Los Angeles County
Department of Regional Planning

*Planning for the Challenges Ahead*

Richard J. Bruckner
Director

May 28, 2013

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**HEARING ON MILLS ACT ORDINANCES**
**PROJECT NO. R2012-02290-(1-5)**
**ADVANCE PLANNING PERMIT NO. 2010 00003**
**(ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

## SUBJECT

On September 18, 2012, the Board of Supervisors adopted a motion directing the Department of Regional Planning (Department) and County Counsel, in consultation with the Historical Landmarks and Records Commission (Landmarks Commission) and the Regional Planning Commission (RPC), to prepare an ordinance amending the Los Angeles County Code (County Code) to implement the Mills Act, and to establish policies or procedures for the implementation of a Mills Act program in the unincorporated areas of Los Angeles County (County). The Mills Act authorizes a reduction in real property taxes to private property owners who enter into a contract with a local jurisdiction for the preservation, restoration, and maintenance of eligible landmark properties.

## IT IS RECOMMENDED THAT YOUR BOARD, AFTER THE PUBLIC HEARING:

1. Find that the adoption of the Mills Act ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to sections 15061(b)(3) and 15331 of Title 14 of the California Code of Regulations (CEQA Guidelines).

2. Indicate its intent to approve the recommendation of the Regional Planning Commission to adopt an ordinance amending Title 22 of the County Code (Planning and Zoning) to establish a Mills Act program and set applicable fees.

3. Indicate its intent to adopt the ordinance amending Title 3 of the County Code to authorize the Landmarks Commission to comment on application materials and guidelines for the Mills Act program.

4. Instruct County Counsel to prepare the final ordinances amending Title 22 of the County Code, as recommended by the RPC, and Title 3 of the County Code.

## PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the proposed ordinances amending Title 22 and Title 3, respectively, of the County Code is to encourage the preservation, restoration and rehabilitation of historic properties in the unincorporated areas of the County of Los Angeles.

Enacted in 1972, the Mills Act (Cal. Govt. Code Sections 50280-50290) grants participating local governments the authority to enter into contracts with owners of qualified historical properties for the restoration and maintenance of such properties, in exchange for a reduction in applicable property taxes. The Mills Act is considered the single most important economic incentive program in California for the restoration and preservation of historic buildings by private property owners.

In order to participate, a ten-year, annually renewable historical property contract is executed between the County and the owner of an eligible property. The property owner agrees to maintain, invest in, and protect the property in accordance with specific preservation standards and conditions set forth in the contract. In turn, the property owner may receive a reduction in real estate taxes.

### Implementation of Strategic Goals

The Mills Act ordinances support Goal No. 1 (Service Excellence) and Goal No. 3 (Integrated Services Delivery) through amendments to the County Code which create a financial incentive to encourage the rehabilitation and preservation of historic properties. The proposed ordinances will maximize community outcomes by encouraging the preservation of important historical and cultural resources, while leveraging private investment in the repair, rehabilitation, maintenance of historic properties. The preservation of significant historic and cultural properties is an important aspect in community planning, and it plays an important economic role in the ongoing development of the County.

## FISCAL IMPACT/FINANCING

Adoption of the Mills Act ordinance would result in an annual reduction of property tax revenue to the General Fund and other taxing entities from properties participating in the program in addition to an increase in costs to administer the Act. In order to control the cost to the County to implement, administer, and maintain the Mills Act Program, it is recommended that Board of Supervisors establish limitations on participation in the program. The limitations established by the Board of Supervisors would, at a minimum,

specify the maximum total reduction in unrealized property tax revenue to the County resulting from all executed historical property contracts and the maximum number of historical property contracts the County may enter into in a calendar year. Limitations established by the Board of Supervisors may include a temporary or permanent freeze on new participation in the program. The following program limitations are recommended to be established by separate Board motion at the time the ordinances in their final form are adopted.

Program Limitations and Recommendation

1. Potential Impact to County: $300,000 per year maximum unrealized property tax, total program maximum of $3 million.
2. Number of annual contracts: Six maximum contracts per year for the first three years, no maximum thereafter.
3. Maximum assessed valuation of eligible property: Single-family - $1 million or less; Two-family - $1.5 million or less; Non-residential - $3 million or less (eligible after third year of program).

Form Historical Property Contract

Regional Planning will maintain a form historical property contract, approved by the Board of Supervisors, for use in connection with all historical property contracts. It is recommended that the Board of Supervisors approval the form contract by separate motion at the time the ordinances in their final form are adopted.

**FEES**

The County Auditor-Controller approved an application fee of $982.00 and a contract execution fee of $543.00. These proposed fees are outlined in Section 2 (22.60.100 A) of the ordinance amending Title 22 of the County Code. It is expected that these new fees will cover the administrative costs to implement the program.

**FACTS AND PROVISIONAL/LEGAL REQUIREMENTS**

A public hearing is required pursuant to Section 22.60.174 (Planning and Zoning) of the County Code and Section 65856 of the Government Code. Required notice must be given pursuant to the procedures and requirements set forth in Section 22.60.174 (Planning and Zoning) of the County Code. These procedures exceed the minimum standards of Sections 6061, 65090, and 65856 of the Government Code related to notice of public hearing.

