



# Los Angeles County Department of Regional Planning

*Planning for the Challenges Ahead*



Richard J. Bruckner  
Director

March 11, 2014

**TO:** Historical Landmarks and Records Commissioners:  
Louis E. Skelton, Chairman  
Stephen J. Sass, Vice Chairman  
Yolanda Duarte-White, Commissioner  
Elysha Dory, Commissioner  
Ivy Sun, Commissioner

**FROM:** Phillip Estes, AICP  
Principal Planner

**SUBJECT:** Consultation Regarding Mills Act Program  
Proposed Priority Criteria and Administrative Guidelines

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## **SUMMARY**

The Mills Act Ordinance (Part 26 of Title 22 of the County Code) provides that the Director of Regional Planning (Director), in consultation with the Historical Landmarks and Records Commission (Landmarks Commission), shall propose "priority criteria" by which an application for a Mills Act historical property contract may receive priority consideration over other applications (County Code § 22.52.2740). Further, the ordinance provides that the Director, in consultation with the Landmarks Commission, shall issue administrative guidelines to implement the Mills Act ordinance (County Code § 22.52.2820). The guidelines will provide for the administration and operation of the Los Angeles County Mills Act Program (Program). Your Commission is authorized to consult with the Director regarding the priority criteria and administrative guidelines. (County Code § 3.30.080.B.)

In accordance with the foregoing, this memorandum attaches the draft priority criteria and administrative guidelines prepared by the Director in connection with the Program for your Commission's consideration.

## **BACKGROUND**

On November 26, 2013, the Board of Supervisors adopted the Mills Act Ordinance. Additionally, the Board of Supervisors amended Title 3 (Advisory Commissions and Committees) which updated your Commission's authority and duties related to the Program. The effective date of the ordinance amendments was on December 26, 2013.

### ***Cost Control Provisions***

Also on November 26, 2013, the Board of Supervisors adopted provisions to control the cost to the County of the operation of the Program, including the number of applications that may be approved during the calendar years from 2014-2016. For your Commission's reference, the adopted cost control provisions are presented in Attachment A.

### **MILLS ACT PROGRAM OVERVIEW**

The purpose of the Program is to provide an incentive for owners of qualified historical properties to preserve, restore, and rehabilitate such properties, thereby providing a historical, architectural, social, artistic, and cultural benefit to the citizens of the County. The Program enables the County to enter into a historical property contract agreement with a private property owner to preserve, and when necessary, to restore and/or rehabilitate a qualified historical property. As a result of a contract agreement, the County Assessor reassesses the property, which usually results in a reduction in the real estate property taxes.

### **PROPOSED PRIORITY CRITERIA**

County Code § 22.52.2740 provides that the Director, in consultation with the Landmarks Commission, propose priority criteria by which an application can receive priority consideration over other applications. The priority criteria must be approved by the Board of Supervisors, and may be amended from time to time by the Board of Supervisors.

In event that the number of eligible applications received in a calendar year exceeds the number allowed by the adopted cost control provisions (Attachment A), applications would be considered through a competitive selection process. The priority criteria would be used to rank and approve such applications. One point would be awarded to an applicant that satisfies a particular criterion, up to three points maximum. Applications with the highest points would receive priority over other applications. In the event two or more applications are tied after the application of priority criteria, earlier submitted applications would receive priority.

The proposed priority criteria are presented in Exhibit A for your Commission's consideration

### **PROPOSED ADMINISTRATIVE GUIDELINES**

County Code § 22.52.2820 provides that the Director, in consultation with the Landmarks Commission, issue administrative guidelines to implement the Program. The purpose of the administrative guidelines is to outline the process by which staff will review and approve applications, identify responsibilities, and establish minimum operating procedures governing the Program.

The proposed administrative guidelines are presented in Exhibit B for your Commission's consideration.

### **NEXT STEPS**

After consultation with your Commission, the Director will adopt final administrative guidelines and will forward the proposed priority criteria to the Board of Supervisors for consideration and

approval. It is expected the Department of Regional Planning will begin accepting Program applications on or before May 1, 2014.

For further information, please contact Phillip Estes with the Department of Regional Planning at 213-974-6425 or [pestes@planning.lacounty.gov](mailto:pestes@planning.lacounty.gov).

CS:PE  
3/11/14



## ATTACHMENT A



ATTACHMENT A

Los Angeles County Mills Act Program  
Adopted Cost Control Provisions

<i>Mills Act Program Cost Control Provisions</i>	
<b>Provision</b>	<b>Purpose</b>
<p><b>Unrealized Property Tax Revenue Cap:</b> Unrealized property tax revenue to the County is limited to a maximum \$300,000 per year, and a total Program limit of \$3,000,000.</p>	To control the total costs of the Program to the County.
<p><b>Number of Contracts:</b> For the first three years of the Program, participation is limited to six contracts per year. After three years, no maximum number of contracts per year.</p>	To limit costs to the County for the first three years.
<p><b>Eligible Properties:</b> For the first three years of the Program, eligibility is limited to properties to designated historic landmarks consisting of single-family and two-family residences. After three years, eligibility is not limited to single-family and two family residences.</p>	To maximize benefits to single-family and two-family residences for the first three years.
<p><b>Maximum Assessed Valuation:</b> Single-family Residence - \$1,000,000 or less Two-family Residence - \$1,500,000 or less Other eligible property - \$3,000,000 or less (Including both improvements and land)</p>	The assessed valuation cap limit is intended to maximize benefits to as many properties as possible given the proposed cap in total tax revenue loss. If no caps were in place, larger, higher-assessed properties could significantly impact the overall Program cap limits.

*Adopted by the Board of Supervisors on November 26, 2013.*



## EXHIBIT A



EXHIBIT A

Mills Act Program  
Proposed Priority Criteria

<b>Proposed Priority Criteria</b>	<b>Purpose</b>
Criteria 1 “The historical property contract agreement will substantially contribute to the preservation of an eligible historic resource threatened by deterioration or abandonment.”	To maximize benefits to historic landmarks threatened by deterioration or abandonment.
Criteria 2 “The historical property contract agreement will facilitate the preservation and maintenance of an eligible historic resource in cases of economic hardship.”	To facilitate the preservation and maintenance of a property in cases where the owner demonstrates an economic hardship, and that the failure to approve an application would result in the deterioration or abandonment of a historic landmark.
Criteria 3 “The historical property contract will result in the substantial reinvestment in and/or preservation of a historic structure or structures containing, or which will contain as a direct result of the historical property contract, affordable housing units.”	To incentivize the rehabilitation, creation, and/or preservation of affordable housing units.



## EXHIBIT B



Mills Act Program: Proposed Administrative Guidelines

**1.0 PURPOSE**

The Mills Act, codified at sections 50280 through 50290 of the California Government Code, authorizes cities and counties to enter into contracts with owners of historically significant properties for the purposes of preserving such properties.

