owner to utilize property tax relief to maintain the property. By approving the contract, the City and the applicant become partners in the preservation of the landmark property.

## BACKGROUND

The property owners, Donald Lieberman and Patricia A. Long, submitted an application for Historic Landmark designation of the house in September 2008, using historical evaluations performed by qualified historical consultants Archives and Architecture. The City Council approved initiation of the City Landmark designation process for the Renzel House at its October 21, 2008 public hearing.

On November 5, 2008, the Historic Landmarks Commission held a public hearing to consider the proposed Historic Landmark designation and associated Historical Property Contract. The Commission voted (7-0-1; Thacker absent) to recommend the City Council adopt a resolution designating the Renzel House as a Historic Landmark No. 174 based on Criteria 1,3 and 6 of the Historic Preservation Ordinance. The Commission requested that extra research be conducted to determine if the property conformed with Criterion 7, *Its identification as the work of an architect or master builder whose individual work has influenced the development of the city of San José*. The Commission voted (7-0-1; Thacker absent) to recommend the City Council

HONORABLE MAYOR AND CITY COUNCIL

November 10, 2008

**Subject:** HL08-174/MA08-006

Page 2

approve the associated Historical Property Contract (File Number MA08-006). The Historic Landmarks Commission recommended approval the proposed Preservation Plan.

## ANALYSIS

### I. Historic Landmark Nominations

Based on the information in the historical evaluation for the property, the building at 120 Arroyo Way merits designation as a historic landmark based on its historical, cultural and architectural significance. The building qualifies for City Landmark status primarily based on Criterion 1, 3 and 6 of the Historic Preservation Ordinance (Municipal Code Section 13.48.110), as noted below.

This Ranch-style house, constructed in 1939, is set within the Naglee Park Conservation area surrounded by early-twentieth-century residences. The residential property, historically known as the Ernest & Emily Renzel House, has special historical, architectural and aesthetic interest and value to the community for its distinctive character that is expressed through its preserved materials and overall design. The Renzel House represents a very early local implementation of a Ranch-style house within the Early Modern Period of local residential development. The house was featured in the local newspapers in 1941.

Consistent with the National Register of Historic Places eligibility findings, the building appears to qualify for City Landmark status based on: *Criterion (1), its character, interest or value as part of the local, regional, state or national history, heritage or culture*, as a distinctive building within the Naglee Park Conservation Area; *Criterion (3), identification with a person or persons who significantly contributed to the local, regional, state or national culture and history*, identified with Ernest H. Renzel, Jr., who contributed to local and regional history; and *Criterion (6) as an embodiment of distinguishing characteristics of an architectural type or specimen*, exemplifying distinguished Ranch-style architecture due to its form and detailing.

### II. Mills Act Historical Property Contracts

The Historic Landmark Preservation Agreement is an incentive for ownership of City Landmarks. It is a contract between the City of San José and the owner of a designated City Landmark which allows the owner to enjoy a reduced property tax rate from the County Assessor in exchange for the preservation, and in some cases restoration and rehabilitation, of the owner's historic property. The purpose of the agreement is to provide greater protection for the City Landmark property than is otherwise provided by the historic preservation regulations in the City Municipal Code. The County Assessor sets the property tax rate based on an appraisal of the market value of the land and improvements. A property under contract will receive a property tax reduction based on an appraisal of the rental value of the land and improvements.

HONORABLE MAYOR AND CITY COUNCIL

November 10, 2008

**Subject:** HL08-174/MA08-006

Page 3

The draft contract has been attached. As is typical for Mills Act historical property contracts, the contract is currently being finalized and will be forwarded to the City Council under separate cover prior to the public hearing.

### **Required Provisions of Historical Property Contracts**

Municipal Code Chapter 13.48 requires provisions of Historical Property Contracts as follows:

- A. A description of the Landmark Property subject to the Contract;
- B. A provision that the term of the contract is a minimum period of ten years;
- C. Specific conditions requiring preservation of the Landmark Property and where appropriate, restoration and rehabilitation of the Landmark Property to conform to the requirements of the City, and the rules and regulations of the Office of Historic Preservation of the State of California Department of Parks and Recreation;
- D. Provision for the periodic examination of the interior and exterior of the Landmark Property by the City of San José, Santa Clara County Assessor, and the State Board of Equalization as may be necessary to determine the owner's compliance with the Contract.
- E. A requirement that the property owner annually expend an amount equal to a minimum of 10% of the tax savings attributed to the Contract to the preservation and maintenance of the Landmark Property; and
- F. A provision that the Contract is binding upon and shall inure to the benefit of, all successors in interest of the owners; and that a successor in interest shall have the same rights and obligations under the Contract as the original owners who entered into the Contract.

### **Required Findings of Historic Property Contracts**

The Historic Landmarks Commission recommends that the City Council adopt a resolution making the following findings and approving the proposed associated Historical Property Contracts, based on the text added in italics.

- A. The proposed Contract is consistent with the General Plan;  
*Preservation of specific structures or special areas is a part of the San José 2020 General Plan Urban Conservation/Preservation Major Strategy. The proposed Contract is consistent with General Plan Historic, Archeological and Cultural Resources Policies, which state that the City should utilize a variety of techniques and measures to serve as incentives toward fostering the rehabilitation of individual buildings and districts of historic significance.*
- B. The proposed Contract would provide greater protection for the Landmark Property than is otherwise provided by the provisions of Municipal Code Chapter 13.48;  
*The proposed Contract provides greater protection for the Landmark Property than is otherwise provided by the provisions of Municipal Code because the owner, in*

*partnership with the City, may use property tax relief to rehabilitate and maintain the property in accordance with the preservation plans, Exhibit "C".*

- C. The proposed Contract complies with the required provisions of Historical Property Contracts listed above.

*The proposed Contracts incorporate the Municipal Code's required provisions for Historical Property Contracts.*

### **POLICY ALTERNATIVES**

The City Council could opt to decline to designate the building as a City Landmark Structure. In such a case, the structure could undergo exterior alterations in the future without need of Historic Preservation Permits reviewed by the Historic Landmarks Commission. However, exterior alterations would remain subject to review by the Planning Director because the subject building is listed on the City's Historic Resources Inventory at a lesser level of designation. The City Council could also opt to decline to approve the associated Mills Act historical property contract, in which case the property would remain at their current assessment level; tax savings would not be available for the property owner to carry out the preservation work being proposed in the historical property contract.

### **PUBLIC OUTREACH/INTEREST**

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

Although this item does not meet any of the above criteria, staff has followed Council Policy 6-30: Public Outreach Policy. The Landmark nomination and contract was initiated by the property owner. Public hearing notices for the project were published in a local newspaper, posted at the site, and mailed to all property owners and tenants within at least 500 feet of the subject site. Information about the proposed projects and the associated public hearings has been made available through the Planning Division web site, and staff has been available to answer questions.

The Historic Landmarks Commission held a public hearing on the proposed Historical Property Contract November 5, 2008 as noted above.

HONORABLE MAYOR AND CITY COUNCIL

November 10, 2008

**Subject:** HL08-174/MA08-006

Page 5

### FISCAL/POLICY ALIGNMENT

This project is consistent with City Council Policy: Preservation of Historic Landmarks, and the Historic, Archaeological, and Cultural Resources San José 2020 General Plan policies.

### COST SUMMARY/IMPLICATIONS

Under a Historical Property Contract, a property receives a lower tax bill based on the property's potential rental income rather than its full market value. The amount of tax savings varies from property to property and year to year, depending on circumstances such as the size of the building and current rental rates. Because of Proposition 13, the percent difference between a new "income-based" assessment and a property's current assessment level is also affected by how long a given property owner has owned a building. The average per-house property tax reduction experienced by other cities in California reportedly ranges from approximately 200 to 400 dollars per year (the assessment formula is the same statewide). The property tax reduction in San Jose may be somewhat higher because of higher average property values.

In San Jose, the Historical Property Contract is an incentive that is available only to individually designated City Landmark Structures. There are approximately 150 City Landmark Structures in San Jose, out of a total of approximately 307,000 housing units. Currently there are approximately 25 existing approved Historical Property Contracts in the city.

### BUDGET REFERENCE

Not applicable.

### CEQA

The environmental impacts of the project will not have an unacceptable negative effect on adjacent property or properties in that the project has been determined exempt from the provisions of the California Environmental Quality Act (CEQA) per Section 15331. The project is limited to maintenance, repair, stabilization, rehabilitation, restoration, preservation, conservation or reconstruction of historical resources in a manner consistent with the Secretary of the Interior's Standards for the Treatment of Historic Properties

*for*   
JOSEPH HORWEDEL, SECRETARY  
Historic Landmarks Commission

For questions, please contact Sally Zarnowitz, Historic Preservation Officer, at 535-7834.

**STAFF REPORT**  
**HISTORIC LANDMARKS COMMISSION**

**FILE NO.:** HL08-174 & MA08-006, 120 Arroyo Way, Renzel House

**APPLICATION TYPE:**

Historic Landmark Nomination (HL) and  
Mills Act Historical Property Contract (MA)

**PROJECT DESCRIPTION:**

1. Designation of the subject building as a City Landmark Structure in the City of San Jose Historic Resources Inventory
2. Historical Property Contract to allow partial property tax relief to rehabilitate and maintain the subject building

Existing Zoning	R-1-8 – Residence District
General Plan	Medium Low Density Residential (8.0 DU/AC)
Council District	3
Annexation Date	03/27/1850
Historic Classification	Identified Structure
Historic Area	Naglee Park Conservation Area
SNI	University
Redevelopment Area	SNI
Specific Plan	N/A



---

OWNERS/APPLICANTS

---

Donald A. Lieberman and Patricia A. Long, 120 Arroyo Way, San José, CA 95112

## **BACKGROUND**

In August 2008, the single-family house was evaluated in a Department of Parks and Recreation (DPR) form and historic evaluation sheet. The evaluation was prepared by qualified historical consultants Archives and Architecture. The cover letter and DPR form (see attached) for the property state that the house meets the criteria for City Landmark designation under the Historic Preservation Ordinance and appears eligible for the National and California Registers. The building owner submitted an application for City Landmark designation of the house in September 2008, using the research documented in the DPR form.

Designation of the structure as a City Landmark would establish the requirement for the issuance of Historic Preservation (HP) permits for City approval of any exterior changes proposed to the structure. The designation would also allow the owner to apply for the Historical Property Contract property tax reduction under the Mills Act and for exemption from the Building and Structure construction tax and the Commercial-Residential-Mobile Home Park (CRMP) building tax for work done in conformance with approved HP permits.

A Historical Property Contract is an incentive for ownership of designated City Landmark structures. It allows the owner of a landmark structure to enjoy a reduced property tax rate in exchange for the preservation, and in some cases restoration and rehabilitation, of the owner's historic property (see attached article). Please refer to the Analysis section, below, for additional discussion of Historical Property Contracts.

## **ANALYSIS**

### **I. Historic Landmark Criteria(HL08-174)**

In making the findings that a proposed landmark has special historical, architectural, cultural, aesthetic, or engineering interest or value of an historical nature, the Commission may consider, among other relevant factors, the following:

- (1) Its character, interest or value as part of the local, regional, state or national history, heritage or culture;
- (2) Its location as a site of a significant historic event;
- (3) Its identification with a person or persons who significantly contributed to the local, regional, state or national culture and history;
- (4) Its exemplification of the cultural, economic, social or historic heritage of the city of San José;
- (5) Its portrayal of the environment of a group of people in an era of history characterized by a distinctive architectural style;
- (6) Its embodiment of distinguishing characteristics of an architectural type or specimen;
- (7) Its identification as the work of an architect or master builder whose individual work has influenced the development of the city of San José;

- (8) Its embodiment of elements of architectural or engineering design, detail, materials or craftsmanship which represents a significant architectural innovation or which is unique.

