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BY E-MAIL AND US MAIL

September 11, 2024

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Community and Economic Development Director and Zoning Administrator
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Vice Mayor Joan Cox
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Re: 6th Cycle Housing Element; Draft Housing Elements; and Current Proposals to Develop 605-613 Bridgeway

Dear Director Phipps, Mayor Sobieski, and Honorable Members of the City Council:

I write on behalf of Save Our Sausalito ("SOS"), an organization comprised of numerous active residents of the City of Sausalito. SOS and its members are deeply concerned with a proposal to place a massive luxury condominium development in the heart of Sausalito's downtown historic district at 605-613 Bridgeway ("projects"). We provide the information below to assist city staff and governing bodies as they consider these applications.

This letter follows several letters I previously submitted to the city with comments on the historic significance of the property at 605--613 Bridgeway, including:

- May 8, 2024, letter regarding the Draft Environmental Impact Report for the 6th Cycle Housing Element Programs;

- June 4, 2024, letter regarding the 605-613 Bridgeway projects; and
- June 20, 2024, letter enclosing the Historic Resources Evaluation (HRE) for the 605-613 Bridgeway property.

The 6th Cycle Housing Element designates Site 201 as a Housing Opportunity Site that requires rezoning to allow higher densities than the maximum density allowed under current zoning, including Ordinance 1022. The purpose of this designation was, apparently, to contribute to the city's efforts to meet its Regional Housing Needs Allocation ("RHNA") obligation under state housing law.

My May 8, 2024, letter comments that allowing the higher density proposed in the 6th Cycle Housing Element for Site 201 would destroy the historic significance of the Sausalito Historic District and that it is feasible to remove Site 201 from the Housing Opportunity Site Overlay, and that, as a result, the Housing Element Programs EIR must include an alternative land use plan that removes Site 201 from the Housing Opportunity Site Overlay.

I write now to provide additional information regarding the historic resource impacts of designating Site 201 as a Housing Opportunity Site and the feasibility of removing that designation to support SOS' request that the Housing Element Programs EIR include an alternative land use plan that removes Site 201 from the Housing Opportunity Site overlay.

SOS also requests that the city amend the 6th Cycle Housing Element to remove Site 201 (i.e., the 605-613 Bridgeway property) from the Housing Opportunity Site Overlay district.

As my June 20, 2024, letter notes, in addition to the property's listing in the CRHR as a contributing resource to the Sausalito Historic District, the HRE concludes that the property is "individually significant" pursuant to criteria 1 and 2 of Public Resources Code section 5024.1(c), paragraphs (1) and (2).

SOS has also commissioned an analysis of the impacts of the proposed 605-613 Bridgeway projects on the historic significance of Site 201. Attached as Exhibit A, please find the June 2024 Project Impacts Analysis of the 605-613 Bridgeway projects prepared by architectural historian Shayne Watson. Ms. Watson concludes that the projects would destroy the historic significance of the property considered individually and the Sausalito Historic District. This conclusion is consistent with the conclusion reached by the City's architectural historian, Jerri Holan, in her February 28, 2024, report (amended March 14, 2024) that the 605-613 Bridgeway projects would destroy the historic significance of the Sausalito Historic District.

I also attach, as Exhibit B, Ms Watson's June 25, 2024, critique of the January 26, 2024, and May 17, 2024, reports authored by Preservation Architecture regarding

Site 201's historic significance. These reports are simply not credible regarding the historic significance of Site 201 or the impacts of the proposed 605-613 Bridgeway projects on its or the surrounding district's historic significance.

The Sausalito Historic District is one of twelve federally certified historic districts in California.¹ National Park Service (NPS) Certified Historic Districts are state or local historic districts that have been certified by the Secretary of the Interior (Secretary) for purposes of the Tax Reform Act of 1986, as substantially meeting all the requirements for listing in the National Register of Historic Places. The purpose of this federal program is to encourage property owners to rehabilitate, rather than demolish, historic resources by enabling owners of depreciable buildings within the certified district to obtain federal tax benefits to help offset the cost of rehabilitation. To obtain these federal tax benefits, rehabilitation projects must comply with the Secretary of the Interior's Standards for Historic Preservation.²

Impairing the historic significance of a certified historic district may cause the Secretary of the Interior to withdraw certification of the district, in which case all property owners in the district would lose the federal tax benefits conferred by the program and the community would lose a valuable source of funding for restoration of historic properties.³

As part of the required application for federal certification, Sausalito and the other districts committed to the Federal Government that they would maintain a local review board to ensure protection of historic resources in their districts.⁴ Sausalito has such a review board, i.e., the Historic Preservation Commission (HPC), whose charge is to "acknowledge, honor, and encourage the continued maintenance and preservation of those select properties in the City that contribute to the City's architectural and cultural history."⁵

If the city rezones Site 201 to accommodate the 47 (now 50) unit density proposed by one of the 605-613 Bridgeway projects, the project applicant will contend that the HPC would have not legal authority to condition approval of the project on measures to avoid or mitigate the project's significant impacts on historic resources. This is because the project applicant argues that the HPC's judgment is based on standards that, under the HAA, would be considered subjective.

¹See https://ohp.parks.ca.gov/?page_id=27283

²36 CFR §§ 67.7(b).

³ 36 CFR § 67.9(j) ["The Secretary may withdraw certification of a district on his own initiative if it ceases to meet the National Register Criteria for Evaluation"].

⁴36 CFR §§ 67.8(a); 67.9(e).

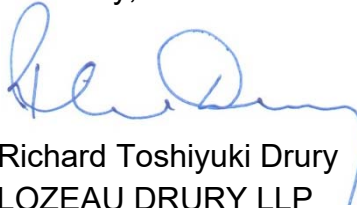
⁵ Sausalito Municipal Code section 10.46.010 et.seq.