To implement the Mills Act, the Department prepared two ordinances. The first ordinance amends Title 22 of the County Code to implement the Mills Act program and to establish fees related to the program. The second ordinance amends Title 3 of the

County Code to authorize the Landmarks Commission to comment on application materials, guidelines, and consideration criteria for the Mills Act program.

On December 14, 2012, the Landmarks Commission unanimously passed a motion to support the proposed Mills Act ordinances.

The RPC conducted a public hearing on March 27, 2013, regarding the proposed ordinance amending Title 22 of the County Code. The RPC heard testimony from the Los Angeles Conservancy in support of the ordinance. Hearing no further testimony, the RPC adopted a Resolution that recommended the Board of Supervisors adopt the ordinance amending Title 22 of the County Code.

## ENVIRONMENTAL DOCUMENTATION

Pursuant to the requirements of CEQA, the County evaluated the action of establishing a Mills Act program. The Mills Act program establishes a property tax reduction for property owners that rehabilitate, restore, maintain, and preserve properties that are determined to be of historic significance. The establishment of a Mills Act program does not authorize any new development or land uses. The program encourages the continued use of existing structures and the continuance of existing land uses. For these reasons it can be seen with certainty that the Mills Act program will not result in any significant adverse impact on the environment. Thus, the establishment of the program is exempt from the CEQA environmental review requirements pursuant to Section 15061(b)(3) of the CEQA Guidelines.

Further, the Mills Act program is categorically exempt from environmental review pursuant to Section 15331 (Class 31) of the CEQA Guidelines, which exempts projects 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 with Guidelines for Preserving, Rehabilitating, Restoring, and Reconstructing Historic Buildings (Weeks and Grimmer, 1995), in that it is a program that results in the preservation and maintenance of historic resources in exchange for a property tax.

**IMPACT ON CURRENT SERVICE (OR PROJECTS)**

Adoption of the ordinance will not have a significant impact on County services or projects.

Should you have any questions, please feel free to contact me or your staff may contact Mr. Phillip Estes at (213) 974-6425 or pestes@planning.lacounty.gov.

Respectfully submitted,

Richard J. Bruckner
Director

RJB:JS:CS:PE:gl

Attachments:
A. Board motion (Statement of Proceedings, 9/18/12)
B. Project summary
C. Summary of Regional Planning Commission proceedings
D. Resolution of the Regional Planning Commission
E. Recommended ordinances for adoption (Title 22 and Title 3)
F. Recommended application fees
G. Public hearing legal notice
H. Notification list

c: Executive Office, Board of Supervisors
Assessor
Auditor-Controller
Chief Executive Office (Rita Robinson, Anthony Baker)
County Counsel
Public Works

Attachment A

**STATEMENT OF PROCEEDINGS FOR THE**

**REGULAR MEETING OF THE BOARD OF SUPERVISORS**

**OF THE COUNTY OF LOS ANGELES HELD IN ROOM 381B**

**OF THE KENNETH HAHN HALL OF ADMINISTRATION**

**500 WEST TEMPLE STREET, LOS ANGELES, CALIFORNIA 90012**

**Tuesday, September 18, 2012**

**9:30 AM**

**14.** Recommendation as submitted by Supervisor Ridley-Thomas: Instruct the Director of Planning and County Counsel, in consultation with the Historical Landmarks and Records Commission, to prepare amendments to the County Code to implement the Mills Act, which will provide a significant and fundamental economic incentive for property owners of historic resources to participate in the rehabilitation, restoration, preservation and maintenance of their property; and

1. Establish policies or procedures for a Mills Act Program in the unincorporated areas of Los Angeles County that includes the following elements:

    a. Identification and establishment of criteria for eligible properties;
    b. Draft Mills Act contract;
    c. Authorization protocol to enter into Mills Act contracts; and
    d. Recommended limitation on the number of contracts to be considered annually by the Board;

2. Study and develop a recommendation for the development of a historic preservation ordinance for the unincorporated areas of the County, including the following elements:

    a. Protocol for the preparation of community surveys to identify potential cultural and historic landmarks and districts;
    b. Nominating procedures and criteria to designate local cultural and historic landmarks and districts; and
    c. Review procedures to authorize improvements or modifications to buildings/sites designated as cultural and historic landmarks or to buildings/sites located in historic districts.

3. Report back to the Board within 90 days at a future meeting for the final adoption of the Mills Act Program and historic preservation

ordinance. (12-4314)

**Richard Bruckner, Director of Planning and John F. Krattli, County Counsel, responded to questions posed by the Board.**

**Supervisor Knabe made a friendly amendment requesting that the ordinance and the Mills Act Program be reviewed and vetted through the Regional Planning Commission prior to being submitted to the Board for consideration.**

**Supervisor Ridley-Thomas accepted Supervisor Knabe's friendly amendment.**

**After discussion, on motion of Supervisor Ridley-Thomas, seconded by Supervisor Knabe, this item was approved as amended.**

**Ayes:** 4 - Supervisor Molina, Supervisor Ridley-Thomas, Supervisor Knabe and Supervisor Antonovich

**Absent:** 1 - Supervisor Yaroslavsky

***Attachments:*** Motion by Supervisor Ridley-Thomas
Video
Audio

The foregoing is a fair statement of the proceedings of the meeting held September 18, 2012, by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

Sachi A. Hamai, Executive Officer
Executive Officer-Clerk
of the Board of Supervisors

By Sachi C. Hamai

Attachment B

COUNTY OF LOS ANGELES
DEPARTMENT OF REGIONAL PLANNING
Project Summary

**PROJECT DESCRIPTION** Mills Act Ordinance

**REQUEST**

1. Find that the adoption of the Mills Act ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to sections 15061(b)(3) and 15331 of Title 14 of the California Code of Regulations (CEQA Guidelines).