In accordance with the provisions of the Mills Act, the Los Angeles County Board of Supervisors established the Los Angeles County Mills Act Program by ordinance on November 26, 2013. The Program authorizes the Director of the County Department of Regional Planning to enter into historical property contracts with owners of certain qualified historical properties to preserve and, when necessary, restore and/or rehabilitate the property. Owners who participate in the Program and enter into an historical property contract qualify for a potential reduction in property tax assessments. Whether any particular owner will realize property tax savings by participating in the Program, and the amount of any such property tax savings is determined by sections 439 through 439.4 of the California Revenue and Taxation Code.

These administrative guidelines govern the administration and operation of the Los Angeles County Mills Act Program, and may be referred and cited to as the "Guidelines."

**2.0 APPLICABLE STATE AND COUNTY REGULATIONS**

**2.1 State Regulations.**

The Mills Act is codified at sections 50280 through 50290 of the California Government Code. Regulations pertaining to property tax assessments for properties subject to a historical property contract entered into pursuant to the Mills Act are codified at sections 439 through 439.5 of the California Revenue and Taxation Code.

**2.2 County Regulations.**

The Los Angeles County Mills Act Program is codified at sections 22.52.2700 through 22.52.2820 of the Los Angeles County Code. Section 22.52.2820.A of the Los Angeles County Code requires the Department to establish these Guidelines.

**3.0 DEFINITIONS**

For the purposes of these Guidelines, the following words and phrases are defined as follows:

**3.1 "Annual renewal date."**

The anniversary date of an executed historical property contract or such other annual date as is specified in the contract.

**3.2 "Application."**

An "application" as defined in Section 22.52.2720.A of the County Code.

**3.3 "Assessed Value."**

The current assessed value of real property, including land and improvements, as established by the Assessor of the County of Los Angeles and as indicated on the latest issued property tax bill.

**3.4 "Coordinator."**

The Mills Act Program Coordinator in the Department of Regional Planning of the County of Los Angeles.

**3.5 "Board of Supervisors."**

The Board of Supervisors of the County of Los Angeles.

**3.6 "Director."**

The Director of the Department of Regional Planning of the County of Los Angeles.

**3.7 "Department."**

The Department of Regional Planning of the County of Los Angeles.

**3.8 "Historical property contract."**

An "historical property contract" as defined in Section 22.52.2720.C of the County Code.

**3.9 "Landmarks Commission."**

The Historical Landmarks and Records Commission of the County of Los Angeles.

**3.10 "Owner" or "owners."**

An "Owner" or "owners" as defined in Section 22.52.2720.E of the County Code.

**3.11 "Preservation" or "preserve."**

The terms "preservation" and "preserve" shall have the meaning set forth in Section 22.52.2720(F) of the County Code.

### **3.12 “Program.”**

The Los Angeles County Mills Act Program.

### **3.13 “Priority criteria.”**

The priority criteria by which an application can receive priority consideration over other applications, as adopted by the Board of Supervisors pursuant to Section 22.52.2740 of the County Code.

### **3.14 "Qualified historical property."**

A "qualified historical property" as defined in Section 22.52.2720.H of the County Code.

### **3.15 “Rehabilitation” or “rehabilitate.”**

The terms "rehabilitation" and "rehabilitate" shall have the meaning set forth in Section 22.52.2720.I of the County Code.

### **3.16 “Secretary of the Interior’s Standards for Rehabilitating Historic Buildings” or “Secretary’s Standards.”**

The Secretary of the Interior's Standards for Rehabilitating Historic Buildings, issued by the U.S. Department of the Interior, National Park Service (Part 67 of Chapter I of Title 36 of the Code of Federal Regulations) and the publications of the National Park Service, Preservation Assistance Division, Guidelines for Rehabilitating Historic Buildings (1992, N.P.S.) and The Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring and Reconstructing Historic Buildings (1995, N.P.S.), as any of the foregoing are amended or superseded, including any subsequent publication of the Secretary's Standards by the National Park Service.

### **3.17 “Single-family Residence.”**

A building meeting the definition of “Residence, Single-family” as defined in Section 22.08.180 of the County Code.

### **3.18 "Restoration" or "restore."**

The terms "restoration" and "restore" shall have the meaning set forth in Section 22.52.2720(J) of the County Code.

### **3.19 “Two-family Residence.”**

A building meeting the definition of “Residence, Two-family” as defined in Section 22.08.180 of the Los Angeles County Code.

#### **4.0 COUNTY STAFF RESPONSIBILITIES WITH RESPECT TO THE PROGRAM**

Generally, the persons and entities and entities described in this section have the duties and perform the tasks described below. The specific duties and obligations of each person and entity are more fully described in the State and County regulations governing the Program.

##### **4.1 Coordinator.**

Designee of the Director, coordinates the Program, evaluates application forms, and monitors compliance. The Coordinator may delegate responsibilities to other personnel, as needed. The Coordinator is typically a Principal Planner in the Regional Planning Department.

##### **4.2 Director.**

Proposes provisions to the Board of Supervisors to control the cost to the County of the operation of the Program; in consultation with the Landmarks Commission, develops priority consideration criteria by which an application can receive priority consideration over other applications; approves all applications and executes all historical property contracts; evaluates requests for an exemption from Program requirements, and recommends approval or denial of such request to the Board of Supervisors; in consultation with the Landmarks Commission, issues these Guidelines; prepares and maintains a form historical property contract for approval by the Board of Supervisors. (County Code §§ 22.52.2740, 22.52.2770, 22.52.2780, 22.52.2820.)

##### **4.3 County Registrar-Recorder.**

Records executed historical property contracts and notices of contract cancellation. (County Code §§ 22.52.2800, 22.52.2810.)

##### **4.4 County Assessor.**

Establishes real property assessments, conduct property inspections, as necessary.

##### **4.5 Landmarks Commission.**

Consults with the Director regarding these Guidelines and priority criteria by which an application can receive priority consideration over other applications. (County Code §§ 22.52.2740, 22.52.2820.)

##### **4.6 Board of Supervisors.**

Approves provisions to control the costs to the County of the operation of the Program; approves priority consideration criteria by which an application can receive priority consideration of other applications; considers requests for an

exemption from Program requirements; approves a form historical property contract prepared by the Director. (County Code §§ 22.52.2740, 22.52.2780; 22.52.2820.)

## 5.0 APPLICATION CONTENTS

The required contents of an application for a historical property contract and purpose of each are listed below. Additional submittal requirements may be required, as needed.

Required Item	Purpose
1. Completed "Application" form (template in Appendix A).	To contact property owner and provide basic information about the property.
2. Copy of grant deed, ownership disclosure, and/or Letter of Authorization (LOA).	Proof of ownership.
3. Printed and digital photographs of the building interior (all rooms and historic features) and exterior (all facades, historic accessory buildings and features). Each printed photo must be in color, and labeled with the building address and direction of view.	Documentation of existing conditions at the time of application and assessment of the Work Program.
4. Site plan, drawn to scale, indicating the location of all buildings and structures on the property, street names, north arrow, and dimensions.	Documentation of existing conditions at the time of application and assessment of the work program.
5. Completed "Rehabilitation/Maintenance Plan and Timeline" form (Appendix B).	To determine eligibility of the property for a contract.
6. A narrative statement or evidence satisfactory to the Director demonstrating how the historical property contract satisfies the Priority Criteria, as applicable. Limited to 500 words, if possible.	To allow staff to evaluate the application and/or assign points.
7. A narrative statement or evidence satisfactory to the Director demonstrating how the historical property contract will result in the preservation and, when necessary, the restoration and/or rehabilitation of the property, as applicable. Limited to 500 words, if possible.	To allow staff to evaluate the application and work program.