However, as noted in my June 4, 2024, letter, even if the project complies with future objective general plan and zoning standards, the city must still conduct CEQA review of the project. (See HAA, Gov. Code § 65589.5(e) ["Neither shall anything in this section be construed to relieve the local agency from making one or more of the findings required pursuant to Section 21081 of the Public Resources Code or otherwise complying with the California Environmental Quality Act"].) Since the project will have a specific, significant adverse impacts on real property listed in the CRHR, the city will need to prepare an EIR to evaluate the impact, identify mitigation measures to reduce or avoid significant impacts, and make the findings required by CEQA section 21081 before approving the project. If the evidence does not support these required findings, the city would be required by CEQA to deny the project.

Regarding the feasibility of removing Site 201 from the Housing Opportunity Site Overlay, my May 8, 2024, letter pointed out that it is feasible to do so because the additional density contemplated for this site in the future under the current Housing Element is not necessary to meet the city's RHNA obligations.

Thank you for your attention to this matter.

Sincerely,



Richard Toshikyuki Drury
LOZEAU DRURY LLP

EXHIBIT A

PROJECT IMPACTS ANALYSIS

605-613 BRIDGEWAY, SAUSALITO, CA



Prepared for:
Lozeau Drury LLP
Oakland, CA

Prepared by:
Watson Heritage Consulting
Oakland, CA

June 2024

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Introduction

This Project Impacts Analysis (PIA) was prepared by Shayne Watson of Watson Heritage Consulting for Lozeau Drury LLP in June 2024. Ms. Watson meets the Secretary of the Interior's Professional Qualification Standards for History and Architectural History. This analysis reviews the drawing set titled "Waterstreet 605-613 Bridgeway, Sausalito, CA, SB 330 Submittal," prepared by Hunt Hale Jones Architects of San Francisco (May 16, 2024).

Under the California Environmental Quality Act (CEQA), the first step in the environmental review process is to prepare a Historic Resource Evaluation (HRE) to allow a lead agency to make a determination about a property's historical significance under CEQA.¹ Lead agencies have a responsibility to evaluate potential historical resources for eligibility under California Register of Historical Resources (California Register) significance criteria before making a finding as to a proposed project's impacts on historical resources (PRC § 21084.1, 14 CCR § 15064.5(3)).²

The goal of a PIA is to analyze the potential effects of a project on a historical resource. According to CEQA, a project with an effect that may cause a "substantial adverse change" in the significance of a historical resource is a project that may have a "significant effect on the environment."³ (Substantial adverse change in the significance of a historical resource means physical demolition, destruction, relocation, or alteration of the resource or its immediate surroundings such that the significance of the historical resource would be materially impaired.⁴)

Generally, a project that follows the *Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring, and Reconstructing*

¹ State of California, California Code of Regulations. "Section 15064.5 - Determining the Significance of Impacts to Archaeological and Historical Resources." Current through Register 2024 Notice Reg. No. 21, May 24, 2024. Accessible at <https://casetext.com/regulation/california-code-of-regulations/title-14-natural-resources/division-6-resources-agency/chapter-3-guidelines-for-implementation-of-the-california-environmental-quality-act/article-5-preliminary-review-of-projects-and-conduct-of-initial-study/section-150645-determining-the-significance-of-impacts-to-archaeological-and-historical-resources>.

² State of California, Office of Historic Preservation. "California Office of Historic Preservation Technical Assistance Series #1: California Environmental Quality Act (CEQA) and Historical Resources." No date. Accessible at <https://ohp.parks.ca.gov/pages/1054/files/ts01ca.pdf>.

³ State of California, California Code of Regulations, Section 15064.5.

⁴ State of California, California Code of Regulations, Section 15064.5.

Historic Buildings,⁵ “shall be considered as mitigated to a level of less than significant impact on the historical resource.”⁶ If a project is determined to have a significant effect on the environment, the City of Sausalito (lead agency) is required to identify potentially feasible measures to avoid or mitigate significant adverse changes in the significance of the historical resource.⁷

Following CEQA guidelines, it is necessary to establish the significance of a historical resource in an HRE in order to prepare a PIA that assesses when proposed alterations to a historical resource cross the threshold into substantial adverse change.⁸

Pre-Existing Evaluations

The properties at 605 & 607 Bridgeway and 611-613 Bridgeway (APN 065-132-16) are included in the Sausalito Downtown Historic Overlay Zoning District,⁹ with the properties at 605 & 607 Bridgeway and 611-613 Bridgeway identified in the Built Environment Resource Directory (BERD) with a California Register Status Code of 2D2, defined by the State of California as contributors to a multi-component resource determined eligible for the National Register by consensus through the Section 106 process and listed in the California Register.¹⁰ This status code alone defines the subject property as a “historical resource” under CEQA Section 15064.5(1): “A resource listed in, or determined to be eligible by the State Historical Resources Commission, for listing in the California Register of Historical Resources (Pub. Res. Code § 5024.1, Title 14 CCR, Section 4850 et seq.).”¹¹

Updated Historical Resource Evaluation

In June 2024, Connor Turnbull Preservation Consulting prepared an updated HRE for the subject property and evaluated the subject buildings under California Register Criteria 1-4. Turnbull concludes that the subject property is individually significant under Criterion A/1 (events) for an association with early commercial development, transportation, as well as

⁵ U.S. Department of the Interior, National Park Service. *The Secretary of the Interior’s Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring & Reconstructing Historic Buildings*. Revised by Anne E. Grimer, 2017. Accessible at <https://www.nps.gov/orgs/1739/upload/treatment-guidelines-2017-part1-preservation-rehabilitation.pdf>.