2. Indicate its intent to adopt an ordinance amending Title 22 of the County Code (Planning and Zoning) to adopt a Mills Act ordinance and to establish a Mills Act program and set applicable fees.

3. Indicate its intent to adopt the ordinance amending Title 3 of the County Code to authorize the Landmarks Commission to comment on application materials and guidelines for the Mills Act program.

4. Instruct County Counsel to prepare the final ordinances amending Title 22 of the County Code, as recommended by the Regional Planning Commission, and Title 3 of the County Code.

**LOCATIONS** All unincorporated areas of Los Angeles County.

**STAFF CONTACT** Phillip Estes, AICP
Principal Planner
(213) 974-6425, pestes@planning.lacounty.gov

**RPC HEARING DATE** March 27, 2013

**RPC RECOMMENDATION** Board of Supervisors public hearing to consider adoption of the ordinance amendment

**MEMBERS VOTING AYE** Commissioners Louie, Helsley, Pedersen, and Modugno

**MEMBERS VOTING NAY** None

**MEMBERS ABSENT** Commissioner Valadez

**MEMBERS ABSTAINING** None

**KEY ISSUES** The purpose of the Mills Act ordinance is to encourage the preservation, restoration and rehabilitation of historic properties in the unincorporated areas of the County of Los Angeles.

Enacted in 1972, the Mills Act grants participating local governments the authority to enter into contracts with owners of qualified historic properties who actively participate in the restoration and maintenance of their historic properties while

receiving property tax relief.

**MAJOR POINTS IN SUPPORT**

The Mills Act is considered the single most important economic incentive program in California for the restoration and preservation of historic buildings by private property owners.

In exchange for a reduction in property taxes, the contract requires the property owner to undertake specific restoration tasks, if necessary, and to properly maintain the historic property.

Mills Act contracts can provide tax benefits for both owner-occupied and income producing properties, and thereby improving the County's historic communities.

At least 20 municipalities in Los Angeles County offer a Mills Act program to foster historic preservation.

**MAJOR POINT AGAINST**

Upon the execution of a Mills Act contract and on a case-by-case basis, the County may see a reduction in the amount of property tax collected from properties associated with a contract. In order to manage unrealized property tax revenue, it is recommended that the County adopt an annual loss limit of $300,000 with a total program loss limit of $3 million.

Attachment C

**REGIONAL PLANNING COMMISSION**
Summary of Public Hearing Proceedings
(Mills Act Ordinance)

**Project No. R2012-02290-(1-5)**
**Advance Planner Permit No. 201200003**

The Regional Planning Commission (Commission) conducted a public hearing on March 27, 2013 at 9:00 a.m. to consider a proposed amendment to Title 22 (Planning and Zoning) to implement the Mills Act.

Staff gave a brief presentation describing ordinance and its potential economic incentives to help preserve, restore, and protect historic and cultural properties. Further, staff indicated the ordinance would contain program limitations and eligibility requirements. Additionally, staff provided additional analysis concerning penalties in the event a contract was breached by a property owner.

The Commission heard testimony in support of the ordinance from Mr. Marcello Vavala, a representative with the Los Angeles Conservancy. There were no other testifiers present.

Commissioner Modugno made a motion to close the public hearing and find that the Mills Act ordinance is exempt from the California Environmental Quality Act (CEQA). Motion passed unanimously.

Commissioner Modugno made a motion that the Commission adopt a Resolution to recommend that the Board of Supervisors adopt the proposed Mills Act ordinance. Motion passed unanimously.

VOTE

Concurring: Commissioners Louie, Helsley, Pedersen, and Modugno

Dissenting: None

Abstaining: None

Absent: Commissioner Valadez

Action Date: March 27, 2013

Attachment D

**A RESOLUTION OF**
**THE REGIONAL PLANNING COMMISSION**
**COUNTY OF LOS ANGELES, CALIFORNIA**
**(Mills Act Ordinance)**

WHEREAS, the Regional Planning Commission ("Commission") of the County of Los Angeles ("County") has reviewed the matter of amendments to Title 22 (Zoning Ordinance) of the County Code to implement the provisions of Article 12 (commencing with Section 50280) of Chapter 1 of Part 1 of Division 1 of Title 5 of the California Government Code, which provisions are collectively known as the "Mills Act," and Article 1.9 (commencing with Section 439) of Chapter 3 of Part 2 of Division 1 of the California Revenue and Taxation Code; and