**Summary:** Based on the information in the historical evaluation prepared by Archives and Architecture for the property, as discussed below, the building merits designation as a historic landmark based on its historical, cultural and architectural significance. The building qualifies for City Landmark status primarily based on Criteria (1), (3), (6) & (7) of the Historic Preservation Ordinance (Municipal Code Section 13.48.110) as noted above. Please refer to the attached evaluation form for a more detailed discussion and analysis of the building.

This Ranch-style house, constructed in 1939, is set within the Naglee Park Conservation area surrounded by early-twentieth-century residences. The residential property, historically known as the Ernest & Emily Renzel House, has special historical, architectural and aesthetic interest and value to the community for its distinctive character that is expressed through its preserved materials and overall design. The Renzel House represents a very early local implementation of a Ranch-style house within the Early Modern Period of local residential development. The house was featured in the local newspapers in 1941.

Consistent with the National Register of Historic Places eligibility findings, the building appears to qualify for City Landmark status based on: *Criterion (1), its character, interest or value as part of the local, regional, state or national history, heritage or culture*, as a distinctive building within the Naglee Park Conservation Area; *Criterion (3), identification with a person or persons who significantly contributed to the local, regional, state or national culture and history*, identified with Ernest H. Renzel, Jr., who contributed to local and regional history; *Criterion (6) as an embodiment of distinguishing characteristics of an architectural type or specimen*, exemplifying distinguished Ranch-style architecture due to its form and detailing; and *Criterion (7) Its identification as the work of an architect or master builder whose individual work has influenced the development of the city of San José*, identified as the work of the architectural firm of Higgins and Root.

## **II. Mills Act Historical Property Contract (MA08-006)**

The Historic Landmark Preservation Agreement is an incentive for ownership of City Landmarks. It is a contract between the City of San Jose and the owner of a designated City Landmark, which allows the owner to enjoy a reduced property tax rate from the County Assessor in exchange for the preservation, and in some cases restoration and rehabilitation, of the owner's historic property. The purpose of the agreement is to provide greater protection for the City Landmark property than is otherwise provided by the historic preservation regulations in the City Municipal Code. The County Assessor sets the property tax rate based on an appraisal of the market value of the land and improvements. A property under contract will receive a property tax reduction based on an appraisal of the rental value of the land and improvements.

### **Required Provisions of Historical Property Contracts**

Municipal Code Chapter 13.48 requires provisions of Historical Property Contracts as follows:

- A. A description of the Landmark Property subject to the Contract;
- B. A provision that the term of the Contract is a minimum period of ten years;

- C. Specific conditions requiring preservation of the Landmark Property and, where appropriate, restoration and rehabilitation of the Landmark Property to conform to the requirements of the City, and the rules and regulations of the Office of Historic Preservation of the State of California Department of Parks and Recreation;
- D. Provision for the periodic examination of the interior and exterior of the Landmark Property by the City of San Jose, Santa Clara County Assessor, and the State Board of Equalization as may be necessary to determine the owner's compliance with the Contract.
- E. A requirement that the property owner annually expend an amount equal to a minimum of 10% of the tax savings attributed to the Contract to the preservation and maintenance of the Landmark Property; and
- F. A provision that the Contract is binding upon, and shall inure to the benefit of, all successors in interest of the owners; and that a successor in interest shall have the same rights and obligations under the Contract as the original owners who entered into the Contract.

In addition to the Municipal Code provisions above, State legislation requires the City Clerk to record a Historic Property Contract with the County Recorder by December 31<sup>st</sup> of any calendar year in order to be effective during the following calendar year.

The Mills Act Historical Property Contract is a standardized form document, the majority of which is the same for each individual property. The substantive content of the contract, consisting of proposed year-by-year repairs, upgrades, and maintenance is referred to as the Preservation Plan (Exhibit "C" of the contract). The Preservation Plan differs from property to property, based on the specific needs of each individual historical building and situation. The draft contract with the proposed Preservation Plan (Exhibit "C" of the contract) is attached to this report.

The Preservation Plan (Exhibit "C") includes an itemized list of proposed upgrades, maintenance, and repair tasks for the first ten years of the Historical Property Contract. Each of the Preservation Plans identifies specific anticipated work that is planned to be performed. However, the Preservation Plan should be viewed as an outline of anticipated work, representing approximately 10% of the annual tax savings afforded by the Historical Property Contract, that will be done to preserve and enhance the historic resource. For any given year, other preservation work that would represent a similar expenditure may be substituted as different site-specific needs arise over time. All work being done to meet the requirements of the Contract remains subject to approval of any applicable permits, including Historic Preservation Permits (or Permit Amendment/Adjustments) and building permits. Any work being reviewed under a Historic Preservation Permit/Amendment/Adjustment undergoes design review to ensure compatibility with the guidelines.

#### **Required Findings of Historic Property Contracts**

In accordance with Municipal Code Chapter 13.48, the City Council may approve a Historic Property Contract only if the following findings are made. Planning staff recommends that the Historic Landmarks Commission recommend the City Council make the following findings and approve the proposed Historical Property Contract, based on the text added in italics.

- A. *The proposed Contract is consistent with the General Plan;*

*Preservation of specific structures or special areas is a part of the San Jose 2020 General Plan Urban Conservation/Preservation Major Strategy. The proposed Contract is consistent with General Plan Historic, Archeological and Cultural Resources Policies, which state that the City should utilize a variety of techniques and measures to serve as incentives toward fostering the rehabilitation of individual buildings and districts of historic significance.*

- B. The proposed Contract would provide greater protection for the Landmark Property than is otherwise provided by the provisions of Municipal Code Chapter 13.48;

*The proposed Contract provides greater protection for the Landmark Property than is otherwise provided by the provisions of Municipal Code because the owner, in partnership with the City, may use property tax relief to rehabilitate and maintain the property in accordance with the preservation plan, Exhibit "C".*

- C. The proposed Contract complies with the required provisions of Historical Property Contracts listed above.

*The proposed Contracts incorporate the required provisions for Historical Property Contracts listed in Section 13.48.520 of the San José Municipal Code.*

## **GENERAL PLAN CONFORMANCE**

The Landmark Designation for these structures conforms to, and furthers, the San Jose 2020 General Plan *Urban Conservation/Preservation Major Strategy*. This strategy recognizes that preservation activities contribute visual evidence to a sense of community. In particular, the *Historic, Archaeological, and Cultural Resources (HACR) Policy No. 2* states that the City should use the Area of Historic Sensitivity overlay and the landmark designation process of the Historic Preservation Ordinance to promote and enhance the preservation of historically or architecturally significant sites and structures. In addition, the proposed historical property contracts specifically further the objectives of:

- *HACR Policy No. 6*, which states that the City should use a variety of techniques and measures to serve as incentives toward fostering the rehabilitation of individual buildings and districts of historic significance; and
- *HACR Policy No. 11*, which states that The City should encourage the continuation and appropriate expansion of Federal and State programs which provide tax and other incentives for the rehabilitation of historically or architecturally significant structures.

## **CEQA**

The environmental impacts of the project will not have an unacceptable negative effect on adjacent property or properties in that the project has been determined exempt from the provisions of the California Environmental Quality Act (CEQA) per Section 15331. The project is limited to maintenance, repair, stabilization, rehabilitation, restoration, preservation, conservation or reconstruction of historical resources in a manner consistent with the Secretary of the Interior's Standards for the Treatment of Historic Properties

## COMMUNITY OUTREACH

The proposed Landmark nomination and Historical Property Contract was initiated by the property owner. A public hearing notice for the project was published in a local newspaper, posted at the site, and mailed to all property owners and tenants within at least 500 feet of the subject site. Information about the proposed projects and the associated public hearings has been made available through the Planning Division web site, and staff has been available to answer questions.

## RECOMMENDATIONS

### HL08-174 – Landmark Designation

Planning Staff recommends that the Commission, after holding a public hearing on the subject proposal, recommend that the City Council approve the proposed Landmark Designation of the Renzel House at 120 Arroyo Way as Historical Landmark No. 174 at the City Council hearing scheduled for December 2, 2008 at 1:30 PM.

### MA08-006 – Mills Act Historical Property Contract

Planning staff recommends that the Historic Landmarks Commission, after holding a public hearing on the subject proposal, recommend that the City Council make the following findings and approve the Historic Property Contract of the Renzel House at 120 Arroyo Way at the City Council hearing scheduled for December 2, 2008 at 1:30 PM.

- The proposed contract is consistent with the San José 2020 General Plan;
- The proposed contract would provide greater protection for the landmark property than is otherwise provided by the provisions of Chapter 13.48 of the Municipal Code; and
- The proposed contract complies with the requirements of Section 13.48.520 of the San José Municipal Code.

**Project Manager:** Lori Moniz

**Approved by:** SL Moniz

**Date:** 10.28.08

**Attachments:** Department of Parks and Recreation (DPR) form  
Location map  
Article regarding Mills Act  
Draft historical property contract including Proposed Preservation Plan (Exhibit "C")

ARCHIVES & ARCHITECTURE

---

*Heritage Resource Partners, LLC*

PO Box 1332  
San Jose CA 95109-1332  
408.297.2684  
408.228.0762 FAX

September 15, 2008

Don Lieberman and Patricia Long  
120 Arroyo Way  
San José CA 95112

RE: City Landmark nomination  
Ernest and Emily Renzel House

Dear Mr. Lieberman and Ms. Long:

Please find enclosed DPR523 forms prepared for your property at 120 Arroyo Way in San José. These forms and the related historic evaluation rating sheets were prepared for your use in submitting an application to the City of San José for city landmark status for your residential property.

The City of San José "Evaluation Rating System" is used to attempt to quantify the process for conducting evaluations for historical significance for properties within the San José city jurisdiction. Using the rating system, a numerical score of 67 or above is considered sufficient to identify the potential for designation of a property as a San José City Landmark. The actual nomination process and decision by the San José City Council is based on the requirements of Chapter 13 of the San José Municipal Code (Section 13.48.110 / *Procedure for designation of a landmark*).

The evaluation we conducted on your property indicates a point score of 103.89 points, which is above the threshold. After reviewing the score and evaluating the property in the context of the criteria within the municipal code, we believe the property is eligible for individual designation as a San José City Historic Landmark.

The property is currently not listed on the City of San José Historic Resources. We noted in the rating sheet that the property has integrity to its period of significance. The period of significance is 1939-1977, the years when Ernest Renzel, Jr. was active locally as an advocate for San Jose's airport; in 1977 he retired from the City's Airport Commission.

Nomination for city historic landmark status can be made by a property owner. Following notification from the Director of Planning, Building and Code Enforcement that your application is complete, the San José City Council must initiate the procedure for the designation for your property. A public hearing before the Historic Landmarks Commission will take place within 90 days of the City Council initiation. Within 30 to 120 days following that hearing, a report with recommendations will be submitted to the City Council, who will then hold a public hearing to formally consider the designation.