⁶ State of California, California Code of Regulations, Section 15064.5((b)(3).

⁷ State of California, California Code of Regulations, Sections 15126.4(a)(1), 15091(a).

⁸ State of California, “Technical Assistance Series #1.”

⁹ R.J. Tracy & Elizabeth M. Robinson. “National Register of Historic Places Nomination Form, Central Business District-Sausalito.” City of Sausalito Historic Preservation Commission records, 1980.

¹⁰ State of California, Office of Historic Preservation. “California Historical Resource Status Codes.” Revised 3/1/2020. Accessible at <https://ohp.parks.ca.gov/pages/1069/files/Resource-Status-Codes.pdf>.

¹¹ State of California, California Code of Regulations, Section 15064.5.

settlement of Asian-Americans and their associated businesses, in Sausalito. The subject property is significant under Criterion B/2 (persons) for an association with the Yee Tock Chee/Yee family/Marin Fruit Co. as well as the Hong Lee laundry/Lee family.

Character-Defining Features

Character-defining features (CDFs) are the physical characteristics of a historical resource that convey its historical significance. The June 2024 HRE by Turnbull Preservation Consulting identifies CDFs of the CEQA historical resources identified at the subject property: the Sausalito Downtown Historic Overlay Zoning District; and the buildings located on the subject parcel (605 & 607 Bridgeway and 611-613 Bridgeway), early twentieth century utilitarian commercial buildings with minimal Mission Revival ornamentation.

Sausalito Downtown Historic Overlay Zoning District

- Late 19th Victorian-era buildings in conjunction with more utilitarian early-to mid-twentieth century buildings and structures.
- Variegated placement of buildings that reflect the topography or the uses.
- Topographical transition between the hillside, bluff and waterfront. The hillside is characterized by mostly residential buildings, while the waterfront contains mostly one-to-three story commercial buildings.
- Commercial buildings around the vicinity of the former and present ferry landings.
- The roadway follows the contour of the hill to Bay transition, and defines the landfill or over-water docks along the edge of the Richardson and San Francisco Bays.

APN 065-132-16

- Plateau area at the base of a wooded bluff, Princess Street retaining wall forming the northwest edge.
- Commercial buildings enfronting the landscaped bluff behind.
- Concentration of small-scale commercial storefronts at the street front with no setbacks, and utilitarian areas at the rear open parking area.

605 & 607 Bridgeway

- One-story storefront with a second story residential above.
- Two-bay storefront facade.
- Flat roof with minimal parapet at street elevation.
- Central, recessed storefront entrance flanked by single pane display windows above a bulkhead.
- Multi-colored ceramic tile on bulkhead (where extant).

- Multi-lite steel sash transoms with pebbled glass and horizontal pivoting sash (where extant).
- Pilasters with tapered caps, spandrel between with a central sign band.
- Brick, stepped course above spandrel at parapet.
- Raised “Marin Fruit Co.” lettering (605 Bridgeway, former 777 Water Street)
- Painted cement stucco wall surface at storefront, corrugated metal and cement stucco at rear elevations.
- Steel sash at rear elevations

611-613 Bridgeway

- One-story storefront with tri-partite bays.
- Shallow gable roof with parapet at street elevation.
- Central, recessed triangular entry area, with a single, entry door at each store.
- Single pane storefront display windows, small bulkhead below.
- Engaged pilasters, spandrel with recessed sign band, and parapet.
- Tri-partite transom recessed panel with continuous cornice above.
- Painted cement stucco wall surface at storefront, corrugated metal at rear elevations

Project Description

The following description for the proposed project was prepared by the project applicant on May 17, 2024 and is available in the City of Sausalito’s eTRAKiT database¹²:

WATERSTREET PROJECT NARRATIVE

SB330 Application

Waterstreet offers walkability, sustainability, and increased financial health for Sausalito while prioritizing housing needs.

Overview

Waterstreet will be a multi-use, urban infill residential development located on Princess St and at 605-613 Bridgeway, across from the waterfront in Downtown Sausalito. The property is designated as Opportunity Site #201 listed in the Sausalito Housing Element. The site is approximately ½ acre on a previously developed, underutilized lot, located

¹² “Waterstreet Project Narrative - SB330 Application.” Prepared for City of Sausalito, May 17, 2024.

Accessible at

<https://saus-trk.aspgov.com/eTRAKiT/viewAttachment.aspx?Group=PROJECT&ActivityNo=2024-00014&key=KTE%3a2405230539390495>

within the city limits, surrounded by urban uses, including commercial and residential development.

Waterstreet will feature 50 condominiums, with 20% designated as affordable units. There will be five retail sites, four existing along the Bridgeway frontage, and a new retail space and residential lobby extending the retail spaces on Princess Street. The site is 23,056 square feet, and the proposed gross floor area is 121,752 square feet. Zoning is CC on the front Bridgeway lots and R-3 on the Princess St rear lots. Modifications to development standards are achieved through waivers and concessions, with the amount and percentage of BMR units more fully explained in the Density Bonus Report. The building type will be Type 1 construction on the two lower levels and wood-framed with stucco exterior on the upper levels.

Location

Uniquely located in the transit-rich area of downtown Sausalito, Waterstreet is fronted by Bridgeway, which offers bus lines and bike routes. Two blocks away, the main transit center of Sausalito, the Sausalito Ferry Terminal, is serviced by two ferry lines: the Golden Gate Ferry and the Blue and Gold Fleet, both offering regular ferry service to San Francisco. Waterstreet will rate a very high Walk Score with easy access to shopping, services, parks, and restaurants.