WHEREAS, the Mills Act authorizes the County to establish a Mills Act program enabling real property tax reductions for owners of certain qualified historical properties located within the unincorporated areas of the County, provided the owners enter into binding agreements with the County to preserve the historic character of these properties; and

WHEREAS, the Conservation and Open Space Element policies of the Los Angeles County General Plan (adopted November 11, 1980) calls for the County to (1) protect cultural heritage resources, including historical, archeological, paleontological and geological sites, and significant architectural structures, (2) promote public awareness of cultural resources, and (3) encourage private owners to protect cultural heritage resources; and

WHEREAS, the Commission recognizes that financial incentives will encourage the preservation, rehabilitation and reuse of historic and cultural resources in the unincorporated areas of the County; and

WHEREAS, the Commission finds as follows:

1. On September 18, 2012, the Board of Supervisors instructed the Director of Regional Planning and County Counsel, in consultation with the County Historical Landmarks and Records Commission, to prepare amendments to the County Code to implement the Mills Act.

2. The resulting Mills Act Ordinance, presented as Project No. R2012-02290-(1-5), is a series of amendments to Title 22 and Title 3 of the County Code to implement the Mills Act and Article 1.9 (commencing with Section 439) of Chapter 3 of Part 2 of Division 1 of the California Revenue and Taxation Code.

3. On December 12, 2012, the Department of Regional Planning presented to the Commission the Mills Act Ordinance which was consistent with the directives of the Board of Supervisors.

4. On December 14, 2012, the Department of Regional Planning presented to the Historical Records and Landmarks Commission the Mills Act Ordinance which was consistent with the directives of the Board of Supervisors, and the Historical Records and Landmarks Commission unanimously passed a motion of support at said meeting.

5. On March 27, 2013, the Commission conducted a duly noticed public hearing to consider the Mills Act Ordinance, which the Regional Planning Department had revised based on input from the Commission, the County Historical Landmarks and Records Commission, and other County departments, and which continues to be consistent with the directives of the Board of Supervisors.

6. The Mills Act Ordinance provides a financial incentive for private property owners of historic landmarks to rehabilitate, restore, preserve and maintain their historic landmarks.

7. The Mills Act Ordinance is consistent with and supports the goals and policies of the Los Angeles County General Plan, including the preservation of historic and cultural resources and the revitalization and conservation of older communities.

8. The Mills Act Ordinance will have beneficial effects on residential neighborhoods, businesses, community pride, and the County's regional image, by encouraging the restoration and preservation of historic landmarks in unincorporated areas of the County.

9. The adoption of the Mills Act Ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15061(b) (3) and 15331 of Title 14 of the California Code of Regulations.

**NOW, THEREFORE, BE IT RESOLVED THAT** the Regional Planning Commission recommends that the Los Angeles County Board of Supervisors:

1. Conduct a public hearing to consider proposed amendments to Title 22 (Planning and Zoning) of the Los Angeles County Code to implement the Mills Act and establish a County Mills Act program; and

2. Certify that the adoption of the Mills Act Ordinance and establishment of the County Mills Act program is exempt from the California Environmental Quality Act (CEQA) environmental review requirements pursuant to Sections 15061(b) (3) and 15331 of Title 14 of the California Code of Regulations, and that the amendments to Title 22 (Planning and Zoning) of the Los Angeles County Code will not have a significant effect on the environment; and

3. Adopt the attached ordinance amending Title 22 (Planning and Zoning) of the Los Angeles County Code and determine that it is compatible with and supportive of the goals and policies of the Los Angeles County General Plan.

I hereby certify that the foregoing was adopted by a majority of the voting members of the Regional Planning Commission of the County of Los Angeles on March 27, 2013.

By: _____

Rosie O. Ruiz, Commission Secretary
Regional Planning Commission
County of Los Angeles

VOTE

Concurring: Commissioners Helsley, Louie, Modugno, and Pedersen

Dissenting: None

Abstaining: None

Absent: Commissioner Valadez

Action Date: March 27, 2013

Attachment E

**ORDINANCE NO. _____**

An ordinance amending Title 3 – Advisory Commissions and Committees of the Los Angeles County Code to enable the Los Angeles County Historical Landmarks and Records Commission to consider and comment on application materials, administrative guidelines, and consideration criteria for use in connection with a Los Angeles County Mills Act Program.

The Board of Supervisors of the County of Los Angeles ordains as follows:

**SECTION 1.** Section 3.30.80 of Chapter 3.30 of Title 3 – Advisory Commissions and Committees of the Los Angeles County Code is hereby amended to read as follows:

**3.30.080 Powers and Duties.**

A. The commission shall consider and recommend to the board local historical landmarks defined to be worthy of registration by the State of California Department of Parks and Recreation, either as "California Historical Landmarks" or as "Points of Historical Interest," and may consider and comment for the board on applications relating to the National Register of Historic Places.

Criteria for designation, including significance and access, and provision for maintenance, shall be as specified in State law, including the California Public Resources Code, or in regulations and interpretations of the State Historical Resources Commission. Criteria for consideration and comment on applications relating to the National Register of Historic Places shall be as specified in federal law and regulations relating to the National Register of Historic Places.