In order for the designation to take place, the San José City Council must make findings that the property has historical, architectural, cultural, aesthetic, or engineering interest or value of an historical nature, and that its designation as an individual city landmark conforms to the goals and policies of the San José 2020 General Plan. In reviewing the possible historical values associated with the property at 120 Arroyo Way, we consider the following statement applicable:

*The residential property at 120 Arroyo Way in San José, has special historical, architectural and aesthetic interest and value to the community, for its contribution to the setting of the Naglee Park Conservation Area, for its association with Ernest Renzel, Jr., a person important to our past,, and for the distinctive design of the residence, which is an excellent and very early example of Ranch-style residential architecture and the work of early modernist architect Chester Root of the firm of Higgins & Root.*

The City of San José could reasonably make the following findings in designating your property a city historic landmark:

- *It has character, interest and value as a part of local and regional history and heritage and is a distinctive building within the Naglee Park Conservation Area;*
- *It is associated with Ernest Renzel, Jr., a person important to our past;*
- *It exemplifies aspects of the heritage of the San Jose in its distinctive Ranch-style residential architecture associated with the firm of Higgins & Root; and*
- *It embodies distinguishing characteristics of the Ranch Style within residential architectural design.*

Sincerely:

Franklin Maggi, Architectural Historian  
Archives & Architecture, LLC

Enclosures

State of California – The Resources Agency  
DEPARTMENT OF PARKS AND RECREATION  
**PRIMARY RECORD**

Primary #  
HRI #  
Trinomlal  
NRHP Status Code

Other Listings  
Review Code

Reviewer

Date

Page 1 of 14

\*Resource Name or #: (Assigned by recorder) Ernest & Emily Renzel House

P1. Other Identifier: None

\*P2. Location:  Not for Publication  Unrestricted

\*a. County Santa Clara

and (P2b and P2c or P2d. Attach a Location Map as necessary.)

\*b. USGS 7.5' Quad San Jose East Date 1980 Photorevised T.7S.;R.1E.; Mount Diablo B.M.

c. Address 120 Arroyo Way City San Jose Zip 95112

d. UTM: (Give more than one for large and/or linear resources) Zone 10S; 599892mE/ 4133459mN

e. Other Locational Data: (e.g., parcel #, directions to resource, elevation, etc., as appropriate)

Assessor's Parcel Number: 467-29-027,

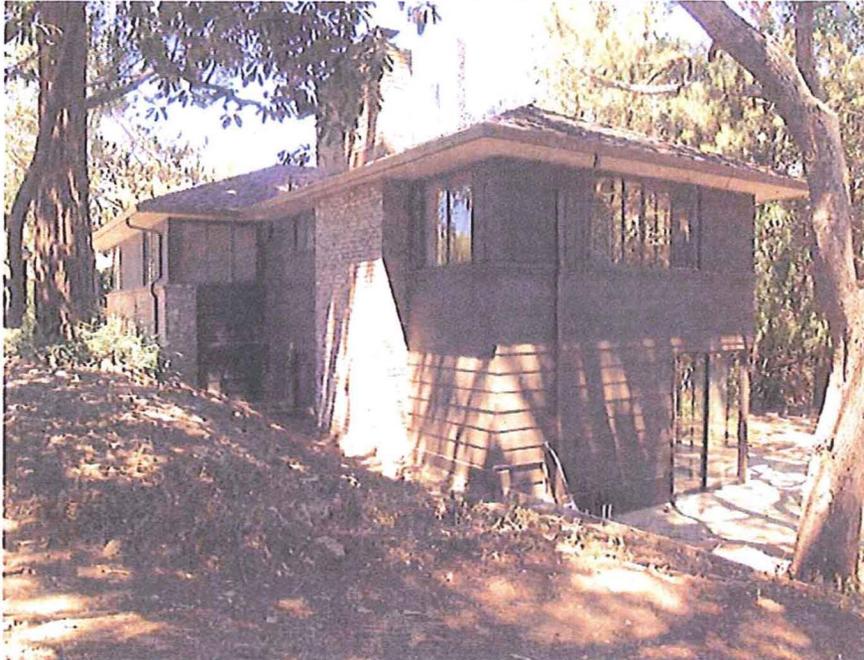
northeast side of Arroyo Way east of South Seventeenth Street.

\*P3a Description: (Describe resource and its major elements. Include design, materials, condition, alterations, size, setting, and boundaries)

This house embodies, through its form and detailing, a distinctive early Ranch-style residence with a compatible Ranch-style addition. Ranch-style houses became extremely popular after World War II, but had their roots in custom regional design of the late 1930s. This house is a very early example, utilizing brick and wood siding, Modernist steel corner windows, and horizontal proportions beneath the deep eaves. Chester Root, a well-known local architect, used this mix of Modern and traditional materials and forms to create a distinctive, unified composition for the main house in 1939-40. The 1949 addition, by Kress & Gibson, is harmonious with the original design in massing, materials and features. The property is surrounded by much of its historic residential setting, including surrounding properties, of a similar scale and setback, mature trees and other landscaping, and adjacent houses of similar age and scale although of differing styles. (Continued on page 2, DPR523L)

\*P3b. Resource Attributes: (List attributes and codes) HP2. Single Family Property

\*P4 Resources Present:  Building  Structure  Object  Site  District  Element of District  Other (Isolates, etc.)



P5b. Description of Photo: (View, date, accession #)

Front elevation, viewed facing north, Sept. 2008.

\*P6. Date Constructed/Age & Sources:  
 Historic  Prehistoric  Both

1939, building permits and directories, 69 years old.

\*P7. Owner and Address:

Don Lieberman  
& Patricia Long  
120 Arroyo Way  
San Jose, CA 95112

\*P8. Recorded by: (Name, affiliation, and address)

Franklin Maggi & Leslie Dill  
Archives & Architecture  
PO Box 1332  
San Jose CA 95109-1332

\*P9. Date Recorded: Sept. 15, 2008

\*P10. Survey Type: (Describe)  
Intensive

\*P11. Report Citation: (Cite survey report and other sources, or enter "none".)

None

\*Attachments:  NONE  Location Map  Sketch Map  Continuation Sheet  Building, Structure and Object Record  Archaeological Record  
 District Record  Linear Feature Record  Milling State Record  Rock Art Record  Artifact Record  Photograph Record  Other (List)

(Continued from page 1, DPR523a, P3a)

The immediate setting for the house is a wooded, sloped lot along Coyote Creek. The land slopes steeply down from Arroyo Way to the creek at the rear of the property. The long, rectangular footprint of the house follows the brow of the hill; it is one story at the front and two stories at the rear. The parcel includes a moderately shallow, level front yard that faces Arroyo Way (nominally west). There is no sidewalk along the curving street frontage, and a recent split-rail fence follows the curb. An earlier section of grape-stake, split-rail fence remains near the northwest corner of the parcel. The front entrance of the house is roughly centered in the width of the house; the recessed porch is accessed by a wide, exposed aggregate-concrete walkway; a brick stoop is recessed at the porch. Most of the front yard is landscaped with shrubs and low plants set between mature trees, including redwood, birch, laurel, and pine. Stepping stones and a brick walkway meander through the landscaping. A brick retaining wall and steps provide access to the lower floor near the south corner of the house, and a concrete bench accents the path. A wide concrete driveway serves the two-car garage at the northern end of the house. The north side yard features a brick patio within a large, wooded open space at approximately street level. Terraces wrap the corner of the house and step down to the rear yard. To the south of the house is a relatively large side yard that includes a tall wood retaining wall; a set of steps leads to the rear yard. The rear yard includes an expansive concrete patio in a Modernist curvilinear form, interrupted by two small planting islands and discrete foundation planting areas. The patio is edged by the riparian landscape along Coyote Creek. The parcel crosses the creek and includes paths to the water.

The house is set into the hillside. The main wing is one story and strikingly low in proportion at the front, and an expansive two stories at the rear, with a unique two-story room that spans the main rear façade and extends toward the creek with an original shed-roof projection. The front of the house is shallowly "U"-shaped; it includes a main volume that is flanked by an original, projecting bedroom wing to the south and a projecting garage wing to the north. The house is covered primarily by a low-sloped hipped roof, but the north end features a gable that connects to the hipped roof over the garage wing at the northwest corner of the house. At the south end of the original house is a large two-story addition. The front grade is somewhat lower at the addition, so the massing is more exposed. The addition features a walk-out, fully recessed corner room that was once an open, brick patio.

The deep eaves are boxed with v-groove soffits. The soffits project directly above the window line of the house, creating archetypal Modern low, horizontal wall proportions. The ends of the eaves incorporate integral metal gutters in a fascia shape. The roof is covered with new composition shingles. The central section of the original house is clad in full-height brick. In elegant contrast, the bedroom wing is clad in vertical wood siding above a brick wainscoting; the full-height brick wraps the corner and drops to the wainscot level under a corner window. Because of the wainscoting and soffit design, the windows in this wing are accentuated in a band. The garage and rear wings are clad in wide, horizontal wood lap siding. The southeast rear corner of the original house and the south addition are clad at the lower floor in horizontal lap siding, and at the main level with vertical siding; this design is a successful blending of the two end wings of the original house. The sill band that separates the vertical and horizontal siding is built up from simple flat boards in a 1930s stepped Modern pattern. The house is set on a concrete foundation, partially a slab. There are two large, brick chimneys; one partially projects from the rear two-story room and one from the front of the south addition. At the rear of the house are two sections of exposed rafter tails that project from the boxed eaves, at the two-story living-room wing and beneath the gabled roof at the north wing of the house.

Entry is through a low, recessed porch that features lap siding on the side walls inset within the brick front wall. The porch floor is brick and tile, and the ceiling is set only slightly below the level of the eaves. The front entry door is a simple mahogany flush door with a decorative knocker; it is flanked by unusual glass-block sidelights. The glass block has a horizontal ribbed pattern. Within the main wing, to both sides of the porch, are

(Continued on next page)

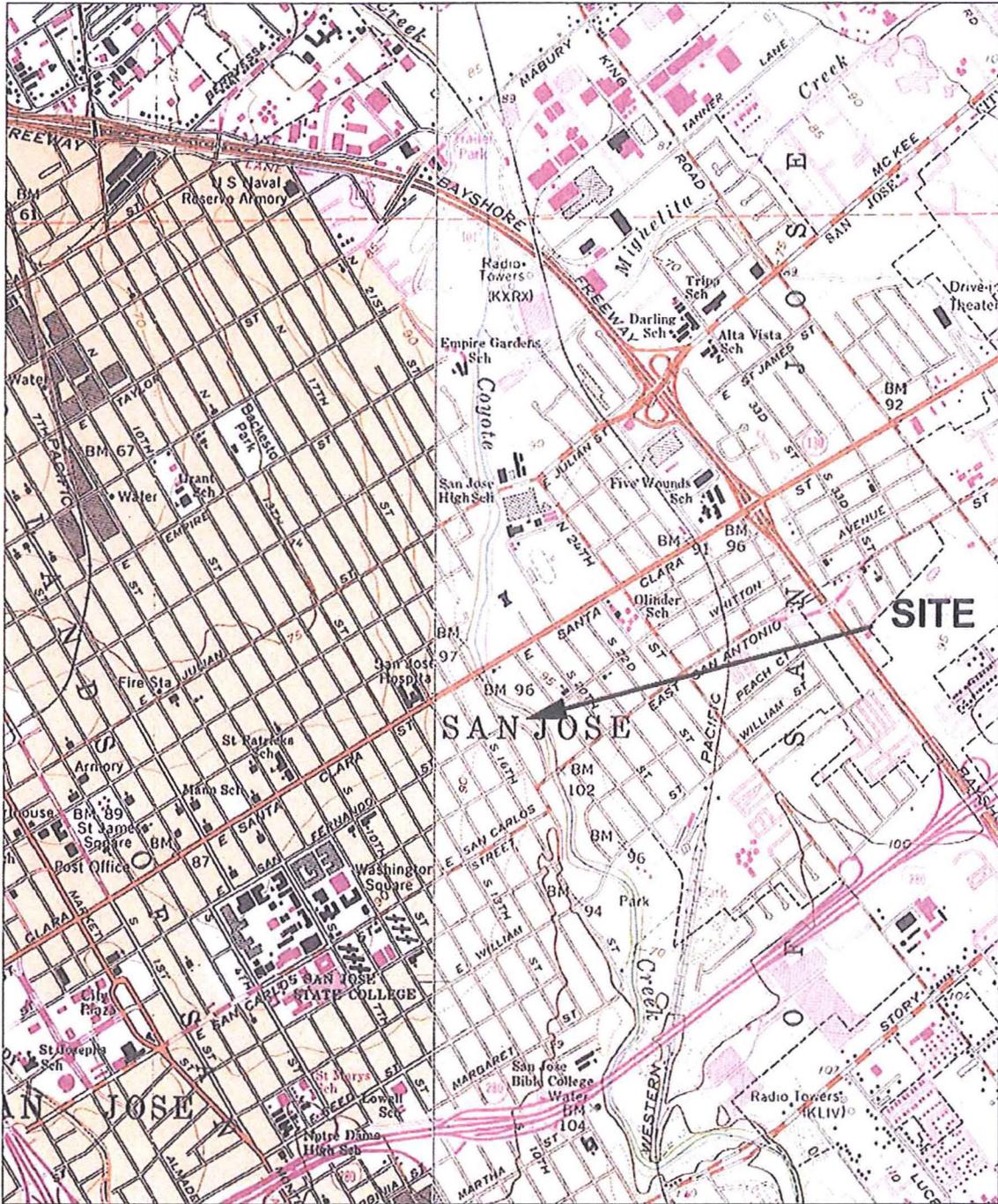
(Continued from previous page)