Required Item	Purpose
8. Completed tax adjustment worksheet (Appendix C).	To provide the owner with the estimated reduction in real property tax and the basis for calculating unrealized property tax revenue to the County.
9. Copy of most recent property tax bill.	Basis for calculating determining the value of the property, and to calculate unrealized property tax revenue to the County.

(County Code § 22.52.2750.)

**6.0 ELIGIBILITY CRITERIA**

**6.1 Qualified Historical Properties.**

Only properties with an official historic designation, either from the County, the State Office of Historic Preservation, or the National Park Service are considered qualified historical properties eligible to participate in the Program. This includes designated historic landmarks, contributing properties to a historic district, individually listed National Register landmarks, or contributing properties located in a National Register district. Non-contributing properties are ineligible to participate in the Program. (County Code § 22.52.2720.H.)

**6.2 Additional Restriction on Eligibility.**

On November 26, 2013, the Board of Supervisors established limits to properties eligible to participate in the Program. For the Program years 2014 to 2016, eligibility is limited to designated historic landmarks consisting of single-family and two-family residences. Beginning with the Program year 2017, eligibility is not limited to single-family and two family residences. (County Code § 22.52.2740.)

**6.3 Valuation.**

On November 26, 2013, the Board of Supervisors established limits on the Current Assessed Value of properties eligible to participate in the Program as follows:

- a. Eligibility for single-family residences is limited to those with a Current Assessed Value of \$1 million or less.
- b. Eligibility for two-family residences is limited to those with a Current Assessed Value of \$1.5 million or less.

- c. Eligibility for all properties other than single-family and two-family residences is limited to those with a Current Assessed Value of \$3 million or less.

(County Code § 22.52.2740.)

## **7.0 APPLICATION PROCESS.**

- 7.1 Applications are processed each calendar year, with the submittal and evaluation time period published annually by the Department.
- 7.2 The application submittal period and target dates for the following process milestones shall be determined by the Coordinator:
  - a. Completeness/eligibility review. The Coordinator will review each application to determine if an application is complete and if the property meets the eligibility requirements. Applicants who submit incomplete applications or applications for ineligible properties will be notified in writing on or before the applicable target date.
  - b. Work program. Applicants are required to submit for review by the Coordinator a proposed ten-year plan for the preservation, restoration, and/or rehabilitation of the subject property, including a plan for all construction and maintenance work proposed to be performed.
  - c. Site inspection of eligible properties, evaluation and ranking of applications. The Coordinator may conduct inspections of each eligible property for which there is a complete application. The purpose of the inspection is to assess the condition of the property and to evaluate whether the work proposed in the work program is necessary and sufficient for the preservation of the structure. The Coordinator will evaluate applications as outlined in Section [8.2] below (Evaluation of Applications), and rank applications using a point system according to the criteria established by the Board of Supervisors, as outlined in Section [8.3] below.
  - d. Notification of decision. The Coordinator, after evaluating and ranking each application, will notify applicants in writing whether their application has been approved or disapproved by the Director.
  - e. Enter data into database. The Coordinator will enter the application data for approved applications into the database.
  - f. Drafting of historical property contracts. The Coordinator will generate historical property contracts (template in Appendix D) and shall transmit completed form contracts with a cover letter to the applicants for review and signature.

- g. Review/sign historical property contracts. After reviewing their historical property contracts, applicants will sign two copies of the contract in the presence of a notary public. The Coordinator will arrange for the Director's signature on all contracts.
- h. Execution/recordation. Contract execution, recordation, and payment of any additional fees shall occur on or before December 31. The Coordinator will deliver all contracts to the County Recorder's Office for recordation.

(County Code §§ 22.52.2750, 22.52.2760, 22.52.2770, 22.52.2800.)

### **7.3 After recordation.**

- a. After recordation of the contract, the Los Angeles County Assessor is responsible for reassessing properties to annually determine the value of the property based upon a prescribed capitalization rate as provided for in Revenue and Taxation Code Section.
- b. The Department will distribute a copy of the executed historical property contract to the Landmarks Commission and to the applicant.

## **8.0 PROGRAM LIMITATIONS, WORK PROGRAM GUIDELINES, AND PRIORITY CONSIDERATION CRITERIA**

**8.1** Pursuant to section 22.52.2740 of the County Code, the Board of Supervisors has approved provisions to control the cost to the County of the operation of the Program. These provisions are as follows:

- a. The Director may not enter into more than six (6) historical property contracts each year from 2014 to 2016.
- b. The total unrealized property tax revenue to the County resulting from the Program may not exceed \$300,000. The Director cannot approve a new contract if it will cause the total unrealized property tax revenue to exceed \$300,000.

### **8.2 Work program evaluation guidelines.**

8.1.1 Proposed work programs will be evaluated by using the Secretary of the Interior's Standards for Rehabilitating Historic Buildings to determine the extent to which the individual work items proposed will aid in the preservation, and when necessary, restoration or, rehabilitation the historic resource. Only work items that meet this criterion will be included in the contract.

- 8.1.2 Restoration and/or Rehabilitation. Where the property's existing conditions do not conform to the Secretary's Standards, the work program should propose restoration and/or rehabilitation of the property which, at a minimum, removes the non-conforming conditions and brings the property into conformance with the Secretary's Standards.

(County Code § 22.52.2750, 22.52.2760, 22.52.2770.)

**8.3 [proposed priority consideration text] Priority consideration criteria.**

The Coordinator will use the point system outlined below to evaluate applications, based upon the priority criteria established by the Board of Supervisors.

- a. One point for a building that is threatened by abandonment or deterioration.
- b. One point for demonstrated economic hardship. The applicant shall demonstrate that the preservation of a historic resource which, for reasons of the owner's economic hardship, cannot be preserved without the execution of an historical property contract. Economic hardship may be established by evidence that the owner or owners of the property do not have the necessary financial means, including but not limited to income, mortgage financing, private capital, or public loans, necessary to pay for the work required to preserve the property, and that the owner or owners are not reasonably likely to acquire such financial means in time to avoid the abandonment or deterioration of the subject property.
- c. One point for maintaining or creating affordable housing. The applicant shall demonstrate that the contract will result in the preservation of a historic structure or structures containing, or which will contain as a direct result of the historical property contract, one or more affordable housing unit(s) reserved for occupancy by Extremely Low Income, Very Low Income, or Lower Income households, as those income categories are described in the operative Los Angeles County Affordable Housing Program Income Limits criteria for area median income (AMI), adjusted by family size, published by the Department.
- d. In the event the Department receives more applications than can be approved based on the Program limitations in Section 8.1, above, applications with the highest point score will receive first priority. In the event two or more applications receive the same point score, the earlier-submitted application will receive priority.