Parking

This project has no parking requirement per AB2097. The existing parking lot, with ingress and egress on Bridgeway, will remain; a newly constructed second-level parking lot with ingress and egress on Princess Street will be added. The parking will be uncoupled from condominium ownership.

Neighborhood Improvement

Waterstreet follows the existing development pattern of the surrounding area of Sausalito: retail at street level, residential above. Waterstreet improves the current conditions of the property for drainage and stormwater. The existing unsightly power poles and electrical wires will be relocated underground. The majority of the existing site is an unattractive asphalt parking lot with exposed retaining walls, which will be repurposed into a multi-use site that is attractive and financially beneficial to the city. Waterstreet will be a sizable contributor to Sausalito, fulfilling its State of California requirement by adding much-needed market-rate and below-market-rate housing units.

A luxury development in a prime downtown Sausalito location with world-class panoramic water and San Francisco views, Waterstreet will be a first-class building

constructed from premium materials with upscale amenities. The development was designed with varying unit sizes and prices to accommodate a wide diversity of buyers. All homes are single-level and serviced by elevators. Most Waterstreet homes will have dramatic, picturesque water views. Waterstreet will be a forerunner for the enhancement and regeneration of downtown Sausalito.

New homeowners living in the downtown area will help revitalize the feel and mix of downtown businesses and restaurants, reducing reliance on seasonal and day visitor traffic. Sausalito will blossom into more of a walking town as residents will not need to drive to dine or shop. Travel to San Francisco or nearby towns will be by ferry, bus, bikes, or ridesharing companies. More homeowners residing downtown will encourage more downtown civic activities such as music and art events, outdoor plays, farmers markets, local volunteerism, etc. The increase in property tax revenue from Waterstreet and sales tax revenue derived from resident spending will bolster the economy of Sausalito.

Historic

The site is not listed in the National Register of Historic Places but is located in the Sausalito Historical Overlay District. [[Author correction: as noted earlier, the State of California assigned the subject property a historical resource status code of 2D2, defined as determined eligible for the National Register and listed in the California Register.]] The development will not cause a substantial adverse change in the significance of a historical resource nor be demolished. The historic buildings will be preserved. Construction mandates will be in effect to preserve and protect the historic buildings and neighboring buildings during the construction period. New construction will be compatible with historic materials and features to protect the integrity of the property and its environment.

Design

The proposed architecture will not mimic the historic facades of Sausalito. The proposed façade is new and compatible in color and finish with existing historic structures in downtown.

The architecture will enhance and complement the historic facades of Sausalito. The building will feature Pantone Cool Grey textured cement on G-2 podium levels and the same color in textured stucco on levels 3-6. Black window frames, door frames, and hardware will contrast with the building finish. Highlighting this will be warm, natural wood tones on planter boxes, exterior ceilings, and privacy walls, with bright year-round greenery in the many planter boxes.

The cement planter boxes on Princess St serve as a banding where the building steps back five feet. The addition on Bridgeway will step back 20 feet from the historic façade, similar to the current second level of the existing building. The next level steps back an additional 10 feet for a total of 30 feet from the existing facade. Successive levels continue to step back to mitigate any bulk.

Sustainability

Waterstreet will be designed to Green Building Standards. Sustainability features will include energy efficiency with solar panels, energy-efficient appliances, increased insulation, bicycle parking, and electric vehicle charging stations. Water efficiency will be achieved with low-flow plumbing fixtures, drought-resistant plants, and drip irrigation systems. Waterstreet meets FEMA flood standards, and the first residential floor will be well above the base flood elevation. The building fronts on a fire evacuation route and has fire-resistant exteriors. Waterstreet will follow all required measures for dust, sound, vibration, parking, and other mitigations during the construction period.

Project Impacts Analysis

The goal of a Project Impacts Analysis (PIA) is to analyze the potential effects of a project on a historical resource. According to CEQA, a project with an effect that may cause a “substantial adverse change” in the significance of a historical resource is a project that may have a “significant effect on the environment.”¹³ (Substantial adverse change in the significance of a historical resource means physical demolition, destruction, relocation, or alteration of the resource or its immediate surroundings such that the significance of the historical resource would be materially impaired.¹⁴)

Generally, a project that follows the *Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring, and Reconstructing Historic Buildings*,¹⁵ “shall be considered as mitigated to a level of less than significant impact on the historical resource.”¹⁶ If a project is determined to have a significant effect on the environment, the City of Sausalito (lead agency) is required to identify potentially feasible

¹³ State of California, California Code of Regulations, Section 15064.5.

¹⁴ State of California, California Code of Regulations, Section 15064.5.

¹⁵ U.S. Department of the Interior, National Park Service. *The Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring & Reconstructing Historic Buildings*. Revised by Anne E. Grimer, 2017. Accessible at <https://www.nps.gov/orgs/1739/upload/treatment-guidelines-2017-part1-preservation-rehabilitation.pdf>.

¹⁶ State of California, California Code of Regulations. See Title 14, section 15064.5((b)(3).

measures to avoid or mitigate significant adverse changes in the significance of the historical resource.¹⁷

Because the subject property is a CEQA historical resource for its status as a district contributor as well as the determination in the June 2024 HRE that the property is individually eligible for the California Register under Criteria 1 and 2, a project evaluation must be completed to determine whether the proposed Waterstreet Condominiums would materially impair the CEQA historical resource and identify any modifications to the proposed project that may reduce or avoid impacts.

The following is an analysis of the proposed project per the applicable Secretary of the Interior's Standards for Rehabilitation (Secretary's Standards).

Standard 1: A property will be used as it was historically or be given a new use that requires minimal change to its distinctive materials, features, spaces and spatial relationships.