modest steel casement windows. One of the windows is a tripartite unit, another is paired, and a third is a single sash. At the prominent northwest corner of the bedroom wing, near the front door, is a corner window; this consists of a steel corner post, a tripartite unit facing front and a paired unit facing the side. Corner windows are Modern features that were first championed by Frank Lloyd Wright. This focal window is balanced by a simple paired unit to the south and a tripartite window around the corner, facing south. The original garage wing has a high, glass-block window facing south, toward the front door, and a pair of wood-faced overhead doors. The north side of the garage has a single window and a five-panel door. The north side of the house, the kitchen wing, includes an additional window, placed asymmetrically, and a corner window wraps from the north side to the rear of the house. More centered in the north wing of the rear façade is a tripartite window, at the main level. At the lower level is a five-panel door. The original, projecting rear wing is distinctive. A two-story room, with its shed roof, has a pair of asymmetrical full-height corner windows. These custom-designed and fabricated windows feature pipe columns at the outer corners and a large, 1x4 unit facing each side. At the north corner of the rear façade is a 3x4 unit, at the south corner facing rear is a 4x4 unit. A four-lite French door faces south, adjacent to the tall window unit. The upper story of the bedroom wing has a distinctive corner window (four sash facing rear and a tripartite unit facing the side) and a small paired unit facing the rear. At the lower level are paired units facing rear and side and a tripartite unit facing rear. The south addition steps back in plan at the rear, and features a full-width recessed porch, enclosed with glass in the early 1960s. The upper level has similar, but slightly different window patterns to the original bedroom wing; facing rear are high casement windows; facing the south side is a centered four-sash unit. The front of the addition features a wide brick chimney flanked by a high, small paired unit with textured glass and a larger casement unit to the south side. The front of the addition includes a two-panel lower-level door sunk into the grade; it is accessed by a brick garden stair.

The interiors include many exceptional original features, including main spaces that are integral with the character of the house. The paneled, two-story living room has a high, sloping ceiling and is open to the upper public areas via a cantilevered, angled balcony and a paneled straight stair. Beneath the balcony is a built-in cabinet area, with Moderne curved shelves and built-in full-width lower cabinet. The line of the lower cabinet flows into the minimalist design of the wide brick fireplace at a recessed firebox. The brick is very thin, and laid in a Modern stretcher bond with narrowly overlapping ends. The wall paneling and cabinetry consist of hardwood sheets with narrow battens. The dining room, an area open to the living room, also has built-in cabinets. It and the entry foyer share the same wall paneling as the living room below. There is pine paneling in the kitchen, original doors and trim throughout the house, and details include unique, original retracting screens, and a built-in brick barbeque wall in the addition.

Integrity and character-defining features:

The property maintains its historic integrity as per the National Register's seven aspects of integrity. The house maintains its original location on Arroyo Way, in a small 1930s neighborhood between Coyote Creek and Naglee Park. The property is surrounded by a traditional residential setting to the east of downtown San José, including surrounding properties of a similar scale and setback and adjacent houses of similar age, scale, and design. The subject property, including both the original house and the addition that was built a decade later, retains its 1930s and 40s residential scale and feeling and continues, through its low massing and Modernist detailing, to illustrate its associations with the architectural work of the locally significant firms of Chester Root and Kress & Gibson. This residence has a distinctive character and composition that is expressed through its preserved materials, workmanship, and eclectic design.



TH 15°

Map created with TOPO® ©2003 National Geographic (www.nationalgeographic.com/topo)

State of California - The Resources Agency  
 DEPARTMENT OF PARKS AND RECREATION  
**BUILDING, STRUCTURE, AND OBJECT RECORD**

Primary #  
 HRI #

Page 5 of 14

\*NRHP Status Code 3CS

\*Resource Name or # (Assigned by recorder) Ernest & Emily Renzel House

B1. Historic Name: Ernest & Emily Renzel House

B2. Common Name: None

B3. Original use: Single family residential B4. Present Use: Single family residential

\*B5. Architectural Style: Ranch

\*B6. Construction History: (Construction date, alterations, and date of alterations)

Constructed 1939-1940 (BP# 8424), Chester Root architect, Gibson & Wheeler Co., Inc. contractor. Addition 1949-1950 (BP# 8983), Kress & Gibson architects. Minor remodeling projects in 1963 and 1983.

\*B7. Moved?  No  Yes  Unknown Date: n/a Original Location: n/a

\*B8. Related Features:

None

B9a Architect: Higgins & Root (Chester Root)

b. Builder: Gibson & Wheeler Co. Inc.

\*B10. Significance: Theme Architecture and Shelter Area Northside

Period of Significance 1896-1921 Property Type Residential Applicable Criteria (1), (2) and (3)

(Discuss importance in terms of historical or architectural context as defined by theme, period, and geographic scope. Also address integrity.)

The house located at 120 Arroyo Way was constructed in late-1939-early-1940 for Ernest H. Renzel, Jr. and his wife Emily. The property is a portion of Lot 25 of Tract 39 (Arroyo Terrace) which was surveyed by the Herrmann Bros. in 1936 (Maps 1:26 & 27). This survey covered an easterly part of the neighborhood known as Naglee Park (east of South Seventeenth Street, south of San Antonio Street, and to the center of the Coyote Creek), and was owned by the Naglee Park Improvement Company in 1905 when sold to Thomas Derby (Deeds 290:189).

Naglee Park is a 140-acre neighborhood that was once the estate of General Henry M. Naglee, a veteran of the Civil War and local property developer during the later part of the nineteenth century. Although originally platted within the 84-block unrecorded Naglee & Sainsevain's Addition, the estate was re-surveyed in the early twentieth century. The first phase, between East Santa Clara and East San Antonio Streets was subdivided by the Naglee Park Improvement Company; Thomas Robins was president at the time of the recording of the tract. Established as a prestigious urban residential subdivision with many architect-designed homes and recorded deed restrictions governing use, house siting and cost, it was mostly built-out by the beginning of World War II. During the late 1970s, it was identified as a potential conservation area by the City of San Jose, and designated as such in the 1980s.

B11. Additional Resource Attributes: (List attributes and codes) None

\*B12. References:

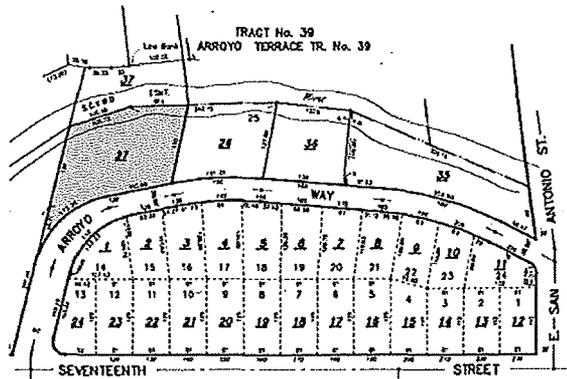
- Barrett, D., *A Century of Service*, 1977.
- Douglas, J., *Historical Footnotes of SCV*, 1993.
- Down, H.J., *The Historical Background of Keystone Coffee, Santa Clara County Business*, May-June 1978.
- San Jose building permits.
- San Jose city directories, 1939-1978.
- Sanborn Fire Insurance maps, 1939-1962.
- Santa Clara County Clerk-Recorder, Deeds, and Maps.

B13. Remarks: proposed landmark nomination

\*B14. Evaluator: Franklin Maggi

\*Date of Evaluation: Sept. 15, 2008

(This space reserved for official comments.)



State of California - The Resources Agency  
DEPARTMENT OF PARKS AND RECREATION  
CONTINUATION SHEET

Primary #  
HRI #  
Trinomial

Page 6 of 14

\*Resource Name or # (Assigned by recorder) Ernest & Emily Renzel House use

\*Recorded by Franklin Maggi & Leslie Dill

\*Date 9/15/2008  Continuation  Update

(Continued from previous page, DPR523b, B10)

Thomas Derby was an agriculturalist who developed a large prune orchard on McLaughlin Avenue in the late nineteenth century. By 1936 the property was owned by Charles C. and Mary Derby, when it was subdivided and sold off. Arroyo Way was constructed at this time, and although Lot 25 had originally included all the property between the new street and the Coyote Creek, the Derbys sold about 2/3-acre of the northern portion of Lot 25 to Ernest H. Renzel, Jr. (Deeds 785:165) about a month after the subdivision was recorded on July 20, 1936. A little over three years later, Renzel, who had been living in the Rosegarden area with his wife Emily, began construction of the single family house that exists on the property today.

Ernest Renzel, Jr.'s grandfather, Conrad Renzel - who had arrived in California from Hannover, Germany in the 1850s - was an early San Jose baker and grocery who founded a wholesale grocery firm in 1885, later to be known as C. Renzel & Son. Following Conrad's death in 1898, his son E. H. Renzel continued to operate the company until 1905, when it incorporated as the Keystone Company, with E. H. Renzel as president. In 1909, Keystone reorganized and appointed William G. Alexander as president and E. H. Renzel vice-president, as it went into a rapid expansion period, building one of the largest coffee roasting facilities on the West Coast while also expanding its wholesale grocery business. In July 1922, E. H. Renzel, who had been heading the grocery division of Keystone, left the company with F. W. Withycomb to create a separate wholesale grocery operation, known as the E. H. Renzel & Co. The two companies remained separate until 1956, when Keystone re-entered the grocery business by acquiring the E. H. Renzel Company, which by then had become specialized in institutional and restaurant food supply.

Ernest (Ernie) H. Renzel, Jr. (1907-2007), went to work for E. H. Renzel & Co. after graduating from Stanford in 1929, married his wife Emily in 1930, and eventually rose to be president of the company. In the late 1930s, then working as a manager for the company, Ernie became actively involved in community issues. As a member of the Chamber of Commerce in 1938, he first envisioned a municipal airport for San Jose, and formed a committee of civic leaders to advocate for its development. He located 483 acres of the Crocker Estate north of the downtown, which had the capacity to serve this use, and on May 30, 1939, negotiated a purchase option at \$300/acre. He led a voter campaign in 1940 that passed the first voter-approved bond issue in San Jose since 1911, to fund acquisition of the land for the future airport.

