



## Agenda Item Summary

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### **Submitted By**

Chris Payne, Historic Preservation Chair, thru Tammie Grossman, Development Customer Services Director

### **Reviewed By**

LKS

### **Agenda Item Title**

**Concur with the Historic Preservation Commission and Adopt An Ordinance Denying a Certificate of Economic Hardship for the Demolition of a Contributing Residential Structure within the Ridgeland-Oak Park Historic District located at 1014 Pleasant Street**

### **Overview**

The Historic Preservation Commission denied a Certificate of Economic Hardship to Mr. Alan Rossell, applicant and owner of 1014 Pleasant Street, on April 24, 2019, as they found that none of the standards for the Certificate of Economic Hardship were met. The Historic Preservation Ordinance provides the applicant an option to appeal the Historic Preservation Commission's decision to the Village Board. This is a companion to ORD 19-55 for 1018 Pleasant Street.

### **Recommendation**

Support the Historic Preservation Commission's decision.

### **Staff Recommendation**

Village staff recommends affirming the Historic Preservation Commission's denial of the Certificate of Economic Hardship. Demolition of these historic properties would have a negative effect on the historic, aesthetic, and architectural value and significance of the Ridgeland-Oak Park Historic District. Retaining historic properties within the historic districts helps to serve the general purposes of the Historic Preservation Ordinance to conserve and improve the value of properties designated within historic districts; enhance attractiveness of the Village to homeowners, visitors, tourists, and shoppers and, thereby, supporting business and commerce in the Village; foster civic pride in the accomplishments of the past as manifested in properties; and foster and encourage preservation and, thereby, prevent deterioration, dilapidation, and blight.

### **Fiscal Impact**

N/A.

### **Background**

The Ridgeland-Oak Park Historic District.

The subject properties have two levels of historic preservation designation, both of which contribute to the Ridgeland-Oak Park Historic Preservation District:

1. National Register of Historic Places (National designation)
2. Oak Park Historic Preservation Ordinance (Local designation)

The property of 1014 Pleasant Street were recorded as Contributing Resources in the original 1983 National Register of Historic Places (NRHP) nomination for the Ridgeland-Oak Park Historic District (1983 NRHP nomination form, page 39). The Ridgeland-Oak Park Historic District was designated locally by the Village of Oak Park in 1994 (7-9-4A). The 1983 NRHP nomination was prepared in part by the Historic Preservation Commission (Commission) and was discussed at Commission meetings as early as 1976. To qualify for the NRHP, a district must retain integrity and show association with historic events, patterns in history, or lives of significant people; or represent a building type or architects; or have the potential to yield important information about history or prehistory. In an NRHP-listed Historic District, most buildings contribute to the significance of the district. These buildings are referred to as Contributing Resources and they help retain the historic integrity of the neighborhood and district. Non-Contributing Resources are primarily buildings in the district that are less than 50 years old or have been significantly altered in the recent past and therefore no longer retain integrity.

The Ridgeland-Oak Park Historic District's residential architecture embodies a myriad of building styles and types from the 1870s to 1920s. The district reflects the change in residential architecture from the Victorian era to early 20th century modernism, including a growing use of stucco in the place of wood siding. The spacious character of the single-family house lots is enhanced by wide parkway lawns between the street and the sidewalks. The district's single-family residence areas are bounded by streets lined with brick apartment buildings. Rising from two to four stories, these apartments were primarily built between 1905 and 1929. Multi-family buildings in the district range from two-flats to large courtyard apartment buildings. An important physical aspect of the district is its alternating quality between busy, apartment-lined streets, such as Washington Boulevard, and quiet single-family areas.

#### History and Significance of the Pleasant Street Properties.

1018 Pleasant Street was built ca. 1885, likely for the Clark B. Albro family, which was recorded as living on the property in 1886. The Albros lived at 1018 Pleasant Street until 1895, when they commissioned architect E.E. Roberts to build them a larger house next door at 1014 Pleasant Street. They retained ownership of 1018 Pleasant Street, where their older children lived as of 1910. In 1912, the Albros divided 1018 Pleasant Street into two units. They made multiple other alterations at this time, including adding the stucco cladding and a two-story porch, which resulted in a building with heavy Prairie School influences, characteristic of Oak Park. These changes were likely triggered by the death of Clark B. Albro in 1909 and may have been made to provide additional income and as well as modernize the building's appearance. The property at 1018 Pleasant Street is listed as a Contributing Resource in the 1983 National Register Historic District nomination and that designation was carried over to the local district designated in 1994. The property was likely listed as a Contributing Resource for reasons such as its late 19th century date of construction, its early 20th century remodeling into a Prairie School design with stucco cladding, its two-family building type, and its single-family massing and scale, which can be found on many other streets throughout the Historic District. This type of house represents the significant historic and aesthetic characteristics that are found throughout the Historic District.