The subject property has been historically used for commercial purposes with residential units above 605 & 607 Bridgeway and an uncovered driveway and parking area to the north and rear of the buildings. These spaces were integral to the operations of historically significant businesses documented in the June 2024 HRE, with the off-street parking serving “a critical role for the Marin Fruit Co. and the Chong Lee laundry.”¹⁸

The proposed project, which includes 50 condominiums and five commercial spaces, shifts the primary use to predominantly residential. This shift necessitates the demolition of distinctive materials and features, including the rear facade of 605 Bridgeway, the second-floor residential units at 605 & 607 Bridgeway, and the utilitarian shed structures at the rear of the property. Identified as CDFs in the June 2024 HRE, the rear facades, including steel sash windows extant on all buildings and corrugated metal panels sheathing 611-613, and the utilitarian areas at the rear open parking area, are crucial to the property's historical character.

The proposed project will adversely impact distinctive features and spatial relationships, particularly through the alteration of the uncovered auto driveway and parking area that

¹⁷ State of California, California Code of Regulations. See Title 14, sections 15126.4(a)(1), 15091(a).

¹⁸ Connor Turnbull Preservation Consulting. “APN 065-132-16 / 605 & 607 Bridgeway and 611-613 Bridgeway, Sausalito Historic Resources Evaluation.” Prepared for Lozeau Drury LLP (June 17, 2024), 57-58.

has existed since the 1940s. This spatial relationship is a CDF critical to the property's historical significance, as noted in the June 2024 HRE.

For these reasons, the proposed project does not comply with Rehabilitation Standard 1.

Standard 2: The historic character of a property will be retained and preserved. The removal of distinctive materials or alteration of features, spaces, and spatial relationships that characterize the property will be avoided.

The project plans to demolish distinctive materials, including some of the rear facades and the second-floor residential units above 605 & 607 Bridgeway, all of which contain materials identified as CDFs in the June 2024 HRE.

Key features such as the second-floor residential units above 605 & 607 Bridgeway and the utilitarian shed structures at the rear of the property will be demolished as part of the proposed project. Identified as CDFs in the June 2024 HRE, the rear facades, including steel sash windows extant on all buildings, corrugated metal panels sheathing 611-613, and the utilitarian areas at the rear open parking area, are crucial to conveying the property's historical significance. These alterations would materially impair the historical resource.

The proposed changes to the uncovered auto driveway and parking area, in place since the 1940s and essential to the historic businesses, will adversely affect the spatial relationships that characterize the property. The June 2024 HRE identifies this spatial relationship as a CDF critical to the site's historical significance.

For these reasons, the proposed project does not comply with Rehabilitation Standard 2.

Standard 3. Each property will 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 elements from other buildings, shall not be undertaken.

The proposed project does not include architectural features that suggest a false sense of historical development, nor will it add conjectural historical features to the existing buildings on the subject property. As proposed, the project complies with Rehabilitation Standard 3.

Standard 4: Changes to a property that have acquired significance in their own right will be retained and preserved.

According to the June 2024 HRE, the subject property retains the integrity necessary to convey its significance. Many changes that have occurred 605-613 Bridgeway since its development have acquired significance in their own right and are identified as CDFs in the June 2024 HRE.

The alteration of significant spatial relationships, such as the uncovered auto driveway and parking area facing the utilitarian rear facades of the buildings, which have existed since the 1940s and are identified as a CDF in the June 2024 HRE, will adversely affect the integrity of the property.

For these reasons, the project does not comply with Rehabilitation Standard 4.

Standard 5: Distinctive materials, features, finishes and construction techniques or examples of craftsmanship that characterize a property will be preserved.

The proposed project includes plans to demolish or alter distinctive materials and features identified as CDFs in the June 2024 HRE, including:

- Steel sash windows at the rear facades
- Shallow gable roof over 611-613 Bridgeway
- Corrugated metal panels and cement stucco at the rear of 611-613 Bridgeway
- Utilitarian sheds at the rear open parking area

The project's plan to remove or alter these features will adversely affect the integrity of the property. For these reasons, the proposed project does not comply with Rehabilitation Standard 5.

Standard 6: Deteriorated historic features will be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature will match the old in design, color, texture, and, where possible, materials. Replacement of missing features will be substantiated by documentary and physical evidence.

The proposed project description does not detail the treatment of historic materials on the subject property. Drawing A201 notes "Preserve and protect existing facades," but it is presumed that this includes the Bridgeway-facing facades only and not other facades identified as CDFs in the June 2024 HRE, including the second-floor residential units

above 605 & 607 Bridgeway. Without further information, it is impossible to know if the proposed project will comply with Rehabilitation Standard 6.

Standard 7: Chemical or physical treatments, if appropriate, will be undertaken using the gentlest means possible. Treatments that cause damage to historic materials will not be used.

The proposed project description does not describe the treatment of historic materials on the existing buildings. Drawing A201 notes "Preserve and protect existing facades," but with this limited information, it is impossible to know if the proposed project will comply with Rehabilitation Standard 7.

Standard 8: Archeological resources will be protected and preserved in place. If such resources must be disturbed, mitigation measures will be undertaken.

The proposed project description does not mention whether any archeological resources have been identified on the subject property at 605-613 Bridgeway. An assessment to identify any potential archeological resources is necessary.

If archeological resources are present, the project proposal should have a plan in place to protect and preserve these resources. The document does not mention any such plan.

If disturbance of archeological resources is unavoidable, the project must outline specific mitigation measures to address this. The document does not discuss any mitigation measures for archeological resources.

Without information on whether archeological resources are present and how they will be handled, it is not possible to determine if the proposed project complies with Rehabilitation Standard 8.

Standard 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.