B. Upon request from the director of the county department of regional planning, the commission shall consider and comment on application materials,

administrative guidelines, and priority consideration criteria proposed by the director to be used in connection with the implementation and administration of the Los Angeles County Mills Act Program.

**ORDINANCE NO. _____**

An ordinance amending Title 22 – Planning and Zoning of the Los Angeles County Code to implement the provisions of Article 12 (commencing with section 50280) of Chapter 1 of Part 1 of Division 1 of Title 5 of the California Government Code, commonly known as the "Mills Act," to authorize real property tax reductions for owners of certain qualified historical properties within the unincorporated areas of the County of Los Angeles, provided the owners enter into binding agreements to preserve those properties.

The Board of Supervisors of the County of Los Angeles ordains as follows:

**SECTION 1.** Chapter 22.52 of Division 1 of Title 22 – Planning and Zoning of the Los Angeles County Code is hereby amended by adding Part 26 thereto, to read:

**Part 26. Los Angeles County Mills Act Program**


| | |
|---|---|
| Section 22.52.2700 | Title for Citation |
| Section 22.52.2710 | Purpose and Intent |
| Section 22.52.2720 | Definitions |
| Section 22.52.2730 | Program Limitations |
| Section 22.52.2740 | Eligibility to Participate in the Los Angeles County Mills Act Program |
| Section 22.52.2750 | Application and Administrative Guidelines; Form Contract; Priority Consideration |
| Section 22.52.2760 | Application Procedure |
| Section 22.52.2770 | Exemptions |
| Section 22.52.2780 | Required Provisions of Historical Property Contracts; Renewal of Contract |

Section 22.52.2790 Recordation and Notice of Contract.

Section 22.52.2800 Contract Cancellation

Section 22.52.2810 Annexation by a City

Section 22.52.2820 Appeals

**22.52.2700 Title for Citation.**

The provisions of this Part 26 of Chapter 22.52 shall be known as, and may be cited as, the "Los Angeles County Mills Act Program."

**22.52.2710 Purpose and Intent.**

A. The purpose of this Los Angeles County Mills Act Program is to implement the provisions of Article 12 (commencing with Section 50280) of Chapter 1 of Part 1 of Division 1 of Title 5 of the California Government Code, which provisions are collectively known as the "Mills Act," and Article 1.9 (commencing with Section 439) of Chapter 3 of Part 2 of Division 1 of the California Revenue and Taxation Code, by enabling real property tax reductions for owners of certain qualified historical properties located within the unincorporated areas of the County, provided the owners enter into binding agreements with the County to preserve the historic character of these properties, as set forth in this Part.

B. The intent of the Board of Supervisors in enacting the Los Angeles County Mills Act Program is to provide an incentive for owners of qualified historic properties within the unincorporated areas of the County to rehabilitate and preserve the historic character of properties, thereby providing a historical, architectural, social, artistic, and cultural benefit to the citizens of the County, and to establish a uniform procedure for

property owners to follow when applying to participate in the Los Angeles County Mills Act Program.

**22.52.2720 Definitions.**

For purposes of this Part, the following words and phrases are defined as follows:

A. "Assessed value" means the value of real property as determined by the County Assessor for purposes of calculating real property tax. For the purpose of this Part, "assessed value" does not include any portion of the value of a mixed-use structure which is already exempt from payment of property taxes by a determination of the County Assessor in compliance with sections 4(b) and 5 of Article XIII of the California Constitution and sections 214, 254.5, and 259.5 of the California Revenue and Taxation Code.

B. "Department" means the Department of Regional Planning of the County of Los Angeles.

C. "Historical property contract" means a contract between the County and the owner of a qualified historical property, as defined in [subsection D of this Section], meeting all the requirements of this Part and of sections 50280 through 50282, inclusive, of the California Government Code.

D. "Qualified historical property" means real property that is:

1. Located within the unincorporated areas of the County;

2. Privately owned;

3. Not exempt from property taxation; and

4. Listed in the National Register of Historic Places or located in a registered historic district, as defined in Section 1.191-2(b) of Title 26 of the Code of Federal Regulations, or listed in any State or County official register of historical or architecturally significant sites, places, landmarks, or districts, including the California Register of Historical Resources, California Historical Landmarks, and State Points of Historical Interest.

**22.52.2730 Program Limitations.**

In order to control the cost to the County to implement, administer, and maintain the Los Angeles County Mills Act Program, the Board of Supervisors shall establish limitations on participation in the program. The limitations established by the Board of Supervisors shall, at a minimum, specify the maximum total reduction in unrealized property tax revenue to the County resulting from all executed historical property contracts and the maximum number of historical property contracts the County may enter into in a calendar year. Limitations established by the Board of Supervisors pursuant to this Section may include a temporary or permanent freeze on new participation in the program.

**22.52.2740 Eligibility to Participate in the Los Angeles County Mills Act Program.**

Eligibility to participate in the Los Angeles County Mills Act Program shall be limited to qualified historical properties only. The Board of Supervisors may approve any additional eligibility requirements it deems necessary or appropriate in the administration of the program. A person applying to participate in the program shall

furnish the County with any information the County shall require in order to enable it to determine the eligibility of the property involved.