(County Code § 22.52.2740, 22.52.2750, 22.52.2760.)

## **9.0 EXEMPTIONS FROM DISQUALIFICATION**

- a. Where a qualified historical property is ineligible to participate in the Program, an applicant may utilize the procedure set forth in Section 22.52.2780 to seek an exemption from disqualification. In addition to the required application contents as described in Section 5.0, above, the applicant shall provide evidence that the subject property is deserving of a historical property contract due to its exceptional nature, or because it is subject to special circumstances not generally applicable to other qualified historical properties.
- b. The provisions of subsections (a) and (b) of Section [7.2], above, also apply to applications for an exemption request.
- c. Site inspection of eligible properties, evaluation and ranking of applications. The Coordinator may conduct inspections of each property for which there is a complete application. The purpose of the inspection is to assess the condition of the property and to evaluate whether the work proposed in the work program is necessary and sufficient for the preservation of the structure, and to evaluate whether the exemption is warranted due to the exceptional nature of the subject property or because the subject property is subject to special circumstances not generally applicable to other qualified historical properties.
- d. Department recommendation. The Coordinator, after evaluating each application, will prepare a Department recommendation to the Board of Supervisors to approve or deny the request based upon the criteria set forth in Sections 22.52.2770.A and 22.52.2780.B of the County Code.
- e. Board of Supervisors consideration. The Coordinator will submit the Department recommendation to the Board of Supervisors for consideration. If the Board of Supervisors grants the exemption request, the provisions of subsections (e), (f), (g), and (h) of Section 7.2, above, shall apply.

(County Code § 22.52.2750, 22.52.2760, 22.52.2780, 22.52.2790, 22.52.2800.)

## **10.0 CONTRACT TERMS**

### **10.1 Duration.**

Each historical property contract is for an initial term of 10 years. One year is added to the term annually on the anniversary date of the historical

property contract. In this way, the historical property contract is in effect in perpetuity unless terminated as described below. The historical property contract is recorded on the property's title, and is binding upon all successors in interest of the owner, including new owners who purchase the property.

(Cal. Gov't Code §§ 50280, 50281, 50282; County Code § 22.52.2790.)

### **10.2 Non-renewal of historical property contract.**

- a. Either the owner or the County may decide in any given year not to renew a historical property contract. The owner must serve written notice of non-renewal of an historical property contract to the County at least 90 days prior to the annual renewal date of the contract. The County must serve written notice of non-renewal of an historical property contract to the owner at least 60 days prior to the annual renewal date of the contract. Service of a notice of non-renewal must be made by registered or certified mail, overnight delivery, or by personal delivery. Unless the notice is served by the owner at least 90 days prior to the annual renewal date or by the County at least 60 days prior to the annual renewal date, one year shall automatically be added to the term of the historical property contract. The proper address at which to provide written notice of non-renewal is specified in the historical property contract.
- b. The owner, upon receipt of a notice of non-renewal from the County, may protest such non-renewal in writing at any time prior to the Annual Renewal Date. . The Coordinator shall consider such protest and respond in writing to the owner within 30 days. At a minimum, a written protest should:
  - Include the name, street address, electronic mail address, and telephone number of the protester,
  - Be signed by the protester or protester's representative,
  - Set forth a detailed statement of the legal and factual grounds of the protest including copies of relevant documents,
  - State the form of relief requested.
- c. Upon proper service by the owner or the County of a notice of non-renewal, the historical property contract will remain in effect for the balance of the term remaining at the time the notice of non-renewal is served.

[Cal. Gov't Code § 50282(a); County Code § 22.52.2790.]

### **10.3 Inspections for Compliance.**

Inspections for Compliance. The County requires annual inspections of the property, by prior appointment, to ensure compliance with the terms of the contract agreement. Inspections may also be required by the Los Angeles County Assessor, State Office of Historic Preservation, and/or State Board of Equalization. (County Code § 22.52.2790.)

#### **11.0 CONTRACT RECORDING**

Approved contracts shall be recorded by the Department at the County Registrar-Recorder's Office by the end of the calendar year in which the contract is executed. (County Code § 22.52.2800.)

#### **12.0 CANCELLATION OF AN HISTORICAL PROPERTY CONTRACT**

The cancellation of an historical property contract shall be governed by Section 22.52.2810 of the County Code. As set forth in Section 22.52.2810.C, an owner may be subject to a cancellation fee of 12.5% of the current fair market value of the property, as determined by the Los Angeles County Assessor as though the property were free of the contractual restriction.

#### **13.0 MONITORING THE WORK PROGRAM**

- 13.1** The Coordinator will monitor work required as part of an executed historical property contracts.
- 13.2** The Department may from time to time send courtesy notices to property owners identifying work items due to be completed within the calendar year. A sample courtesy notice is attached in Appendix E. Failure of the Department to send a courtesy notice and/or failure of the property owner to receive a courtesy notice does not affect the property owner's obligation to comply with the historical property contract.
- 13.3** The Coordinator may, from time-to-time, conduct site inspections to determine compliance with the historic property contract.

#### **14.0 REPORTING**

On an annual basis, the Coordinator will provide a written report to the Board of Supervisors and the Historical Records and Landmarks Commission on the status of the Mills Act program. The report should include, at a minimum:

- a. A listing of all properties approved for a historical property contract in the previous year.
- b. Documentation of tax reductions for the previous year for each property, including the loss revenue for the County.

## 15.0 APPENDICES

The following appendices are incorporated into and made a part of these guidelines:

Appendix A: Application template

Appendix B: Work program template

Appendix C: Tax adjustment template

Appendix D: Sample form historical property contract

Appendix E: Work program courtesy notice template

## 16.0 AMENDMENTS TO THE GUIDELINES

The Guidelines, including the appendices to the Guidelines, may be amended from time to time without notice.

Please visit <http://planning.lacounty.gov/preservation> to obtain the most recent copy of the Guidelines, or contact the Department of Regional Planning at [preservation@planning.lacounty.gov](mailto:preservation@planning.lacounty.gov).

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

Richard J. Bruckner, Director  
Department of Regional Planning





**Mill Act Historical Property Contract Application**

(Subject to change annually, as needed)

The application is required to apply for a Mills Act Historical Property Contract. A completed application must be submitted in person by (date). For assistance, call 213-974-6411 or visit <http://planning.lacounty.gov/who>. Each property owner should seek financial and/or legal advice before entering into a Mills Act contract.