1014 Pleasant Street was designed by prominent local architect E. E. Roberts for the Clark B. Albro family and constructed in 1895. The property at 1014 Pleasant Street is listed as a Contributing Resource in the 1983

National Register Historic District nomination, and that designation was carried over to the local district designated in 1994. The property was likely listed as a Contributing Resource for reasons such as its 1895 date of construction, its use of materials such as wood shingles and stucco cladding, and its single-family building type, massing, and scale, which is characteristic of the Historic District. This house type represents the significant historic and aesthetic characteristics that are found throughout the Historic District.

#### Historic Preservation Ordinance Requirements.

In order to seek demolition of a Contributing Resource within a designated Historic District in Oak Park, the applicant must receive an approved Certificate of Appropriateness or Certificate of Economic Hardship from the Historic Preservation Commission. The Historic Preservation Ordinance states that the United States Secretary of the Interior's Standards and the Commission's Architectural Review Guidelines shall be used when considering whether a Certificate of Appropriateness for demolition of a Contributing Resource should be granted. If the Commission finds that a project does not meet the criteria for a Certificate of Appropriateness, the applicant may request a public hearing, after which the Commission may either approve or deny the Certificate of Appropriateness. In this case, the applicant applied for and was denied a Certificate of Appropriateness, following a hearing, by the Historic Preservation Commission.

In most cases, Certificates of Appropriateness are for demolition of portions of a building (for example, demolition of a portion of wall to add a rear addition or basement egress window), generally meet the Architectural Review Guidelines, and are approved by the Historic Preservation Commission. However, demolition of an entire Contributing Resource does not meet the Architectural Review Guidelines or the Secretary of the Interior's Standards. Based on the Ordinance, if the Commission finds that the proposed work does not meet the established criteria and that the demolition will adversely affect the historic, aesthetic, or architectural character or value of the Historic District, it shall take no action. The applicant may then request a hearing. Upon the denial of a Certificate of Appropriateness, an applicant may stop the process, appeal the decision to the Village Board within 15 days, or request a Certificate of Economic Hardship. In this case, following the denial of the Certificate of Appropriateness, the applicant requested a Certificate of Economic Hardship. The Certificate of Economic Hardship was denied, following a hearing, by the Historic Preservation Commission.

Alternatively, the applicant may request that Historic Preservation Commission reclassify the building as a Non-Contributing Resource within the Historic District. In order to be reclassified as a Non-Contributing Resource, it must be found that the building does not contribute to the significance of the Historic District. The Historic Preservation Commission has changed the status of approximately five buildings since 2002 based on factors including substantial non-historic alterations and poor condition. Once a property has been determined to be a Non-Contributing Resource, it can be altered or demolished without review or approval by the Historic Preservation Commission. In this case, during the Certificate of Appropriateness process, the Commission found that the buildings continue to be Contributing Resources in the Ridgeland-Oak Park Historic District.

#### Certificates of Appropriateness.

Several years prior, on June 9, 2016, the applicant applied for a Certificate of Appropriateness (COA) to demolish the buildings at 1014 and 1018 Pleasant Street before the Historic Preservation Commission. The Commission took no action on the COA and the applicant did not request a public hearing. At this time, the Commission found the buildings to be a Contributing Resources to the Ridgeland -Oak Park Historic District. The Illinois State Historic Preservation Office, as the state administrators of the National Register, reviewed the

properties and agreed that they are Contributing Resources within the district.

Recently, in December 2018, the applicant signed a letter of intent with Calistoga Home Builders, Inc. and subsequently applied for another COA to demolish the two subject properties. The applicant attended the January 10, 2019 Historic Preservation Commission meeting, at which the Commission took no action, allowing for a hearing prior to official denial as required by the Ordinance. On January 14, 2019 the applicant requested a public hearing before the Commission. The public hearing was held on February 14, 2019. The Commission adopted a resolution denying the COA on February 21, 2019. Following denial of a COA, the applicant was informed that they may: 1.) Stop the process, 2.) Appeal the decision to the Village Board within 15 days, or 3.) Request a Certificate of Economic Hardship before the Commission. At this time, the applicant did not appeal the COA decision to the Village Board. Instead, the applicant requested a Certificate of Economic Hardship.