During most of the Interwar Period (1919-1945), construction of city infrastructure had lagged far behind urban growth. It has been well documented and was publically known at the time that local politics during this period was controlled by an outside political boss, Charlie Bigley. The new city charter that took effect in 1916 eliminated the position of mayor and vested authority under a council-appointed city manager, and Clarence Goodwin, who would take office as manager for 24 years, was appointed in 1920. During the early years of the Second World War, a young generation of reformists formed the "San Jose Progress Committee" to develop a slate of candidates for the San Jose City Council, which at that time had six of seven seats open for election. With Roy Rundel, Fred Watson, James Lively, Benjamin Carter, and Albert J. Ruffo, Ernest Renzel, Jr. joined to form a slate and reformist platform, advocating for more investment in the city's inadequate infrastructure, and long-range planning for growth in the post-war period. Renzel was top vote getter, and was soon appointed as City Council president, a position that he moved to have renamed mayor at the end of his term. Under Renzel's leadership, the long-term public safety officials were removed as well as City Manager Goodwin. Under new acting City Manager John Lynch, the City quickly reconstituted itself to prepare itself for the rapid expansion that would later occur during the City's management under Anthony "Dutch" Hamman. Although Renzel only remained in office for five years (1944-1948), under his leadership, the City exercised the option for the airport land, and by 1946 the first airplanes had landed. The San Jose Municipal Airport was dedicated the year after he left office in 1949. He continued his involvement with the airport, as the Chamber's Airport Committee evolved into the future Airport Commission, on which he was appointed until 1977, serving for 28 years. In 2004, the City of San Jose recognized Ernie Renzel's visionary role in the early development of the airport by dedicating the "Ernie Renzel Airfield" in his honor. He is recognized today as "Father of the San Jose International Airport."

(Continued on next page)

State of California - The Resources Agency  
DEPARTMENT OF PARKS AND RECREATION  
CONTINUATION SHEET

Primary #  
HRI #  
Trinomial

Page 7 of 14 \*Resource Name or # (Assigned by recorder) Ernest & Emily Renzel House

\*Recorded by Franklin Maggi & Leslie Dill \*Date 9/15/2008  Continuation  Update

(Continued from previous page)

While a visionary in the development of the airport, and a reformer during a time of change in local politics, Ernest Renzel, Jr. and his wife Emily are also both recognized for their contributions to the community in many areas. They were both instrumental in the establishment of Kelley Park, loaning the City of San Jose money to insure its timely purchase, and Ernie is also responsible for the formation of the City's Historic Landmarks Commission during his term in office. They were both active in fund-raising for local non-profits, and were strong supporters of the arts and protection of the valley's natural environment.

The firm of Higgins and Root

Chester Root is the architect of record according to a family informant. The firm of Higgins and Root (William L. Higgins and Chester Root) was formed in the 1930s in San José and is attributed to a significant body of work throughout the county in the post-World War II period through the 1970s. In the 1930s, William L. Higgins went to work at his father's firm of Wolfe & Higgins. Following the death of his father in 1936, Higgins brought in Chester Root, who joined the firm as the architect of record. In the five-plus years prior to the beginning of World War II, the firm established itself as one of the earliest "modernist" firms in the area, and after the war developed a substantial body of work including many local school buildings, churches, banks, public and industrial buildings and structures.

Chester Root was educated in architecture at the University of California, Berkeley and earned a masters degree at Harvard in 1930. He worked for a time in New York for Grosvenor Atterbury and returned west in 1935. During his career, he was a long-time civic leader, serving on numerous non-profit boards, and was the first architect appointed to the Santa Clara County Planning Commission. He became a Fellow of the American Institute of Architects, and helped form the local AIA chapter in Santa Clara Valley, and was their first president after serving as the president of the Central Coast Counties Branch Chapter of the AIA. The work of Higgins and Root during the thirty years following the war was rooted in the evolving modern movement in architecture. Buildings designed by the firm have a strong sense of functionalism and are related to the Second Bay Region style.

EVALUATION

This house, an Identified Structure (IS) to the Naglee Park Conservation Area, sits within a distinguished neighborhood of early-twentieth-century residences. The building has a distinctive character that is expressed through its preserved materials and overall design. The Renzel House represents a very early local implementation of a Ranch-style house within the early Modern Period. The house was featured in the local newspapers in 1941.

Ernest H. Renzel, Jr., who built and lived in this house with his wife Emily and their children, is a notable local figure from the late Interwar Period and the beginnings of the San Jose's period of Suburban Expansion in the post-war years. He is a recognized significant historic personage in San Jose due to his leadership in bettering the community, and was pivotal during a period when San Jose entered into its greatest expansion period.

The Renzel House is prominent within the context of houses in Naglee Park, and is a distinctive early modern house within greater San Jose. It remains today as a clear representation of its period, in both design and detailing, and is distinguished among many fine houses built with the neighborhood. Given the building's recognized historic context within the Naglee Park Conservation Area, it qualifies for the California Register under Criteria (1) and (3). It also qualifies under Criterion (2) of the California Register as the personage associated with this house, Ernest H. Renzel, Jr., a person important to our past, who played a decisive role in the history of the community.

Under the definitions for historical significance within the City of San Jose Historic Preservation Ordinance, the house clearly has historic, architectural, and aesthetic value of an historical nature. Its quality derives primarily from its distinction as an important architectural work due to its style and design, and from its association with Ernest H. Renzel, Jr. The property, when evaluated within the criteria of the City's Historic Preservation Ordinance, appears to qualify for designation as a City Landmark.

State of California – The Resources Agency  
DEPARTMENT OF PARKS AND RECREATION  
CONTINUATION SHEET

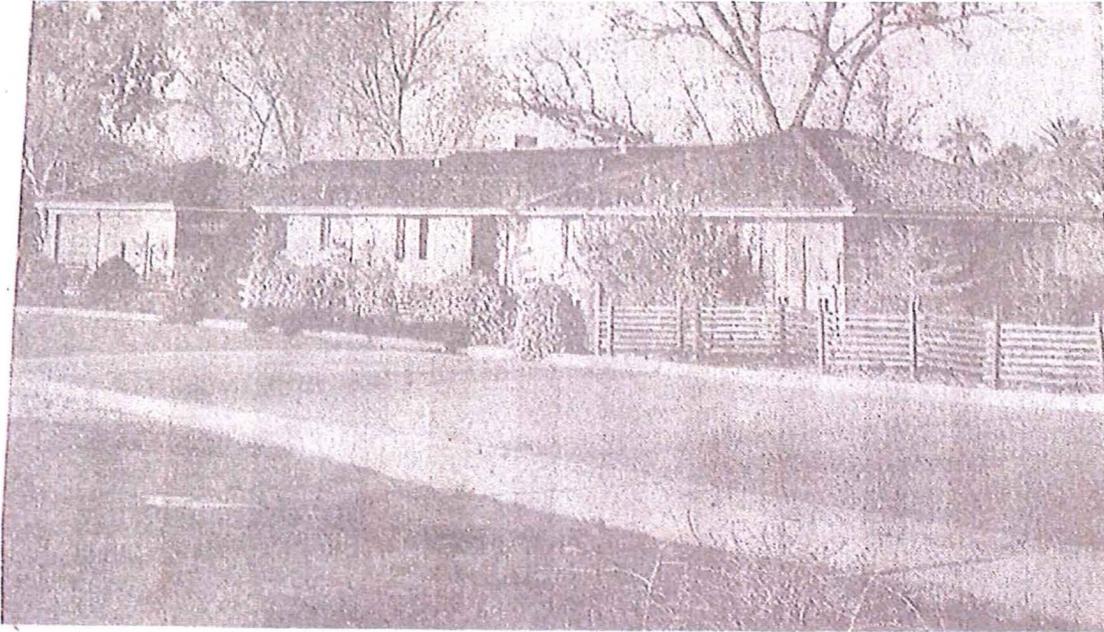
Primary #  
HRI #  
Trinomlal

Page 8 of 14

\*Resource Name or # (Assigned by recorder) Ernest & Emily Renzel House

\*Recorded by Franklin Maggi & Leslie Dill

\*Date 9/15/2008  Continuation  Update

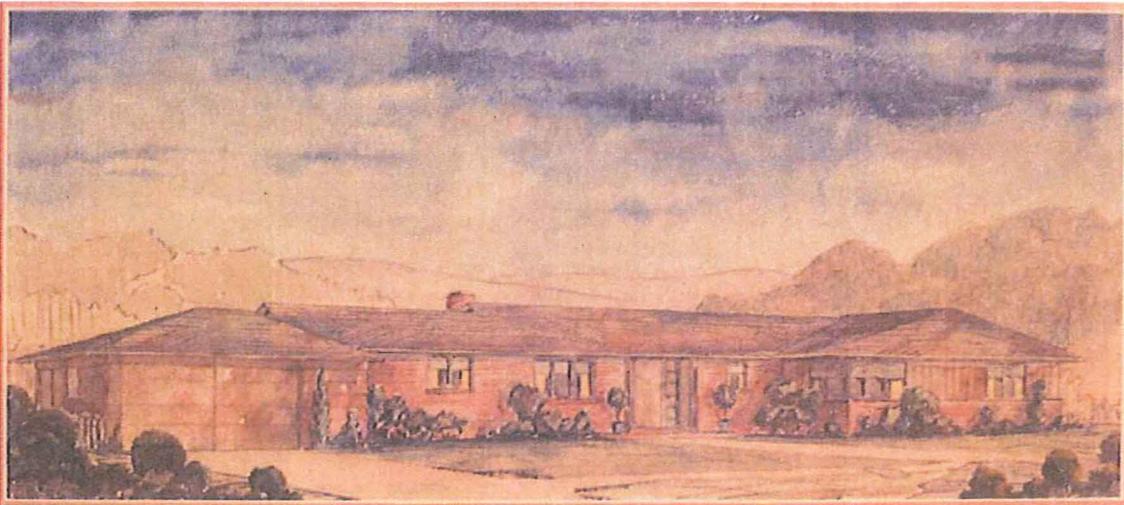


PERMANENT PLANTING OF SHRUBS AND TREES KEEP HOME ATTRACTIVE AFTER  
FLOWERS FADE IN FALL.

... Mr. and Mrs. Ernest Renzel, Jr.'s home on Arroyo way. Note landscape  
value of trees along Coyote Creek ...

1941  
— Staff Photo

Published photo of house in 1941, *San Jose Mercury News*.



Artist's watercolor painting of house (in possession of current owner), prior to the 1949  
addition

State of California – The Resources Agency  
DEPARTMENT OF PARKS AND RECREATION  
CONTINUATION SHEET

Primary #  
HRI #  
Trinomial

Page 9 of 14

\*Resource Name or # (Assigned by recorder) Ernest & Emily Renzel House

Recorded by Franklin Maggi & Leslie Dill

\*Date 9/15/2008  Continuation  Update



Rear elevation at main room windows, viewed facing south.

State of California – The Resources Agency  
DEPARTMENT OF PARKS AND RECREATION  
CONTINUATION SHEET

Primary #  
HRI #  
Trinomial

Page 10 of 14

\*Resource Name or # (Assigned by recorder) Ernest & Emily Renzel House

\*Recorded by Franklin Maggi & Leslie Dill

\*Date 9/15/2008  Continuation  Update



Rear elevation at creek, viewed facing northwest.