The proposed project's height, massing, and architectural features significantly alter the historic character and integrity of the subject property and the Sausalito Downtown Historic Overlay Zoning District (Historic District). The Historic District is characterized

as a mix of late-19th-century Victorian-era buildings combined with utilitarian early-to-mid-20th-century buildings and structures. CDFs identified in the June 2024 HRE include the topographical transition from a hillside dotted with residential buildings leading to a natural bluff overlooking a commercial waterfront district built around a historic ferry landing area. The average height of buildings in the Historic District is two to three stories, with the southern portion having a mix of one- and two-story commercial buildings, some with one or two stories of residential above.

The proposed project's addition of six stories (85 feet) directly over the historic single-story commercial buildings is significantly out of scale with the existing environment of the subject property and the Historic District. (Ceilings in the 85-foot-tall addition are 12 feet, which results in a building equivalent to eight to nine stories.)

Similarly, the increase in the mass of the proposed addition is dramatically out of scale with the Historic District. The bulk of the new building overwhelms the existing waterfront streetscape and obscures the natural bluff and hillside behind, thereby impacting CDFs identified in the June 2024 Historic Resource Evaluation (HRE) and thus the integrity of the Historic District.

The appearance of the proposed project would contrast sharply with the character of Sausalito's existing commercial facades. The large expanses of glass in the new construction are incompatible with the existing buildings and the Historic District, where historic buildings typically have articulated facades and smaller, traditionally proportioned windows. The new windows are out of scale and do not match the traditional fenestration patterns in the area.

While the new work is differentiated from the old, the unarticulated facades, use of large expanses of glass, and the overall contemporary design are not compatible with the historic character of the Historic District. The materials chosen (stucco and steel windows) may be appropriate, but their application in this context does not align with the historic features and proportions of the district.

For these reasons, the proposed project does not comply with Rehabilitation Standard 9.

Standard 10: New additions and adjacent or related new construction will 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.

The proposed new building is embedded above and behind the existing property, meaning it integrates with and depends on the existing historic structure of the buildings at 605-613 Bridgeway. If the new addition were removed in the future, the alterations to the historic property, including the demolition of the rear utilitarian facades, partial demolition of roofs, and the demolition of the residential units above 605 & 607, would impair the essential form and integrity of the subject property. These changes to the historic fabric of the buildings would be irreversible, leaving the CEQA historical resource permanently altered and impaired.

For these reasons, the proposed project does not comply with Rehabilitation Standard 10.

Conclusion

Watson Heritage Consulting finds that the proposed project at 605-613 Bridgeway in Sausalito, CA does not meet the Secretary of the Interior's Standards for the Rehabilitation of Historic Properties. As currently proposed, the project will cause a "substantial adverse change" in the significance of both the Sausalito Downtown Historic Overlay Zoning District and the subject property. These are recognized historical resources under CEQA. A substantial adverse change in the significance of a historical resource includes the demolition or alteration of the resource or its immediate surroundings to an extent that would materially impair the significance of the historical resource. If a project is determined to have a significant effect on the environment, the City of Sausalito (lead agency) is required to identify potentially feasible measures to avoid or mitigate significant adverse changes in the significance of the subject property and the Historic District.¹⁹

¹⁹ State of California, California Code of Regulations, Sections 15126.4(a)(1), 15091(a).

EXHIBIT B

MEMO

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DATE: June 25, 2024

SUBJECT: Peer review of the following two reports prepared for 605-613 Bridgeway in Sausalito, California:

- “605-613 Bridgeway, Sausalito, Historic Resource Summary,” prepared by Preservation Architecture (January 26, 2024)
- “605-613 Bridgeway, Sausalito, Historical Summary and Project Evaluation,” prepared by Preservation Architecture (May 11, 2024)

Introduction

My name is Shayne Watson, and I practice architectural history and historic preservation planning in the San Francisco Bay Area at my consultancy, Watson Heritage Consulting. I have evaluated historic properties for eligibility under the National Historic Preservation Act (NHPA) and the California Environmental Quality Act (CEQA) since 2003. This experience qualifies me to conduct this peer review as a professional meeting the Secretary of the Interior’s Professional Qualification Standards for History and Architectural History.

I was retained by Lozeau and Drury LLP in 2024 to conduct a peer review of two reports prepared by Mark Hulbert, preservation architect and historic resources consultant at Preservation Architecture:

- “605-613 Bridgeway, Sausalito, Historic Resource Summary” (January 26, 2024)
- “605-613 Bridgeway, Sausalito, Historical Summary and Project Evaluation” (May 11, 2024)

Both the January 26 and May 11 reports cover generally the same information, so this peer review focuses on the two reports at once.

Under the California Environmental Quality Act (CEQA), the first step in the environmental review process is to prepare a Historic Resource Evaluation (HRE) to allow a lead agency to make a determination about a property's historical significance under CEQA.¹ Lead agencies have a responsibility to evaluate potential historical resources for eligibility under California Register of Historical Resources (California Register) significance criteria prior to making a finding as to a proposed project's impacts on historical resources (PRC § 21084.1, 14 CCR § 15064.5(3)).²

After reviewing the January 26, 2024 and May 11, 2024 reports for 605-613 Bridgeway by Preservation Architecture, it is my opinion that they are missing the basic necessary information required for the City of Sausalito to determine the property's historical significance according to CEQA Section 15064.5(b)(3).³ The Preservation Architecture reports, therefore, should not be used to inform the analysis required for a Project Impacts Analysis (PIA). (The May 2024 report includes a PIA beginning on page 17.)