#### Certificate of Economic Hardship.

The applicant submitted a completed application for a Certificate of Economic Hardship (COEH) on February 27, 2019. A public hearing was held on April 11, 2019. The following evidence was submitted by the applicant as part of the Certificate of Economic Hardship Application for the hearing:

- Certification of Economic Hardship form
- Letter from the applicant
- List of required evidence from the Ordinance with annotations from the applicant
- Explanation of missing evidence, as required by the Ordinance
- Letter of Intent to the applicant from Calistoga Home Builders, Inc., detailing potential purchase of the property
- Assessment values for 1014 and 1018 Pleasant Street
- Tax billed amounts and tax history for 1014 and 1018 Pleasant Street
- Appraisals for 1014 and 1018 Pleasant Street
- Email from applicant responding to evidence item listed in 7-9-14D8 of the Ordinance

At the hearing, the applicant stated that the difference between the \$1.3 million offered by the developer in the Letter of Intent for the properties with permission to demolish the buildings and the \$1.1 million appraisal price represents an economic hardship. The applicant referred to the Economic Hardship standard that a substantial decrease in the fair market value of the property is the result of the denial of the Certificate of Appropriateness. Mr. Rossell said that he has owned the buildings before the creation of the Ridgeland-Oak Park Historic District and he does not believe his block should be part of the District. He purchased the properties because they are zoned for multi-family use. Through questions from the Commission members, Rossell confirmed that he purchased the properties for approximately \$70,000, the properties have not been tested on the market, and he did not know if Calistoga Home Builders, Inc. obtained their own appraisals. He also said that he had previously appraised properties for Calistoga Home Builders, Inc., and that the company paid \$1,500 for the Letter of Intent. Mr. Rossell currently rents out one unit of the two-flat to a family member and lives in the single-family house. The other unit in the two-flat is currently empty.

One member of the public, Phillip Grossman, gave a statement at the hearing. Mr. Grossman attended as a representative of Cushner Management, the owner of 1033-1045 Pleasant Street. Mr. Grossman said sufficient evidence was not presented to meet the standards for economic hardship as laid out in the Ordinance and his client did not think the buildings should be demolished.

The Commission agreed that the substantial decrease in the fair market value in this case is a created value as the properties have not been tried on the market. The Commission determined that any loss was a loss in profit, not a reduction in the fair market value of the properties. It was noted that the buildings are in good condition and Mr. Rossell previously considered building additions but there has been no proposal to improve or alter the properties. The Commission expressed concern that this would set a precedent of bringing forward appraisals and letters of intent in order to demolish other properties and build larger houses or multi-unit buildings maximizing units and size per lot. The Commission determined that the applicant did not adequately show that a denial of the COEH would result in a substantial decrease in his investment return on the properties, which, based on the testimony and evidence presented, will be far in excess of his initial investment in the properties. In summary, the Commission found that none of the standards for the COEH were met. The Commission adopted a resolution denying the COEH on April 24, 2019. This decision by the HPC on the COEH is now before the Village Board for review.

### **Alternatives**

1. Reverse the Historic Preservation Commission's resolution denying a Certificate of Economic Hardship to the applicant. This could likely result in the demolition of the historic building at 1014 Pleasant Street and possible replacement with a multiple-unit building.
2. Modify the Historic Preservation Commission's resolution denying a Certificate of Economic Hardship to the applicant. While this is an option based on the Historic Preservation Ordinance, due to the nature of the project, modification as to allow a portion of the project or alternate of the project may not be feasible.

### **Previous Board Action**

N/A.

### **Citizen Advisory Commission Action**

The applicant submitted a completed application for a Certificate of Economic Hardship (COEH) on February 27, 2019 for both properties; 1014 & 1018 Pleasant Street. A public hearing was held on April 11, 2019 for both properties. The Commission adopted a resolution denying the COEH on April 24, 2019 for both properties. The applicant stated that the difference between the \$1.3 million offered by the developer for the properties with permission to demolish the buildings and the \$1.1 million appraisal price represents an economic hardship. The applicant referred to the Economic Hardship standard that a substantial decrease in the fair market value of the properties is the result of the denial of the Certificate of Appropriateness. The Commission determined that this loss was a loss in profit, not a reduction in the fair market value of the properties, and that the applicant did not adequately show that a denial of the COEH would result in a substantial decrease in his investment return on the properties, which, based on the testimony and evidence presented, will be far in excess of his initial investment in the properties. In summary, the Commission found that none of the standards for the COEH were met.

### **Anticipated Future Actions/Commitments**

N/A.

### **Intergovernmental Cooperation Opportunities**

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