State of California – The Resources Agency  
DEPARTMENT OF PARKS AND RECREATION  
CONTINUATION SHEET

Primary #  
HRI #  
Trinomial

Page 11 of 14

\*Resource Name or # (Assigned by recorder) Ernest & Emily Renzel House

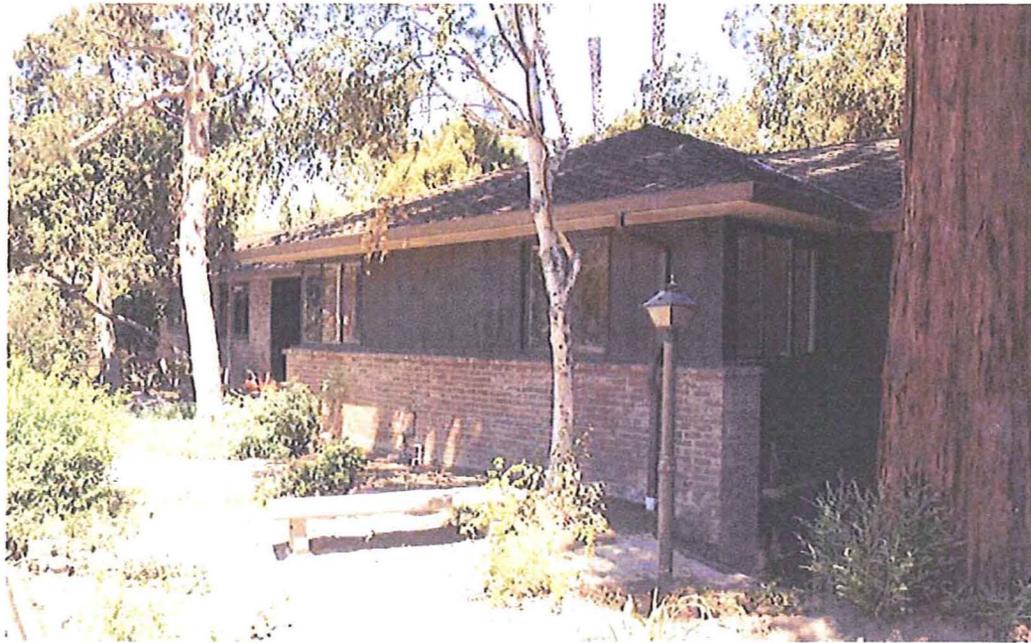
\*Recorded by Franklin Maggi & Leslie Dill

\*Date 9/15/2008

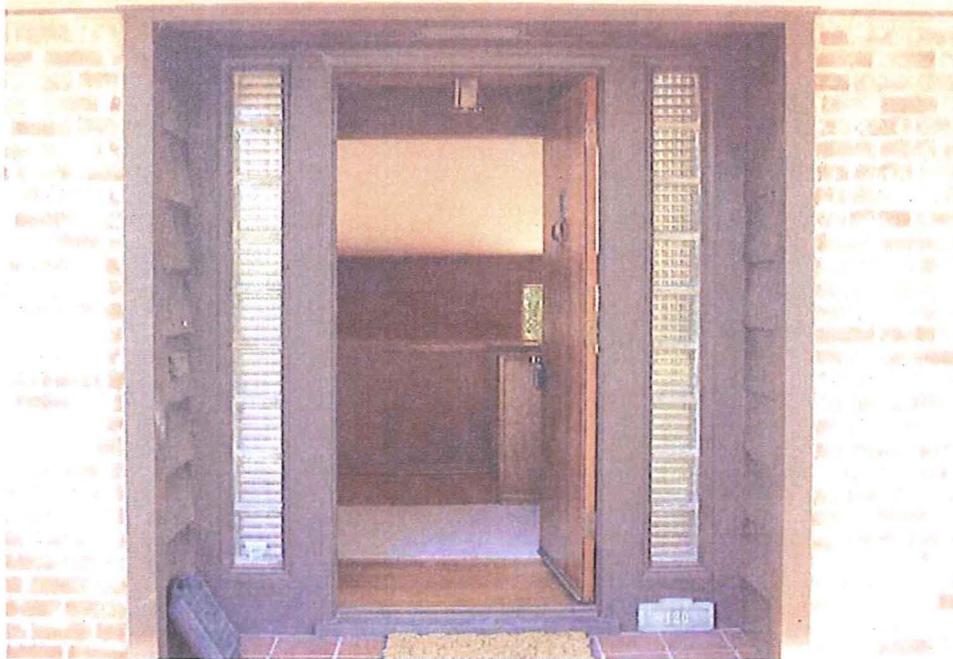
Continuation  Update



Partial view of addition, viewed facing east.



Partial view of front elevation, viewed facing north.



Detail view of front entry, viewed facing northeast.

State of California – The Resources Agency  
DEPARTMENT OF PARKS AND RECREATION  
CONTINUATION SHEET

Primary #  
HRI #  
Trinomial

Page 13 of 14

\*Resource Name or # (Assigned by recorder) Ernest & Emily Renzel House

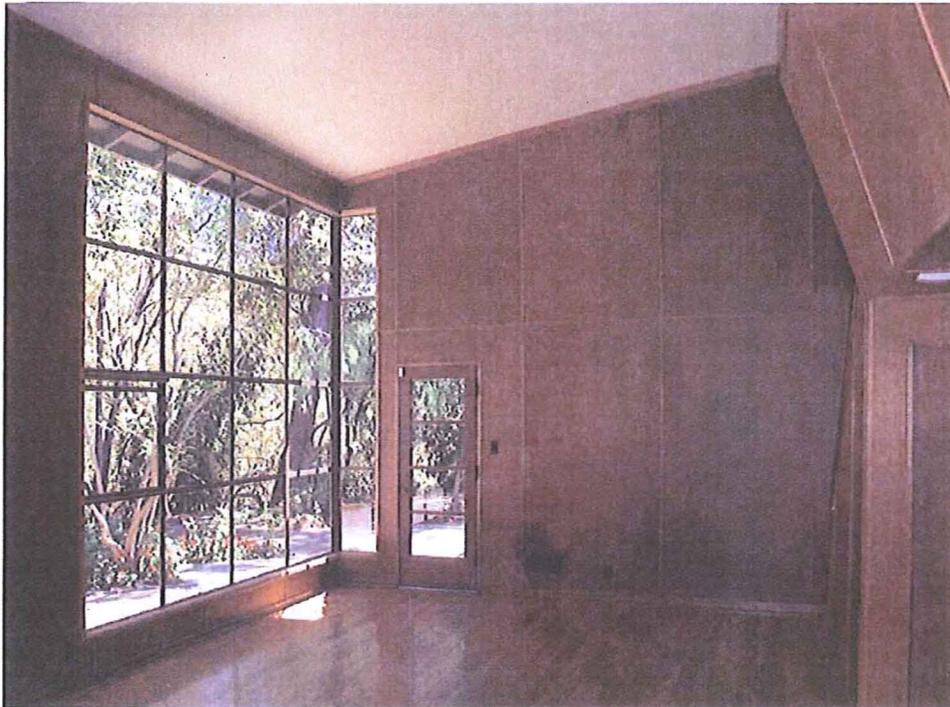
\*Recorded by Franklin Maggi & Leslie Dill

\*Date 9/15/2008

Continuation  Update



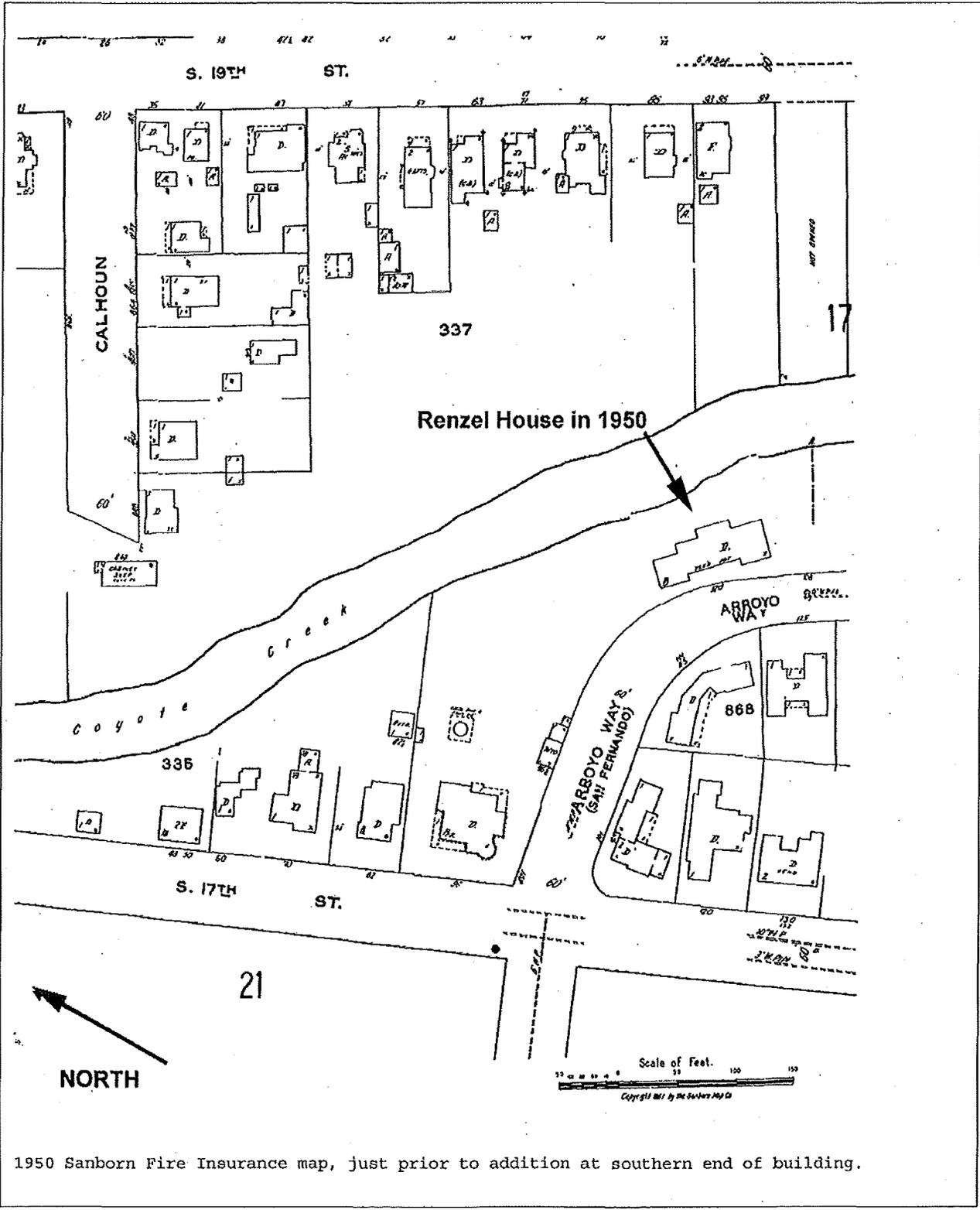
Interior view of main room, viewed facing northwest.



Interior view of rear wall facing creek, viewed facing southeast.