*THIS SECTION - STAFF USE ONLY*

Project No. \_\_\_\_\_ Permit No. \_\_\_\_\_  
Supv. Dist: 1 2 3 4 5 Zoned District: \_\_\_\_\_

**1. Subject Property (Sujeto Propiedad)**

ASSESSOR'S PARCEL NUMBER(S):

SUBJECT PROPERTY ADDRESS OR SITE LOCATION:

LEGAL DESCRIPTION (Attach additional sheets, if necessary, or copy of grant deed):

Use Category:  Single-family  Two-family (Other uses eligible beginning in 2017)

Are property taxes paid to date?  Yes  No

Designation Category: National/State Register  Individual: \_\_\_\_\_  District: \_\_\_\_\_  
County Landmark  Individual: \_\_\_\_\_  District: \_\_\_\_\_

Are there any outstanding enforcement cases from Regional Planning or Public Works (Building and Safety)?  Yes  No

The following items must be submitted with this application:

- Mills Act application fee
- Signed copy of this application in blue ink

**Proof of Ownership**

- An Ownership Disclosure is required if the property is owned by an LLC, corporation, partnership, or trust. The disclosure must reveal the agent for service of process of an officer of the ownership entity. The disclosure must list the name and addresses of the principal owners (25% or greater) and attach a copy of the current corporate articles, partnership agreement, or trust document, as applicable.
- The Grant Deed is required if the ownership does not match County records. Ownership on the deed must correspond exactly with the ownership listed on the application.
- A notarized Letter of Authorization (LOA) is required from the property owner if anyone other than the owner signs the application. The authorized person (agent, applicant) on the LOA must correspond with the signature on the application.
- Photographs, complete documentation of interior/exterior, color printed and digital images (label all printed images)
- Site plan drawn to scale with locations of all buildings on site (including property lines, street names, north arrow, dimensions)
- Preservation/restoration/rehabilitation/maintenance plan and timeline of work to be completed within the next ten years, with cost estimate of itemized work
- If applicable: a) Statement of how the property is threatened by deterioration, abandonment, or conflicting regulations; b) How the property tax reduction is necessary to facilitate preservation of the property
- Historic Property Tax Adjustment Worksheet
- Copy of the most recent property tax bill

**2. Owner(s) (Dueño/a Registrado)**

NAME:		PHONE:
ADDRESS:		FAX:
CITY / STATE:	ZIP:	E-MAIL:

**3. Applicant (Solicitante) If different from owner**

NAME:		PHONE:
ADDRESS:		FAX:
CITY / STATE:	ZIP:	E-MAIL:

**4. Agent (Agente) If different from owner / applicant**

NAME:		PHONE:
ADDRESS:		FAX:
CITY / STATE:	ZIP:	E-MAIL:

**5. Contact (Contacto)**

Who is the primary contact regarding this application? Check one:  Owner  Applicant  Agent

**6. Owner / Applicant Certification (Certificación del Solicitante, Agente o Dueño/a)**

By my signature below, I hereby understand and certify the following:

1. The burden is on the applicant to substantiate the request.
2. There is no guarantee - expressed or implied - that a contract will be granted. I understand that each application must be carefully evaluated and after the evaluation has been conducted, that staff's recommendation or decision may be revised to a different position taken in any preliminary discussions.
3. After further evaluation, additional information may be required.
4. If my application is denied, there is no refund of fees paid.
5. Submitting inaccurate or incomplete information may result in delays or denial of my application.
6. The information provided in this application, including attachments, is accurate and correct to the best of my knowledge.
7. I have read and understand the foregoing and agree to the submittal of this application.

SIGNATURE (BLUE INK): \_\_\_\_\_ DATE: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_ CHECK ONE:  Owner  Applicant

**7. Lobbyist Statement (Información de un Grupo de Presión)**

The Los Angeles County Lobbyist Ordinance, effective May 7, 1993, requires certification that each person who applies for a County permit is familiar with the requirements or Ordinance No. 93-0031 (Lobbyist Ordinance), and that all persons acting on behalf of the applicant have complied and will continue to comply with the requirements of said Ordinance through the application process. By my signature below, I hereby certify that I am familiar with the requirements of Ordinance No. 93-0031 and understand that making such a certification, and compliance with this ordinance, shall be conditions precedent to granting the permit requested, license, contract or franchise.

SIGNATURE (BLUE INK): \_\_\_\_\_ DATE: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_ CHECK ONE:  Owner  Applicant  Agent

LOBBYIST PERMIT NO., IF APPLICABLE: \_\_\_\_\_

## Appendix B: Work Program Template

### Preservation/Rehabilitation/Restoration/Maintenance Plan and Timeline

Please use this form for your rehabilitation, restoration, maintenance plan and timeline. Copy this form as necessary to include all work items that apply to your property. Include all proposed exterior and interior work (including electrical, plumbing, etc.) to be completed within the next ten years. Complete all requested information on this form. Formal quotes are not required, but staff may request documentation upon review. Attach additional sheets, if necessary.

Item No.:	Building Feature:	Cost: \$	Projected completion year: 20
-----------	-------------------	-------------	----------------------------------

Description of work:

Item No.:	Building Feature:	Cost: \$	Projected completion year: 20
-----------	-------------------	-------------	----------------------------------

Description of work:

Item No.:	Building Feature:	Cost: \$	Projected completion year: 20
-----------	-------------------	-------------	----------------------------------

Description of work:

Item No.:	Building Feature:	Cost: \$	Projected completion year: 20
-----------	-------------------	-------------	----------------------------------

Description of work:

Item No.:	Building Feature:	Cost: \$	Projected completion year: 20
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Description of work:

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## Appendix C: Historical Property Contract Tax Adjustment Worksheet

Property Address:

Property Description:

### STEP 1: Determine Annual Income of Property

ANNUAL PROPERTY INCOME	CURRENT	EXPLANATION
1. Monthly Rental Income	\$	For owner-occupied properties estimate a monthly rental income. Include all potential sources of income (filming, advertising, photo shoots, billboard rentals, etc.).
2. Annual Rental Income	\$	Multiply line 1 by 12

### STEP 2: Calculate Annual Operating Expenses

ANNUAL OPERATING EXPENSES	CURRENT	EXPLANATION
3. Insurance	\$	Fire, liability, etc.
4. Utilities	\$	Water, gas, electric, etc.
5. Maintenance*	\$	Maintenance includes: Painting, plumbing, electrical, gardening, cleaning, mechanical, heating repairs, security, and property management.
6. Management*	\$	
7. Other Operating Expenses	\$	Security, services, etc. Provide breakdown on separate sheet.
8. Total Expenses†	\$	Add lines 3 through 8

\* If calculating for commercial property, provide the following back-up documentation where applicable:

- Rent roll (include rent for on-site manager's unit as income if applicable)
- Maintenance records (provide detailed break-down; all costs should be recurring annually)
- Management expenses (include expense of on-site manager's unit and 5% off-site management fee; and describe other management costs)

† Annual operating expenses do not include mortgage payments, property taxes, depletion charges, corporate income taxes, or interest on funds invested in the property.