**22.52.2750 Application and Administrative Guidelines; Form Contract; Priority Consideration.**

A. The Director, in consultation with the County Historical Landmarks and Records Commission, shall develop and maintain an application to participate in the Los Angeles County Mills Act Program and shall issue administrative guidelines for implementation of the application, review, and contracting process.

B. The Director shall maintain a form historical property contract, which shall be approved by the Board of Supervisors, for use in connection with all historical property contracts executed pursuant to this Part. Amendments to the form historical property contract may be made by the Director, with approval as to form by County Counsel, in cases where the Director deems such amendment necessary or appropriate to carry out a proposed preservation or restoration project. Any amended historical property contract executed by the director pursuant to this [subsection] shall comply with all of the provisions of this Part.

C. Priority Consideration. The Board of Supervisors recognizes that each qualified historical property located within the unincorporated areas of the County provides unique historical, architectural, social, artistic, and cultural benefits to the citizens of the County. The Board of Supervisors further recognizes, however, that the program limitations set forth in [Section 22.52.2730] necessitate the establishment of criteria by which a qualified historical property that is the subject of an application to participate in the Los Angeles County Mills Act Program may receive priority

consideration over other applications. Therefore, the Department, in consultation with the County Historical Landmarks and Records Commission, shall establish such priority consideration criteria, which shall set forth at a minimum the nature of each criterion, the information the owner of a qualified historical property must provide to allow the Department to evaluate each such criterion, and how each such criterion is weighted.

**22.52.2760 Application Procedure.**

A. An owner of a qualified historical property may file an application with the Department for approval of a historical property contract. The owner shall pay a non-refundable application processing fee as set forth in [Chapter 22.60], which fee shall be paid prior to the processing of the application.

B. Upon receipt of an application, the Director shall determine whether the property is eligible to participate in the Los Angeles County Mills Act Program and whether approval of the proposed historical property contract complies with the provisions of this Part. The Director shall also evaluate the application in accordance with the administrative guidelines and priority consideration criteria established pursuant to [Section 22.52.2750], and any other consideration criteria established by the Director consistent with the provisions of this Part. The Director may request any additional information from an applicant that the Director deems appropriate or necessary to evaluate the application.

C. The Director shall approve or deny an application to enter into a proposed historical property contract, or conditionally approve an application subject to modifications as it deems necessary or appropriate to advance the purpose and intent of this Part. Notwithstanding the eligibility of a property to participate in the Los Angeles

County Mills Act Program, the Director may deny an application based on the Director's evaluation of the administrative guidelines and priority consideration criteria established pursuant to [Section 22.52.2750], or any other criteria established by the Director consistent with the provisions of this Part, or if the Director deems that execution of the proposed historical property contract will not advance the purpose and intent of this Part. The Director shall deny an application if entering into the proposed historical property contract would be inconsistent with the program limitations set forth in [Section 22.52.2730] or if the property that is the subject of the application is not eligible to participate in the Los Angeles County Mills Act Program.

D. Upon approval of an application, the Director, on behalf of the County, shall enter into a historical property contract with the owner if all of the conditions of this Part are met. As a condition of entering into a historical property contract, the owner of a property selected for participation in the Los Angeles County Mills Act Program shall pay a one-time, non-refundable contract execution fee as set forth in [Chapter 22.60]. Within 20 days of execution of the historical property contract, the owner shall pay all required inspection, recording, and other fees, as set forth in the contract.

**22.52.2770 Exemptions.**

A. As part of an application to participate in the Los Angeles County Mills Act Program, the owner of a qualified historical property may request an exemption from the program limitations established by the Board of Supervisors pursuant to [Section 22.52.2730] or the eligibility requirements approved by the Board of Supervisors pursuant to [Section 22.52.2740]. The Director shall review the application containing the exemption request and make a recommendation to the Board of Supervisors for the

approval or denial of the application. The Board of Supervisors may approve the application only if the Board of Supervisors finds that:

1. The property is a qualified historical property;

2. The proposed historical property contract meets all the requirements of [Section 22.52.2780]; and

3. The property is especially deserving of a contract due to the exceptional nature of the property or is subject to special circumstances indicating that approval of the contract is appropriate or necessary to carry out the purpose and intent of this Part.

B. An owner requesting an exemption pursuant to this Section shall pay a processing fee in an amount determined by the Executive Officer-Clerk of the Board of Supervisors to be ample to cover the cost of a hearing to be held by the Board of Supervisors. The owner shall also pay a processing fee in the amount of $817.00 to be applied to the Department to cover the costs of the exemption request.

**22.52.2780 Required Provisions of Historical Property Contracts; Renewal of Contract.**

A. Any contract entered into pursuant to this Part shall contain the following provisions:

1. The term of the contract shall be for a minimum period of 10 years.

2. Where applicable, the contract shall provide the following:

a. For the preservation of the qualified historical property and, when necessary, to restore and rehabilitate the property to conform to the rules and regulations of the Office of Historic Preservation of the California Department of Parks

and Recreation, the United States Secretary of the Interior's Standards for Rehabilitation, the California Historical Building Code, and any rules and regulations adopted or established by the County regarding the restoration and rehabilitation of historical properties.

b. For an inspection of the interior and exterior of the premises by the County prior to a new agreement, and every five years thereafter, or on any more frequent basis the contract may provide, to determine the owner's compliance with the contract.

c. For the owner to provide all information requested by the County for the purposes of determining the owner's compliance with the contract.

d. For it to be binding upon, and inure to the benefit of, all successors in interest of the owner. A successor in interest shall have the same rights and obligations under the contract as the original owner who entered into the contract.