Primary #  
 HRI #  
 Trinomial

\*Recorded by Franklin Maggi & Leslie Dill \*Date 9/15/2008  Continuation  Update



1950 Sanborn Fire Insurance map, just prior to addition at southern end of building.

## HISTORIC EVALUATION SHEET

**Historic Resource Name:** Ernest & Emily Renzel House / 120 Arroyo Way

### A. VISUAL QUALITY / DESIGN

#### Justification

		E	VG	G	FP
1. EXTERIOR	Excellent quality of form and composition	X			
2. STYLE	Extremely early example, many survive	X			
3. DESIGNER	Designers of primary importance	X			
4. CONSTRUCTION	Of no particular interest				X
5. SUPPORTIVE ELEMENTS	None				X

### B. HISTORY / ASSOCIATION

		E	VG	G	FP
6. PERSON / ORGANIZATION	Ernie Renzel of primary importance	X			
7. EVENT	None				X
8. PATTERNS	Secondary neighborhood patterns		X		
9. AGE	1939-1940			X	

### C. ENVIRONMENTAL / CONTEXT

		E	VG	G	FP
10. CONTINUITY	Maintains area of secondary importance			X	
11. SETTING	Maintains dominant character of area		X		
12. FAMILIARITY	Familiar to neighborhood			X	

### D. INTEGRITY

		E	VG	G	FP
13. CONDITION	No apparent surface wear or problems	X			
14. EXTERIOR ALTERATIONS	Minor alterations		X		
15. STRUCTURAL REMOVALS	None	X			
16. SITE	Not moved	X			

### E. REVERSIBILITY

		E	VG	G	FP
17. EXTERIOR	Almost all exists	X			

### F. ADDITIONAL CONSIDERATIONS / BONUS POINTS

		E	VG	G	FP
18. INTERIOR / VISUAL	Excellent interior quality	X			
19. INTERIOR / HISTORY	Very good, original to Renzels		X		
20. INTERIOR ALTERATIONS	Minor changes - kitchen remodel	X			
21. REVERSIBILITY / INTER.	Almost all appears to exist	X			
22. NATIONAL OR CALIF. REG	Appears eligible for Cal Register		X		

**REVIEWED BY:** Franklin Maggi

**DATE:** 09/15/08

## EVALUATION TALLY SHEET

**Historic Resource Name:** Ernest & Emily Renzel House / 120 Arroyo Way

**A. VISUAL QUALITY / DESIGN**

	E	VG	G	FP	Value	Value	Sub-total	Cumulative sub-total
1. EXTERIOR	16	12	6	0	16			
2. STYLE	10	8	4	0	10			
3. DESIGNER	6	4	2	0	6			
4. CONSTRUCTION	10	8	4	0	0			
5. SUPPORTIVE ELEMENTS	8	6	3	0	0		32	

**B. HISTORY / ASSOCIATION**

	E	VG	G	FP	Value	Value	Sub-total	Cumulative sub-total
6. PERSON / ORGANIZATION	20	15	7	0	20			
7. EVENT	20	15	7	0	0			
8. PATTERNS	12	9	5	0	9			
9. AGE	8	6	3	0	3		32	

**C. ENVIRONMENTAL / CONTEXT**

	E	VG	G	FP	Value	Value	Sub-total	Cumulative sub-total
10. CONTINUITY	8	6	3	0	3			
11. SETTING	6	4	2	0	4			
12. FAMILIARITY	10	8	4	0	4		11	75

(SUM OF A+C) = 43

**D. INTEGRITY**

	E	VG	G	FP	Value	Value	Sub-total	Cumulative sub-total
13. CONDITION	.00	.03	.05	.10	0	x 75	0.0	
14. EXTERIOR ALTERATIONS	.00	.05	.10	.20	0.05	x 43	2.2	
	.00	.03	.05	.10	0.03	x 32	1.0	
15. STRUCTURAL REMOVALS	.00	.20	.30	.40	0	x 43	0.0	
	.00	.10	.20	.40	0	x 32	0.0	
16. SITE	.00	.10	.20	.40	0	x 32	0.0	
							3.1	

**ADJUSTED SUB-TOTAL:** (Preliminary total minus Integrity Deductions)

71.89

**E. REVERSIBILITY**

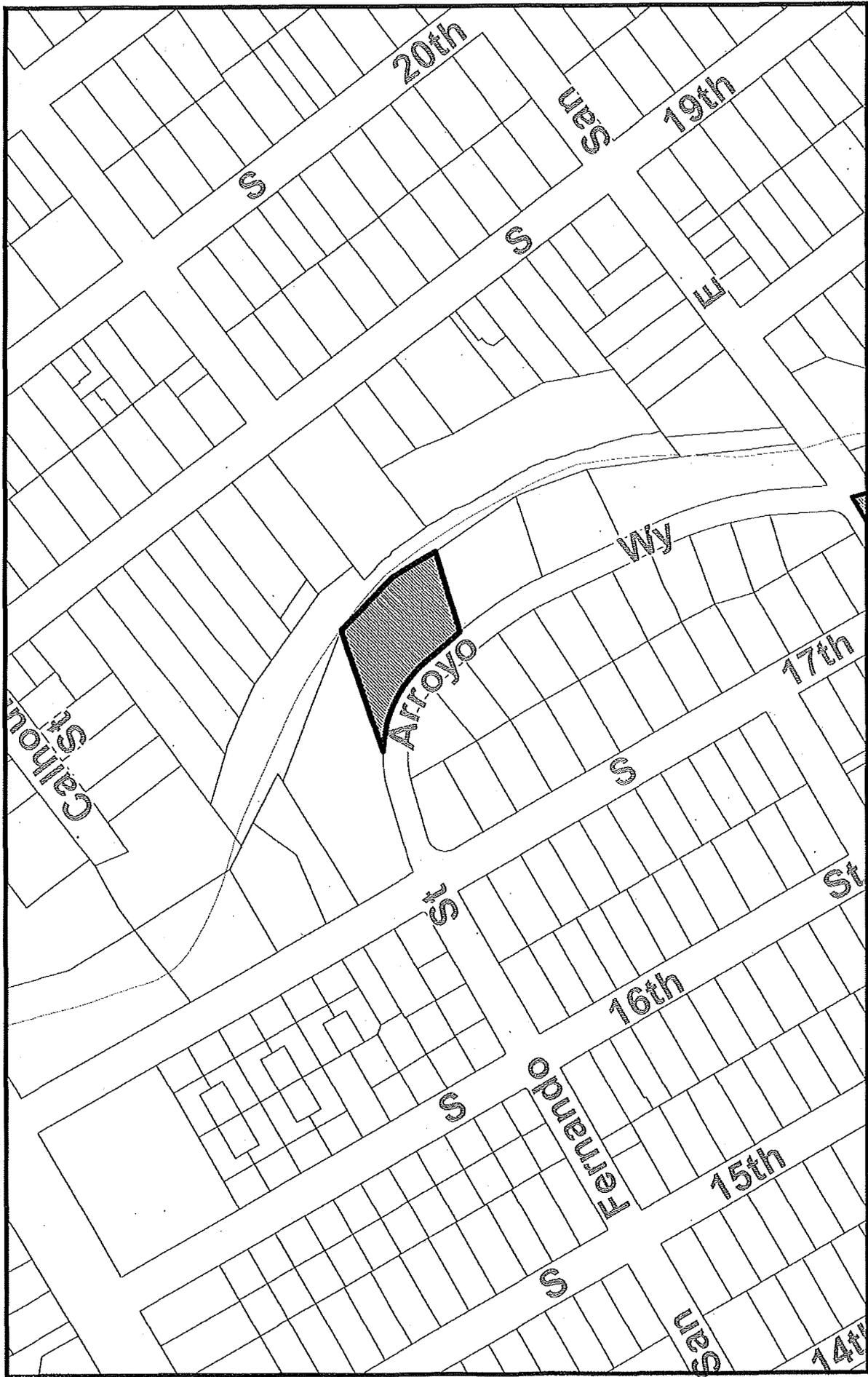
	E	VG	G	FP	Value	Value	Sub-total	Cumulative sub-total
17. EXTERIOR	3	3	2	2	3			74.89

**F. ADD'L CONSIDERATIONS/BONUS POINTS**

	E	VG	G	FP	Value	Value	Sub-total	Cumulative sub-total
18. INTERIOR / VISUAL	3	3	1	0	3			
19. INTERIOR / HISTORY	3	3	1	0	3			
20. INTERIOR ALTERATIONS	4	4	2	0	4			
21. REVERSIBILITY / INTERIOR	4	4	2	0	4			
22. NATIONAL / CALIFORNIA REGISTER	20	15	10	0	15		29	

**EVALUATION TOTAL:** (Adjusted subtotal plus Bonus Points)

103.89

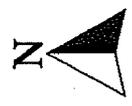


File No: HL08-174 & MA08-006

District: 3

Quad No: 67, 83

Noticing Radius: 500 feet



09/23/2008

# Reducing Property Taxes with the Mills Act

By Ken Fowler

Anyone who owns an older home would love to have more money available to maintain and restore it. The good news is that the state Mills Act can help free up those funds by reducing your real estate taxes. If you promise to use those tax savings to preserve your property's historic character, your recalculated property taxes using the special Mills Act assessment method can be reduced 50% or more!

## What Property Is Eligible and How It Works

The City of San Jose has adopted the Mills Act and will enter into contracts only with property owners of designated city landmarks. The landmarking process must be completed before a Mills Act contract is initiated. See the accompanying story for how PAC\* SJ member Rusty Lutz just obtained city landmark status for his North Second Street apartment building. (If you outside San Jose, check with your local planning office for what they have deemed a qualified historic property. Property owners in unincorporated Santa Clara County should contact the County Historical Heritage Commission.)

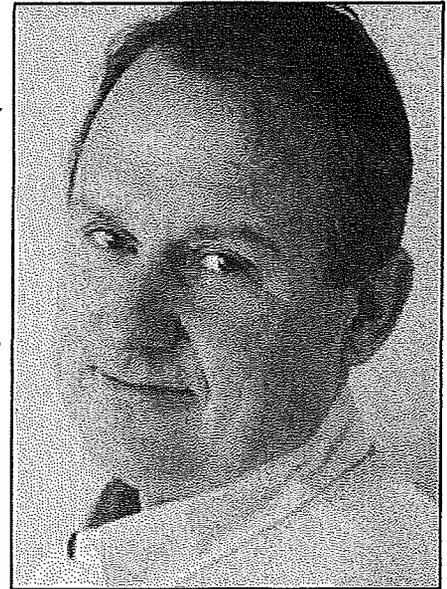
A Mills Act contract runs for 10 years and renews itself automatically. If the city or property owner chooses not to renew, the contract

will terminate at the end of the current 10-year term. The city or property owner may also cancel the contract, but a penalty may be assessed.

## How the Reduced Property Tax Is Computed

Mills Act contracts are available for income property and for owner-occupied property. Property valuation is determined by the "income" method. Generally, the income, or projected income, less certain expenses, is divided by a capitalization rate to determine the assessed value of the property. When a property is owner occupied, the determination of "income" is based on what a property could reasonably be expected to yield in rental income. In the case of income-producing property, the income amount is based on rent actually received and on typical rents received for similar property in similar use.

Here's an example of how much money would be saved on a historic residence assessed at \$800,000. At a 1% property tax rate, current taxes would be \$8,000. Let's say the property does or could generate a \$5,000 monthly income, or a \$60,000 annual gross. Let's say expenses (things like insurance, repairs, and utilities) run \$10,000 a year. That would be a net income of \$50,000. To determine the



capitalization rate, we add up four components:

1. Your mortgage rate (for this example, let's say 4%)
2. A historical property risk component (4% for owner-occupied single-family residences, 2% for other cases)
3. Amortization (for this example, let's say 5%)
4. Your property tax rate (for this example, 1%)

These four components add up to 14%. Divide \$50,000 by 0.14, and you get the new assessed value of the residence, \$357,143. Instead of the original \$8,000 in property taxes, the new taxes would be \$3,571. That's a yearly savings of \$4,429.