### STEP 3: Determine Annual Net Income

ANNUAL OPERATING EXPENSES	CURRENT	EXPLANATION
9. Net Operating Income	\$	Line 2 minus line 8

### STEP 4: Determine Capitalization Rate

NEW ASSESSED VALUE	CURRENT	EXPLANATION
10. Interest Component	3.75%	As determined by the State Board of Equalization for 2013
11. Historical Property Risk Component		Single-family residence = 4% All other property = 2%
12. Property Tax Component	1%	0.01 times the assessment ration of 100%
13. Amortization Component (Reciprocal of life of property)		If the life of the improvements is 20 years, use $100\% \times 1/20 = 5\%$
14. Capitalization Rate		Add lines 10 through 13

## Appendix C: Historical Property Contract Tax Adjustment Worksheet

### STEP 5: Calculate New Assessed Value

NEW ASSESSED VALUE	CURRENT	EXPLANATION
15. Mills Act Assessed Value	\$	Line 9 divided by line 14

### STEP 6: Determine Estimated Tax Reduction

NEW ASSESSED VALUE	CURRENT	EXPLANATION
16. Current Tax	\$	General tax levy only (Exclude voter indebtedness, direct assessments, tax rate areas and special districts)
17. Tax under Mills Act	\$	Line 15 multiplied by .01
18. Estimated Tax Reduction	\$	Line 16 minus line 17

APPENDIX D

RECORDING REQUESTED BY: )  
AND WHEN RECORDED RETURN TO: )  
Department of Regional Planning )  
Los Angeles County Mills Act Program )  
320 W. Temple St., 13th Floor )  
Los Angeles, CA 90012 )

**LOS ANGELES COUNTY MILLS ACT PROGRAM AGREEMENT**



**BY AND BETWEEN**

**COUNTY OF LOS ANGELES**

**AND**

\_\_\_\_\_  
\_\_\_\_\_

**FOR THE PRESERVATION AND BENEFIT OF THE  
QUALIFIED HISTORICAL PROPERTY LOCATED AT**

\_\_\_\_\_  
\_\_\_\_\_

## **LOS ANGELES COUNTY MILLS ACT PROGRAM AGREEMENT**

This Agreement is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between the COUNTY OF LOS ANGELES ("County"), a body corporate and politic and a political subdivision of the State of California, by and through the Director of the County Regional Planning Department ("Director"), and [*PROPERTY OWNER(S)*] (individually and/or collectively, "Owner"), for the preservation and benefit of the real property located at [*STREET ADDRESS OF PROPERTY*] ("Historical Property").

### **RECITALS**

WHEREAS, the County has established the Los Angeles County Mills Act Program (Los Angeles County Code, Sections 22.52.2700, et seq.), which implements the provisions of Sections 50280, et seq., of the California Government Code, which provisions are collectively known as the "Mills Act," vesting the County with the authority to enter into a contract with an owner or owners of certain eligible qualified historical properties who contractually commit to the preservation and, where necessary, the rehabilitation and restoration of such properties; and

WHEREAS, the Director is authorized to enter into Mills Act contracts on the County's behalf; and

WHEREAS, Owner owns fee simple title in and to the Historical Property, legally described as set forth in Exhibit "A" attached hereto, including all structures and improvements thereon; and

WHEREAS, the Director has determined that the Historical Property is a "qualified historical property" pursuant to Section 22.52.2720.H of the Los Angeles County Code and Section 50280.1 of the California Government Code, in that [*DESCRIBE QUALIFYING STATUS*]; and

WHEREAS, the Director has caused an inspection to be conducted of the interior and exterior of the Historical Property as required by Section 22.52.2760 of the Los Angeles County Code; and

WHEREAS, the County and Owner, for their mutual benefit, desire to enter into this Agreement for the preservation [*WHERE APPLICABLE, and restoration/rehabilitation*] of the Historical Property and to qualify the Historical Property for an assessment of valuation pursuant to Article 1.9 (commencing with Section 439) of Chapter 3 of Part 2 of Division 1 of the California Revenue and Taxation Code.

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

## **AGREEMENT**

### **1.0 RECITALS**

The parties to this Agreement affirm that the recitals set forth at the outset of this Agreement are true and accurate, and agree that said recitals are an integral part of this Agreement.

### **2.0 APPLICABLE DOCUMENTS**

2.1 This Agreement is comprised of this document and the Exhibits "A," "B," "C," and "D," which are attached hereto and are made a part hereof by this reference. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task or other work, or otherwise between this document and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to this document and then to the Exhibits according to the following priority:

**Exhibit A** – Legal Description;

**Exhibit B** – Preservation [*WHERE APPLICABLE, and Restoration/Rehabilitation*] Plan;

**Exhibit C** – Standards and Conditions Applicable to the Historical Property;

**Exhibit D** – Inspection Schedule.

2.2 This Agreement, including the Exhibits attached hereto, constitute the complete and exclusive statement of understanding between the County and Owner which supersedes all previous agreements, written or oral, and all other communications between the parties relating to the subject matter of this Agreement.

### **3.0 EFFECTIVE DATE AND TERM OF AGREEMENT**

This Agreement shall be effective and commence on the date first written herein above, and shall remain in effect for a term of ten (10) years thereafter. Each year upon the anniversary of the effective date, such initial term will be automatically extended as provided in Section 4, below.

### **4.0 RENEWAL**

4.1 **Annual Automatic Renewal.** Each year on the anniversary of the effective date of this Agreement (hereinafter referred to as the "Annual Renewal Date"), a year shall automatically be added to the term of this Agreement unless notice of nonrenewal is provided as set forth in this Section.

4.2 **Notice of Nonrenewal.** If either County or Owner desires in any year not to renew the Agreement, County, through the Director, or Owner shall serve written notice of nonrenewal of the Agreement on the other party in advance of the Annual Renewal Date. Unless such notice is served by the County to Owner at least sixty (60) days prior to the Annual Renewal Date, or by Owner to County at least ninety (90) days prior to the Annual Renewal Date, one (1) year shall automatically be added to the term of the Agreement as provided in this Section 4.0.

4.3 **Owner Protest of Nonrenewal.** Upon receipt by Owner of a notice of nonrenewal from County, Owner may make a written protest of the notice. County, through the Director, may withdraw its notice to Owner of nonrenewal at any time prior to the Annual Renewal Date.

4.4 **Term Following Nonrenewal.** If either County, through the Director, or Owner serves notice to the other of nonrenewal in any year, the Agreement shall remain in effect for the balance of the term then remaining.

### **5.0 STANDARDS FOR HISTORICAL PROPERTY**

During the term of this Agreement, the Historical Property shall be subject to the following conditions, requirements and restrictions:

- (a) Owner shall rehabilitate, preserve, and maintain the historically significant characteristics of the Historical Property, and shall use the property in

such a manner consistent with the preservation [*WHERE APPLICABLE, the restoration/rehabilitation*] of such historically significant characteristics. Attached hereto as Exhibit "B" is a list of those items for the preservation [*WHERE APPLICABLE, and restoration/rehabilitation*] and maintenance planned for the Historical Property, and a timeline for completion of any work, which shall apply to such property throughout the term of this Agreement.