3. The County shall record the contract with the County Registrar-Recorder/County Clerk not later than 20 days of entering into the contract, and shall provide the owner with a copy of the recorded contract.

B. Each contract entered into pursuant to this Part shall also provide that on the anniversary date of the contract or such other annual date as is specified in the contract, a year shall be added automatically to the initial term of the contract unless notice of nonrenewal is given as provided in this Part.

C. If the property owner or the County desires in any year not to renew the contract, that party shall serve written notice of nonrenewal of the contract on the other party in advance of the annual renewal date of the contract. Unless the notice is served

by the owner at least 90 days prior to the renewal date or by the County at least 60 days prior to the renewal date, one year shall automatically be added to the term of the contract.

D. Upon receipt by the owner of a notice from the County of nonrenewal, the owner may make a written protest to the County of the notice of nonrenewal. The County may, at any time prior to the renewal date, withdraw the notice of nonrenewal.

E. If the County or the owner serves notice of intent in any year not to renew the contract, the existing contract shall remain in effect for the balance of the period remaining since the original execution or the last renewal of the contract, as the case may be.

**22.52.2790 Recordation and Notice of Contract.**

Not later than 20 days after the County enters into a contract with an owner pursuant to this Part, the Department shall record with the County Registrar-Recorder/County Clerk a copy of the contract, which shall describe the property subject thereto. From and after the time a contract is recorded with the County Registrar-Recorder/County Clerk, the recorded contract shall impart notice thereof to all persons as is afforded by the recording laws of the State.

**22.52.2800 Contract Cancellation.**

A. If the County determines that the owner has breached any of the conditions of the contract entered into pursuant to this Part or has allowed the property to deteriorate to the point that it no longer meets the standards for a qualified historical property, the County shall do one of the following:

1. Cancel the contract in accordance with the procedures specified in [this Section].

2. Bring any action in court necessary to enforce a contract, including, but not limited to, an action to enforce the contract by specific performance or injunction.

B. No contract shall be canceled pursuant to [subsection A of this Section] until after the County has given notice of, and has held, a public hearing on the matter. No later than [30 days] prior to the public hearing, notice of the hearing shall be mailed to the last known address of each owner of the qualified historical property, and shall be published pursuant to sections 6060 and 6061 of the California Government Code. The public hearing may be initiated by the Director and conducted by a Hearing Officer pursuant to [Section 22.60.176.] Within 10 working days of the public hearing, the Hearing Officer shall make a finding whether the owner has breached any of the conditions of the contract entered into pursuant to this Part or has allowed the property to deteriorate to the point that it no longer meets the standards for a qualified historical property. If the Hearing Officer finds that the owner has breached any of the conditions of the contract or has allowed the property to deteriorate to the point that it no longer meets the standards for a qualified historical property, the Hearing Officer shall declare the contract canceled. Also within 10 working days of the public hearing, the Hearing Officer shall mail notice of any action taken to the last known address of each owner of the qualified historical property and to the persons identified in [subsection B of Section 22.60.190.]

C. If a contract is canceled pursuant to the provisions of [subsections A or B of this Section], the owner shall pay a cancellation fee equal to 12 1/2 percent of the

current fair market value of the property, as determined by the County Assessor as though the property were free of the contractual restriction. The cancellation fee shall be paid to the County Auditor, at the time and in the manner that the County Auditor-Controller shall prescribe, and shall be allocated by the County Auditor-Controller to each jurisdiction in the tax rate area in which the property is located in the same manner as the auditor allocates the annual tax increment in that tax rate area in that fiscal year. Revenue received by a school district and the County Superintendent of Schools pursuant to [this susbsection] shall be subject to the provisions of subdivision (c) of Section 50286 of the California Government Code.

D. As an alternative to cancellation of the contract for breach of any condition, a landowner that is a party to a historical property contract may bring any action in court necessary to enforce a contract, including, but not limited to, an action to enforce the contract by specific performance or injunction.

E. In the event that a property subject to a contract under this Part is acquired in whole or in part by eminent domain or other acquisition by any entity authorized to exercise the power of eminent domain, and the acquisition is determined by the County to frustrate the purpose of the contract, the County shall declare such contract canceled and no fee shall be imposed under [subsection C of this Section]. Such contract shall be deemed null and void for all purposes of determining the value of the property so acquired.

F. In the event a qualified historical property is demolished, destroyed, or significantly altered pursuant to Section 5028 of the California Public Resources Code due to a natural disaster, including, but not limited to, an earthquake, fire, or flood, the

County shall declare any historical property contract pertaining to the demolished, destroyed, or significantly altered property canceled, and no fee shall be imposed under [subsection C of this Section]. Such contract shall be deemed null and void for all purposes of determining the value of the demolished, destroyed, or significantly altered property.