# DRAFT

## HISTORIC LANDMARK PRESERVATION AGREEMENT

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2008, by and between the City of San Jose, a municipal corporation (hereinafter referred to as the "CITY") and Donald A. Lieberman and Patricia A. Long (hereinafter referred to as the "OWNER").

### RECITALS

**WHEREAS**, California Government Code Section 50280, et seq. and Chapter 13.48 of the San Jose Municipal Code authorize CITY to enter into contracts with the owners of qualified historical property to provide for the use, maintenance and restoration of such historical property so to retain its characteristics as property of historical significance; and

**WHEREAS**, OWNER possesses fee title in and to that certain real property, together with associated structures and improvements thereon, the Renzel House (City Landmark Number HL08-174), located at 120 Arroyo Way (hereinafter such property shall be referred to as the "Historic Landmark"). A legal description of the Historic Landmark is attached hereto as Exhibit "A" and incorporated herein by this reference; and

**WHEREAS**, on December 2, 2008 the City Council of the City of San Jose adopted a Resolution thereby declaring and designating the Historic Landmark as a historic landmark structure pursuant to the terms and provisions of Chapter 13.48 of the San Jose Municipal Code; and

**WHEREAS**, CITY and OWNER for the mutual benefit, now desire to enter into this Agreement both to protect and preserve the characteristic of historical significance of the Historic Landmark and to qualify the Historic Landmark for an assessment of

valuation pursuant to the provisions of Chapter 3, of Part 2, of Division 1 of the California Revenue and Taxation Code.

## **AGREEMENT**

**NOW THEREFORE**, CITY and OWNER in consideration of the mutual covenants and conditions set forth herein, do hereby agree as follows:

**1. Effective Date and Term of Agreement.** This Agreement shall be effective and commence on \_\_\_\_\_, 2008 (the "Effective Date"), and shall remain in effect for a term of ten (10) years thereafter. Each year upon the anniversary of the Effective Date, such initial term will automatically be extended as provided in Section 2, below.

**2. Renewal.** Each year on the anniversary of the Effective Date of this Agreement (hereinafter referred to as the "Renewal Date"), a year shall automatically be added to the initial term of this Agreement unless notice of nonrenewal is mailed as provided herein. If either OWNER or CITY desires in any year not to renew the Agreement, OWNER or CITY shall serve written notice of nonrenewal of the Agreement on the other party in advance of the annual Renewal Date of the Agreement. Unless such notice is served by OWNER to CITY at least ninety (90) days prior to the annual Renewal Date, or served by CITY to OWNER at least sixty (60) days prior to the annual Renewal Date, one (1) year shall automatically be added to the term of the Agreement as provided herein. Upon receipt by OWNER of a notice of nonrenewal from CITY, OWNER may make a written protest of the non-renewal. CITY may, at any time prior to the annual Renewal Date of the Agreement, withdraw its notice to OWNER of nonrenewal. If either CITY or OWNER serves notice to the other of nonrenewal in any year, the Agreement shall remain in effect and the property shall remain enforceably restricted for the balance of the term then remaining, either from its original execution or from the past renewal of the Agreement, whichever may apply. The Director of Planning, Building and Code Enforcement shall record the Notice of Nonrenewal and

file a copy with the Assessor of Santa Clara County. Nonrenewal shall not be deemed a cancellation pursuant to Section 6 of this Agreement.

**3. Standards for Historical Property.** During the term of this Agreement, the Historic Landmark shall be subject to the following conditions, requirements and restrictions:

a. OWNER shall preserve and maintain the characteristic of historical significance of the Historic Landmark in no less than equal to the condition of the property as of June 27, 2008, the date on which OWNER acquired the property. OWNER shall document the existing condition of the Historic Landmark by providing to CITY on the Effective Date a minimum of four (4) current and clear photographs of each elevation of the Historic Landmark structure, of any character-defining or historically significant features of the Historic Landmark structure or property, and of any areas of the Historic Landmark for which improvements are planned or intended by OWNER. Attached hereto as Exhibit "B", and incorporated herein by this reference, is a list of those minimum standards and conditions for maintenance, use and preservation of the Historic Landmark, which shall apply to such property and with which OWNER shall comply throughout the term of this Agreement.

b. OWNER shall, where necessary or required, restore and rehabilitate the property in full accordance with the rules and regulations of the Office of Historic Preservation of the State Department of Parks and Recreation and with the requirements of Chapter 13.48 of the San Jose Municipal Code, including any permits or approvals granted pursuant to that Chapter. Without limiting the forgoing, OWNER shall perform all of the restoration and rehabilitation activities of the Historic Landmark set forth on Exhibit "C," attached hereto and incorporated herein by this reference, within any timelines that may be set forth in Exhibit C.

c. OWNER shall allow reasonable periodic examinations, by prior appointment, of the interior and exterior of the Historic Landmark by representatives of the County Assessor, State Department of Parks and Recreation, State Board of

Equalization and CITY as may be necessary to determine OWNER's compliance with the terms and provisions of this Agreement.

d. OWNER shall annually expend an amount equal to a minimum of 10% of the annual tax savings attributed to this Agreement for the preservation and maintenance of the Historic Landmark.

4. **Force Majeure.** OWNER shall not be held responsible for repair or replacement of the Historic Landmark if damaged or destroyed through "Acts of God," such as flood, tornado, lightning, earthquake or fire or other cause resulting therefrom; CITY shall, however, have the right to cancel this Agreement pursuant to terms of Section 6, Cancellation.

5. **Provisions of Information of Compliance.** OWNER hereby agrees to furnish CITY with any and all information requested by CITY that may be necessary or advisable to determine compliance with the terms and provisions of this Agreement. OWNER shall retain, store and preserve during the term of this Agreement all records that are related to or that evidence the eligibility of the Historic Landmark or OWNER's compliance with the terms and provisions of this Agreement.

6. **Cancellation.** CITY, following a duly noticed public hearing, may cancel this Agreement if it determines that OWNER breached any of the conditions of this Agreement or has allowed the property to deteriorate to the point that it no longer meets the standards for a qualified historic landmark. CITY also may cancel this Agreement if it determines that OWNER has failed to restore or rehabilitate the property or Historic Landmark in the manner specified in Subsection 3(b) of this Agreement. In the event of cancellation pursuant to this Section 6, OWNER may be subject to payment of those cancellation fees set forth in the California Government Code. Prior to any procedures set forth in this Section, CITY shall give notice of breach to OWNER and OWNER shall have one hundred and twenty (120) days to cure such breach to the reasonable satisfaction of CITY.

7. **Binding Effect of Agreement.** This Agreement shall be binding upon, and inure to the benefit of, all successors in interest of OWNER. A successor in interest shall have the same rights and obligations under this Agreement as OWNER.

8. **Notice.** Any notice required to be given by the terms of this Agreement shall be provided at the address of the respective parties as specified below or at any other address as may be later specified by the parties hereto.

CITY: City Clerk  
City of San José  
200 East Santa Clara Street  
San José, CA 95113

OWNER: Donald A. Lieberman and Patricia A. Long  
120 Arroyo Way  
San Jose, CA 95112

9. **General Provisions.**

a. None of the terms, provisions or conditions of this Agreement shall be deemed to create a partnership between the parties hereto and any of their heirs, successors or assigns, nor shall such terms, provisions or conditions cause them to be considered joint ventures or members of any joint enterprise.

b. OWNER agrees to and shall hold CITY and its elected officials, officers, agents and employees harmless from liability from damage or claims for damage for personal injuries, including death, and claims for property damage which may arise from the direct use or operations of OWNER or those of OWNER's contractor, subcontractor, agent, employee or other person acting on OWNER's behalf which relate to the use, operation and maintenance of the Historic Landmark. OWNER hereby agrees to and shall defend the CITY and its elected officials, officers, agents and employees with respect to any and all actions for damages caused by, or alleged to have been caused by, reason of OWNER's activities in connection with the Historic Landmark. This hold harmless provision applies to all damages and claims for damages suffered, or alleged to have been suffered, by reason of the operations referred to in this Agreement regardless of whether or not the CITY prepared, supplied or approved the plans, specifications or other documents for the Historic Landmark.

c. In the event that any of the provisions of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, or by subsequent preemptive legislation, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby.

**"CITY"**

CITY OF SAN JOSE, a municipal corporation

APPROVED AS TO FORM:

\_\_\_\_\_  
RENÉE A. GURZA  
Senior Deputy City Attorney

By \_\_\_\_\_  
LEE PRICE, MMC  
City Clerk

**"OWNER"**

By \_\_\_\_\_  
Donald A. Lieberman

By \_\_\_\_\_  
Patricia A. Long

**EXHIBIT "A"**

**LEGAL DESCRIPTION  
FOR  
120 Arroyo Way  
(See attached)**

## EXHIBIT "B"

OWNER shall, where necessary, restore and rehabilitate the Historic Landmark and shall do so only in full accordance and compliance with the rules and regulations of the Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring and Reconstructing Historic Buildings, as the same may be amended from time to time.

A summary of the Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring and Reconstructing Historic Buildings (the "Standards") is provided below for convenient reference. OWNER shall comply with the Standards in effect when OWNER commences any rehabilitation or restoration work on the Historic Landmark.

The Standards (Department of the Interior Regulations, 36 CFR 67) pertain to historic buildings of all materials, construction, types, sizes, and occupancy and encompass the exterior and the interior, related landscape features and the building's site and environment as well as attached, adjacent, or related new construction. The Standards are to be applied to specific rehabilitation projects in a reasonable manner, taking into consideration economic and technical feasibility.

- 1) A property shall be used for its historic purposes or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.
- 2) The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.
- 3) Each property shall be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or architectural element from other buildings, shall not be undertaken.
- 4) Most properties change over time; those changes that have acquired historic significance in their own right shall be retained and preserved.
- 5) Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a historic property shall be preserved.
- 6) Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical or pictorial evidence.

- 7) Chemical or physical treatments, such as sandblasting, that cause damage to historic materials, shall not be used. The surface cleaning of structures, if appropriate, shall be undertaken using the gentlest means possible.
- 8) Significant archaeological resources affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken.
- 9) New additions, exterior alterations or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.
- 10) New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

**Historical Property Contract, File No. MA08-006  
Preservation Plan (Exhibit "C")**

**120 Arroyo Way , Renzel House**

OWNER shall annually expend the amount equal to a minimum of 10% of the annual tax savings attributed to this Agreement for the preservation and maintenance of the Historic Landmark. The rehabilitation of the Historic Landmark shall be completed on or before the 10th anniversary of the Effective Date of this Agreement. Such rehabilitation shall include all of the following tasks:

Scope of Work

- Repair/Replace 2 Foundation Support Beams
- Termite Treatment, Repair Termite Damage
- Restore Deteriorated Great Room Windows
- Repair Deteriorated Enclosed Patio Doors
- Repair and Restore Original Retracting Window Screens
- Improve Electrical Wiring and Panels
- Repair and Restore Exterior Lighting
- Repair Damaged Window Mechanisms and Locks
- Restore Entry Door, Hardware, Mailbox
- Repair and Restore Entry Door at Rear of Garage
- Improve Gutter System

After the 10th Anniversary date of the Effective Date of this Agreement, Owner shall annually expend an amount equal to a minimum of 10% of the annual tax savings attributed to this Agreement for the continued preservation and maintenance of the historic Landmark and more specifically shall perform and complete but without limitation the following tasks each year:

- Maintenance
- Painting
- Repairs