- (b) Owner shall preserve [*WHERE APPLICABLE, and shall restore/rehabilitate*] the Historical Property in accordance with the minimum standards and conditions attached hereto as Exhibit "C," and all applicable 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 the Treatment of Historic Properties, the California Historical Building Code, and all rules and regulations adopted or established by the County regarding the restoration and rehabilitation of historical properties. If in the sole discretion of the Director the minimum standards and conditions attached hereto as Exhibit "C" conflict with or have been superseded by applicable standards governing the treatment of the Historical Property, the applicable standards shall govern in lieu of Exhibit "C." The Director shall notify the Owner in writing specifying which applicable standards the Owner shall follow, and which standards and conditions in Exhibit "C" have been superseded.

## **6.0 INSPECTIONS**

- 6.1 **Period Inspections.** Owner shall allow periodic inspections of the interior and exterior of the Historical Property as set forth in the inspection schedule attached as hereto Exhibit "D." Such periodic inspections must occur at least every five (5) years, commencing upon the effective date of this Agreement.
- 6.2 **Additional Inspections.** In addition to the periodic inspections set forth in Section 6.1, above, Owner shall allow reasonable inspections of the interior and exterior of the Historical Property as may be requested, upon a minimum of 72 hours advanced notice thereof, by the Director or other representatives of the

County, the State Office of Historic Preservation, and/or the State Board of Equalization, for the purposes of determining Owner's compliance with the terms and provisions of this Agreement.

6.3 **Furnishing Information and Documentation.** Owner agrees to furnish the Director with any and all information and/or documentation requested by the Director for the purposes of determining the Owner's compliance with this Agreement.

6.4 **Records.** Owner shall maintain accurate and complete records of Owner's preservation [*WHERE APPLICABLE, and restoration/rehabilitation*] activities relating to this Agreement. Owner agrees that the Director shall have access to and the right to examine, audit, excerpt, copy, or transcribe any such pertinent records for the purposes of determining Owner's compliance with this Agreement.

## 7.0 BREACH BY OWNER.

7.1 **Breach.** Owner shall be in material breach of this Agreement if Owner:

- (a) Fails to preserve, [*WHERE APPLICABLE, restore/rehabilitate,*] maintain, or use the Historical Property in the manner specified in this Agreement, including the attached Exhibits;
- (b) Allows the Historical Property to deteriorate to the point that it no longer qualifies as a "qualified historical property" as defined in Section 22.52.2720.H of the Los Angeles County Code and/or Section 50280.1 of the California Government Code; and/or
- (c) Unreasonably fails or refuses to allow inspection of the interior and exterior of the Historical Property as required by this Agreement, including the attached Exhibits.

The forgoing list is not intended to be exclusive or all-encompassing, and is provided herein without limiting the County's rights and remedies with respect to any breach of this Agreement.

7.2 **Notice of Breach and Opportunity to Cure.** If the Director determines that the Owner has breached this Agreement, the Director shall give written Notice of Breach to Owner by registered or certified mail which specifically identifies the breach and the proposed action which the County recommends to Owner to cure said breach. Owner shall have sixty (60) days following the issuance of the

Notice of Breach within which to cure such breach to the reasonable satisfaction of the Director. In the event Owner cures the breach identified in the Notice of Breach to the reasonable satisfaction of the Director within the sixty (60) day cure period, the Director shall withdraw the Notice of Breach in writing, and shall provide Owner with a copy of such written withdrawal.

- 7.3 **County's Action Upon Owner's Failure to Cure.** If the Owner fails to cure the breach identified in a Notice of Breach within the sixty (60) day cure period, the County may cancel the Agreement pursuant to Section 8, below. Alternatively, the County may bring any action in court necessary to enforce this Agreement, including, but not limited to, an action for specific performance or injunction.

## **8.0 CANCELLATION**

- 8.1 **Public Hearing.** The County may not cancel this Agreement except pursuant to the public hearing procedures set forth in Section 22.52.2810.B. of the Los Angeles County Code.
- 8.2 **Cancellation.** Subject to the provisions of Section 8.1, above, the County may cancel this Agreement if:
- (a) Owner fails to cure a breach of this Agreement following notice thereof as provided for in this Agreement, pursuant to Section 22.52.2810.A.1 of the Los Angeles County Code; or
  - (b) The Historical Property is demolished, destroyed, or significantly altered due to a natural disaster such that the Historical Property no longer meets the standards for a qualified historical property, pursuant to Section 22.52.2810.A.2 of the Los Angeles County Code; or
  - (c) The Historical Property is acquired in whole or in part by eminent domain or other acquisition by any entity authorized to exercise the power of eminent domain, pursuant to Section 22.52.2810.A.3 of the Los Angeles County Code.
- 8.3 **Cancellation Fee.** In accordance with Section 22.52.2810.C of the Los Angeles County Code and Section 50286, subdivision (a), of the California Government Code, in the event the County cancels this Agreement pursuant to Section 8.2(a), above, the Owner shall pay a cancellation fee equal to 12 1/2 percent (12.5%) of the fair market value of the Historical Property at the time of cancellation, as determined by the County Assessor as though the property were free of this

Agreement. The Owner shall pay such cancellation fee to the County Auditor-Controller at the time and in the manner that the Auditor-Controller shall prescribe. No cancellation fee shall be imposed pursuant to this Section 8.3 in the event the Agreement is cancelled pursuant to Sections 8.2(b) or (c), above.

- 8.4 **Enforcement Action.** In the event Owner fails to cure any breach of this Agreement after notice thereof as provided for in this Agreement, and in lieu of and/or in addition to the County's rights to cancel this Agreement, the County may, without further notice, declare a default under the terms of this Agreement and may bring any action necessary to specifically enforce the obligations of Owner arising out of the terms of this Agreement, apply to any court, state or federal, for injunctive relief against any violation by Owner, and/or apply for such other relief as may be appropriate. All remedies at law or in equity which are not otherwise provided for in this Agreement are available to the County in the event that Owner breaches this Agreement.
- 8.5 **No Waiver by County.** The County's failure to cancel or enforce this Agreement shall not be deemed a waiver of any claim or remedy the County may have against Owner. In the event the County waives a breach or default under this Agreement, such waiver shall not be deemed to be a waiver of any other subsequent breach thereof or default hereunder.

## 9.0 **BINDING EFFECT OF AGREEMENT**

- 9.1 **Declaration of Intent that Agreement Shall Run with the Land.** The County and Owner hereby declare their specific intent that the covenants, conditions and restrictions set forth in this Agreement shall be deemed covenants running with the land and shall pass to and be binding upon, and inure to the benefit of, the Owner's successors and assigns in title or interest to the Historical Property. Each and every contract, deed or other instrument hereinafter executed covering or conveying the Historical Property, or any portion thereof, and each and every contract, deed or other instrument in which the Historical Property is identified as security for any loan, shall conclusively be held to have been executed, delivered and accepted subject to the covenants, conditions and restrictions expressed in this Agreement, regardless of whether such covenants, conditions and restrictions are set forth in such contract, deed or other instrument.