G. The Department shall record a notice of contract cancellation with the County Registrar-Recorder/County Clerk not later than 20 days following the cancellation of any contract entered into pursuant to this Part.

**22.52.2810 Annexation by a City.**

In the event that property restricted by a contract with the County pursuant to this Part is annexed to a city, the city shall succeed to all rights, duties, and powers of the County under such contract.

**22.52.2820 Appeals.**

Notwithstanding any other provision in this Title 22, there shall be no right of appeal by an owner or any other person with respect to a decision or finding made or action taken by the Director or a Hearing Officer pursuant to this Part.

**SECTION 2.** Section 22.60.100 of Chapter 22.60 of Division 1 of Title 22 – Planning and Zoning of the Los Angeles County Code is hereby amended to read as follows:

**22.60.100 Filing Fees and deposits.**

A. For the purpose of defraying the expense involved in connection with any application or petition required or authorized by this Title 22, the following fees shall accompany the application or petition:

. . .

— Interim Management Permits for Surface Mines — $1,449.00.

— Los Angeles County Mills Act Program, Application Fee — $982.00.

— Los Angeles County Mills Act Program, Contract Execution Fee — $543.00.

— Minor Conditional Use Permits — $1,449.00, except that where a public hearing is requested pursuant to Section 22.56.075, an additional fee of $7.012.00 shall be paid.

. . .

Attachment F

# COUNTY OF LOS ANGELES
# DEPARTMENT OF AUDITOR-CONTROLLER

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012-3873
PHONE: (213) 974-8301 FAX: (213) 626-5427

WENDY L. WATANABE
AUDITOR-CONTROLLER

ADDRESS ALL CORRESPONDENCE TO:
ACCOUNTING DIVISION
500 W. TEMPLE ST., ROOM 603
LOS ANGELES, CA 90012-2713


February 27, 2013

TO: Ania Onley, Acting Administrative Deputy
Information & Fiscal Services Division
Department of Regional Planning

FROM: Connie Yee, Division Chief
Accounting Division

SUBJECT: **FY 2012-13 MILLS ACT CONTRACT FEES**

As requested, we reviewed your calculations of the Fiscal Year 2012-13 Mills Act Contract fees. Based on our review, the fees shown below appear reasonable and are approved for use during the remainder of the fiscal year.

| | |
|---|---|
| Mills Act Contract Application | $982 |
| Mills Act Contract Execution | 543 |

If you have any questions, please call Rick Vandenberg at (213) 893-0972.

CY:RV
H:\Cost Acctg\Rates\Regional Planning\2012-13\Mills Act Fees.doc

Attachment G

**COUNTY OF LOS ANGELES**
NOTICE OF PUBLIC HEARING

Project No.: R2012-02290-(1-5), Advance Planning Permit No. 201200003

Proposed amendment to the Los Angeles County Code (Title 22 – Planning and Zoning) to implement the Mills Act legislation and a proposed amendment to Title 3 (Advisory Commissions and Committees) to grant the Historical Records and Landmarks Commission additional powers and duties to implement the Mills Act ordinance.

**NOTICE IS HEREBY GIVEN** that the Regional Planning Commission of the County of Los Angeles has recommended approval of an ordinance amendment to implement the Mills Act, which grants local governments the authority to enter into contracts with the owners of qualified historic properties who actively participate in the restoration and maintenance of their historic properties, while potentially receiving property tax relief.

**NOTICE IS ALSO HEREBY GIVEN** that a public hearing will be held before the Board of Supervisors, Hearing Room, Hall of Administration, 500 W. Temple St., Los Angeles, CA 90012 at **1:00 p.m. on May 28, 2013,** pursuant to Title 22 of the Los Angeles County Code and Title 7 of the Government Code of the State of California (Planning and Zoning Law) for the purpose of hearing testimony relative to the adoption of the above mentioned amendment.

Written comments may be sent to the Executive Office of the Board of Supervisors in Room 383 at the above address. If you do not understand this notice or need more information, please contact the Dept. of Regional Planning, Mr. Philip Estes at 213-974-6425 between 7:30 a.m. to 6:00 p.m. Monday through Thursday or e-mail at pestes@planning.lacounty.gov. Project materials will also be available on the Department of Regional Planning website at: planning.lacounty.gov/view/mills_act_ordinance.

This project is categorically exempt, pursuant to the California Environmental Quality Act (CEQA) reporting requirements.

ADA ACCOMMODATIONS: If you require reasonable accommodations or auxiliary aid and services, please contact the Americans with Disabilities Act Coordinator at (213) 974-6488 (Voice) or (213) 617-2292 (TDD), with at least three business days notice.

Si no entiende esta noticia o necesita más información, por favor llame este número (213) 974-4899.

SACHI A. HAMAI
EXECUTIVE OFFICER-CLERK OF
BOARD OF SUPERVISORS

Attachment H

**COUNTY OF LOS ANGELES**
NOTIFICATION LIST

A notification mailing list of the Board of Supervisors public hearing on May 28, 2013 was submitted to the Executive Office of the Board of Supervisors.