CEQA Historical Resource Evaluations

The purpose of a Historical Resource Evaluation (HRE) is to determine the historical resource status of a property, according to California Environmental Quality Act (CEQA) Section 15064.5(b)(3).⁴ CEQA is the main law mandating environmental assessments for projects within California. It aims to ascertain whether a proposed project could adversely affect the environment and if such impacts can be mitigated or avoided through alternative actions. CEQA is detailed in the Public Resources Code (PRC), Sections 21000 and following.⁵

¹ State of California, California Code of Regulations. "Section 15064.5 - Determining the Significance of Impacts to Archaeological and Historical Resources." Current through Register 2024 Notice Reg. No. 21, May 24, 2024. Accessible at

<https://casetext.com/regulation/california-code-of-regulations/title-14-natural-resources/division-6-resources-agency/chapter-3-guidelines-for-implementation-of-the-california-environmental-quality-act/article-5-preliminary-review-of-projects-and-conduct-of-initial-study/section-150645-determining-the-significance-of-impacts-to-archaeological-and-historical-resources>.

² State of California, Office of Historic Preservation. "California Office of Historic Preservation Technical Assistance Series #1: California Environmental Quality Act (CEQA) and Historical Resources." No date. Accessible at <https://ohp.parks.ca.gov/pages/1054/files/ts01ca.pdf>.

³ State of California, California Code of Regulations, Section 15064.5.

⁴ State of California, California Code of Regulations, Section 15064.5.

⁵ The information in this section is excerpted from State of California, Office of Historic Preservation. "Technical Assistance Series #1."

The CEQA Guidelines, located in the California Code of Regulations (CCR), Title 14, Chapter 3, Sections 15000 and following, provide instructions for implementing CEQA and are mandatory for state and local agencies.

Historical resources are considered part of the environment under CEQA (PRC §§ 21002(b), 21083.2, and 21084.1). The California Register of Historical Resources (California Register) is an official listing of the state's historical resources and identifies properties deemed significant under CEQA. Resources listed in or eligible for listing in the California Register must be considered during the CEQA process.

The statute for the California Register (PRC § 5024.1) and its regulations (14 CCR § 4850 et seq.) mandate that evaluations for listing historical resources must be updated if they are more than five years old to ensure their accuracy at the time of listing. However, this does not imply that resources identified in older surveys are not considered "historical resources" under CEQA. Unless a resource has been demolished, significantly altered, or is otherwise proven ineligible for listing, lead agencies should treat it as potentially eligible for the California Register.

Additionally, a resource does not need prior identification through listing or survey to be considered significant under CEQA. Lead agencies must evaluate whether historical resources potentially impacted by a project meet the California Register criteria before determining the project's impact on these resources (PRC § 21084.1, 14 CCR § 15064.5(3)).

Peer Review of 2024 Preservation Architecture Reports

As noted above, the lead agency (City of Sausalito) has a responsibility to evaluate a property's historical significance according to CEQA Section 15064.5(b)(3)⁶ before making a finding as to a proposed project's impacts on historical resources (PRC § 21084.1, 14 CCR § 15064.5(3)).⁷

After reviewing the January 26, 2024, and May 11, 2024 reports for 605-613 Bridgeway by Preservation Architecture, it is my opinion that they are missing the basic necessary information required for the City of Sausalito to make informed planning decisions about the buildings located on the subject property. The reports do not evaluate the property's historical significance according to CEQA Section 15064.5(b)(3).⁸

⁶ State of California, California Code of Regulations, Section 15064.5.

⁷ State of California, Office of Historic Preservation. "Technical Assistance Series #1."

⁸ State of California, California Code of Regulations, Section 15064.5.

General Comments

The January 2024 and May 2024 reports are not formatted according to standard CEQA HREs and the presentation is confusing. While some of the information required for a CEQA HRE is included in both reports, it is recommended that the report be reformatted to align with the following general format in terms of organization and content:

- Introduction
 - Basic property information
 - Current CEQA historical resource status
- Architectural Description
- Property History
 - Property development, history of use and owner/occupants
- Historical Context
- California Register Evaluation
 - Significance evaluation (Criteria 1-4)
 - Integrity evaluation (Aspects 1-7)
 - Identification of character-defining features

Previous Evaluations

As noted above, if a property has already been identified as a historical resource under CEQA, it is important to summarize this in the introduction to an HRE. Resources identified in older surveys may be considered "historical resources" under CEQA unless "the resource has been demolished, significantly altered, or is otherwise proven ineligible for listing, lead agencies should treat it as potentially eligible for the California Register (PRC § 5024.1) (14 CCR § 4850 et seq.).

In the case of the subject property, previous evaluations identified the parcel as having a Historical Resource Status Code of 2D2, defined by the California Office of Historic Preservation as "Contributor to a district determined eligible for NR by consensus through Section 106 process. Listed in the CR."⁹ A property listed in the California Register is defined as a historical resource under CEQA.

- The January 2024 report mentions that the subject property falls within Sausalito's Downtown Historic District. Still, there is no explanation of what this means in terms of the subject property's status as a historical resource under CEQA.
- The January and May 2024 reports include excerpts of the Statements of Significance from the "1980 Historic Resource Inventory," but there is no explanation as to the

⁹ State of California, Office of Historic Preservation. "California Historical Resource Status Codes." Revised 3/1/2020. Accessible at <https://ohp.parks.ca.gov/pages/1069/files/Resource-Status-Codes.pdf>.

meaning of the 1980 inventory and how it relates to the subject property's status as a historical resource under CEQA.