- 9.2 **Declaration of Understanding that Agreement Touches and Concerns the Land.** The County and Owner hereby declare their understanding and intent that the burden of the covenants, conditions and restrictions set forth in this Agreement touch and concern the land because the Agreement relates to the use and enjoyment of the Historical Property, because Owner's legal interest in the Historical Property is rendered less valuable hereby, and because such covenants, conditions and restrictions will enhance the historical characteristics and significance of the Historical Property for the benefit of Owner and the general public.
- 9.3 **Rights and Obligations of Successors in Interest.** All of the agreements, rights, covenants, reservations and restrictions contained in this Agreement shall be binding upon and shall inure to the benefit of the parties herein, their heirs, successors, legal representatives, assigns and all persons acquiring any part or portion of the Historical Property, whether by operation of law or in any manner whatsoever. Owner's successors in interest shall have the same rights and obligations under this Agreement as Owner.
- 9.4 **Annexation of Historical Property by a City.** In the event that the Historical Property is annexed to a city, this Agreement shall remain in force and effect and the city shall succeed to all rights, duties, and powers of the County hereunder.

## **10.0 RECORDATION**

Not later than twenty (20) days after the effective date of this Agreement, the Director shall cause this Agreement to be recorded in the office of the County Registrar-Recorder/County Clerk, and shall provide Owner with a copy of the recorded Agreement. In the event this Agreement is cancelled pursuant to Section 8.0, above, the Director shall record a notice of contract cancellation in the office of the County Registrar-Recorder/County Clerk within twenty (20) days of such cancellation, and shall provide Owner with a copy of the recorded notice of contract cancellation.

## **11.0 RECORDING AND INSPECTION FEES**

- 11.1 As a condition of entering into this Agreement, not later than twenty (20) days after the effective date of this Agreement, Owner shall deposit with Department of Regional Planning the following:

- (a) The sum of \$[\_\_\_\_\_], to compensate the County for expenses incurred by County in connection with the recording of this Agreement; and
- (b) The sum of \$[\_\_\_\_\_], which shall be placed in a performance fund and shall be used exclusively to compensate the County for expenses incurred by the County in connection with inspecting the Historical Property to determine Owner's compliance with this Agreement. The fund provides for [NUMBER OF PERIODIC INSPECTIONS] inspections.

Failure by Owner to timely deposit such fees within the time frame set forth in this Section shall render this Agreement null and void.

- 11.2 In the event the amount in the performance fund described in Section 11.1(b), above, falls below twenty percent (20%) of the original amount specified in Section 11.1(b), the Director in his/her sole discretion may require Owner to replenish the performance fund to the full amount specified in Section 11.1(b), above. Failure by Owner to replenish the fund within twenty (20) days of the Director's request shall be considered a material breach of this Agreement.

## **12.0 CONFLICT OF INTEREST**

Owner represents and warrants that no County employee whose position in the County enables him/her to influence the award of this Agreement, and no spouse or economic dependent of such employee is or shall be employed in any capacity by Owner herein or does or shall have any direct or indirect financial interest in this Agreement. Owner further represents and warrants that Owner is aware of and has read, and that Owner's authorized officers are aware of and have read, the provisions of Section 2.180.010 of the Los Angeles County Code, "Certain Contracts Prohibited," and that execution of the Agreement will not violate those provisions.

## **13.0 REPRESENTATIONS AND WARRANTIES**

Owner represents and warrants that Owner has the full right and authority to enter into this Agreement. Owner further represents and warrants that all persons owning fee simple title to the Historical Property are signatories hereto and bound hereby.

## **14.0 GENERAL TERMS AND CONDITIONS**

- 14.1 **No Partnership or Joint Enterprise.** This Agreement shall not be deemed to create a partnership between the parties hereto or any of their heirs, successors

or assigns, nor shall the Agreement cause such persons to be considered joint venturers or members of any joint enterprise.

- 14.2 **Indemnification and Hold Harmless.** Owner, and each of them jointly and severally, shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents and volunteers ("County Indemnitees") from and against any and all liability, including but not limited to demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from and/or relating to this Agreement, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees.
- 14.3 **Severability.** In the event that any of the provisions of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, or by subsequent preemptive legislation, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby.
- 14.4 **Governing Law, Jurisdiction, Venue.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. Owner agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agrees and consents that venue of any action brought hereunder or related hereto shall be exclusively in the County of Los Angeles.
- 14.5 **Amendments.** Except as provided in Section 5.0(b), above, this Agreement may be amended, in whole or in part, only by a written instrument executed by the parties hereto and recorded with the County Registrar-Recorder/County Clerk.
- 14.6 **Public Records Act.** All documents submitted by Owner to the County in connection with this Agreement become a matter of public record and shall be regarded as public records, except as otherwise provided in the California Public Records Act (California Government Code, commencing with Section 6250).
- 14.7 **Director or Designee.** Wherever the term "Director" appears in this Agreement, it shall be construed as including the Director and the Director's designee. Such designee may include persons who are not employees of the County, including but not limited to outside consultants and contractors.
- 14.8 **Captions.** The section headings appearing herein shall not be deemed to govern, limit, modify or in any way affect the scope, meaning or intent of these terms and conditions.

14.9 **Interpretation.** No provision of this Agreement is to be interpreted for or against either party because that party or that party's legal representative drafted such provision.

14.10 **Warranty of Compliance with County's Defaulted Property Tax Reduction Program.** Owner acknowledges that County has established a goal of ensuring all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers. Unless Owner qualifies for an exemption or exclusion, Owner warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this contract will maintain compliance, with the Los Angeles County Code, Chapter 2.206.

## 15.0 NOTICE

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

TO COUNTY: Los Angeles County Department of Regional Planning  
320 West Temple Street, 13th Floor  
Los Angeles, California 90012  
ATTENTION: Los Angeles County Mills Act Program

TO OWNER: [Name]  
[Street Address]  
[City, State, ZIP]

[ALL OTHER OWNERS AS APPLICABLE]

**IN WITNESS WHEREOF**, Owner has executed this Agreement and the County of Los Angeles has caused this Agreement to be executed on its behalf by the Director of the Los Angeles County Department of Regional Planning, the day and year first above written.

**COUNTY OF LOS ANGELES**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Richard J. Bruckner, Director  
Los Angeles County Department  
of Regional Planning

**OWNER**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name:  
Address:

[ALL OTHER OWNERS AS APPLICABLE]

**APPROVED AS TO FORM:**

John F. Krattli  
County Counsel

By: \_\_\_\_\_  
Deputy



## Appendix E: Work Program Courtesy Notice Template

Date

Name

Address

City, State Zip code

Subject Property:

Dear Mills Act Contract Recipient:

County records indicate that the following work item(s) is/are scheduled for completion by <date>:

1. Work item
2. Work item
3. Work item

Please transmit color photographs and/or other documentation to verify completion of these work items by January 31, 20xx (the following year). Please be advised that the methods and materials for completing the above work are subject to review and approval by the County prior to the commencement of work. Depending upon the nature of the work, building permits or a Certificate of Appropriateness may be required. All work shall comply with the Secretary of the Interior's Standards for Rehabilitation of Historic Buildings. If necessary, you may request a later completion date in writing and such extension shall be subject to County approval.

Sincerely yours,

DEPARTMENT OF REGIONAL PLANNING

Mills Act Coordinator  
County of Los Angeles