- The May 2024 report references a 2019 technical memorandum prepared for 719-725 Bridgeway by consultant Page & Turnbull to conclude that the subject property is “*not individually listed in the CR,*” which contradicts the property’s status code of 2D2: “Listed in the CR.”
- In the May 2024 report, the following statements are inaccurate or irrelevant to an HRE:
 - Page 11: “*Thus, while the District is CR listed, the individual properties identified as contributors are not individually listed in the CR. As such, the District is the identified historic resource, not the individual properties.*”
 - This statement is inaccurate, as the subject property’s status code of 2D2 means that it is listed in the California Register.
 - Page 12: The report states that the Certified Historic District for downtown Sausalito is “*not a National Register listing and the certified local district is not a formal National Register historic district as a result.*”
 - This statement is irrelevant to a CEQA historical resource evaluation, as the subject property’s status code of 2D2 means that it is listed in the California Register by being determined eligible for the National Register of Historic Places.
 - Page 12: “*Further, the 1980 evaluation determined that the District met eligibility criteria for listing on the National Register of Historic Places (NR). However, no NR nomination was submitted, then or since. While the District was deemed a NR ‘Certified Historic District’ – yet again on the basis of the 1980 record – that certification is for Federal preservation tax incentives only, is not a National Register listing and the certified local district is not a formal National Register historic district as [a] result.*”
 - This statement is irrelevant to a CEQA historical resource evaluation, as the subject property’s status code of 2D2 means that it is listed in the California Register by being determined eligible for the National Register of Historic Places.
 - Page 12: “*In sum, the property and buildings at 605-613 Bridgeway... Are not individually listed in the California Register.*” “*Conclusively, neither of the subject buildings are individually listed on any historic register.*”
 - This statement is inaccurate, as the subject property’s status code of 2D2 means that it is listed in the California Register.

Architectural Descriptions

Architectural descriptions are a key part of an HRE as they document the existing conditions of a subject property and show how a property has or has not changed over time (list of known

alterations). The architectural descriptions should be supplemented with photographs showing existing conditions of the entire subject property, including contextual views of the property in its setting and views of all exterior facades.

- The January 2024 report does not include a description of the existing conditions of the subject property.
- The May 2024 report includes a section titled Summary Descriptions (pages 5 & 7), which is a mix of significance statements from 1980; permit records; known alterations; existing “characteristics”; and a condition assessment. Architectural descriptions should describe existing conditions of the subject property and a list of known alterations. Any mention of significance should be moved to the Introduction (current CEQA status) or the California Register Evaluation.
- In the May 2024 report, the first photograph under Site (page 9) includes mention of character-defining features (CDFs) in the caption. This reference should be removed, as CDFs are identified only after a property has been evaluated for significance and determined eligible for the California Register. CDFs are the features of a property that convey its significance.

Property History

An updated and detailed history of the development of the subject property is necessary to evaluate the historical significance of a property under CEQA. The January and May 2024 Preservation Architecture reports do not contain sufficient property history to give a comprehensive understanding of the history of 605-613 Bridgeway. The section titled “Summary Property History” mentions names of businesses, owners, and tenants associated with the subject property, yet there was no research to ascertain the potential significance of the businesses and individuals. This research is crucial in determining the significance of a property under California Register Criterion 2.

Historical Context

Similar to a comprehensive property summary, historical context is an integral part of the historical resource evaluation process. Relevant historical context tells the broader story of how the subject property fits within the larger picture of Sausalito’s history. Without understanding the historical context of a property, it is impossible to evaluate a property’s significance.

The City of Sausalito has a citywide historic context statement (HCS), prepared for the City of Sausalito and the Office of Historic Preservation in October 2022 by VerPlanck Historic Preservation Consulting. The HCS should be referred to in any historical resource evaluation for Sausalito.

Historical context relevant to the subject property would include themes such as early community development, commerce, and transportation – all of which are covered in VerPlanck's HCS.

- The January 2024 report does not contain historical context.
- In the May 2024 report, the information under Historic Context (page 10) is a summary of the property's status as a historic district contributor, which is not historical context. Same with the reference to consultant Page & Turnbull's technical memorandum for 719-725 Bridgeway (2019) and the discussion of zoning within the historic district (e.g., 83 Princess).

California Register Evaluation

As noted above, the purpose of an HRE is to determine the historical resource status of a property according to CEQA Section 15064.5(b)(3). Lead agencies must evaluate whether historical resources potentially impacted by a project meet the California Register criteria before determining the project's impact on these resources (PRC § 21084.1, 14 CCR § 15064.5(3)).

Even if the property has been evaluated previously, the statute for the California Register (PRC § 5024.1) and its regulations (14 CCR § 4850 et seq.) mandate that evaluations for listing historical resources must be updated if they are more than five years old to ensure their accuracy at the time of listing.

- The January 2024 report does not reference CEQA nor the California Register criteria for assessing significance and integrity.
- Neither report includes the following sections that are necessary for an HRE: an updated evaluation of the subject property's eligibility for the California Register under significance Criteria 1-4; evaluation of the subject property's seven aspects of integrity (if the property is determined to be significant under CEQA); and a comprehensive list of extant character-defining features (CDFs) that convey the property's historical significance. CDFs are the historical features of a property that convey its historical significance and should not be introduced without evaluating the historical resource status of the property. (The January 2024 report includes CDFs in the property history and notes that "*no rearward site or building spaces, forms or materials are identifiably character defining*" (page 7).)

- The May 2024 report includes the following statement on page 12 about the subject property being ineligible for individual listing in the California Register, but provides no historical resource evaluation to support this conclusion:

Given their minimal and basic characteristics, as the 2 building facades are architecturally and materially insubstantial, neither are individually eligible for historical designation. Otherwise, they stand in the context of the District and to which they basically contribute. Conversely, as is also plain to see, the rearward structures are void of potential historical importance, as are the open areas of site.

It is important to note that this statement focuses solely on the architectural and physical qualities of the building (California Register Criterion 3) and does nothing to assess the significance of the property for association with important events (California Register Criterion 1) or significant individuals (California Register Criterion 2).