



CITY OF SANTA BARBARA

FINANCE COMMITTEE AGENDA REPORT

AGENDA DATE: November 13, 2007

TO: Finance Committee

FROM: Planning Division, Community Development Department

SUBJECT: Mills Act Historic Preservation Incentive

RECOMMENDATION: That the Finance Committee:

- A. Discuss and evaluate the financial impacts to City revenues as a result of the possible implementation of the Mills Act;
- B. Consider the scope and quantity of Mills Act contracts that could be administered per year; and
- C. Forward the Mills Act Program to the Ordinance Committee for review.

EXECUTIVE SUMMARY:

For several years, the City has supported a Historic Preservation Work Program that identifies and creates regulations to protect historic resources. Planning staff and the Historic Landmarks Commission encourage property owners to maintain, repair and rehabilitate older historic structures to maintain historic integrity. At previous Council meetings, owners of historic resources have indicated a strong desire for financial or zoning relief incentives to assist in maintenance and repair of these properties.

Staff recommends several incentives, particularly the adoption of the Mills Act Tax Abatement Program as the key financial incentive that will allow property owners of City Landmarks, Structures of Merit and buildings within Historic Districts to possibly reduce their property tax bill while entering into a contract with the City to maintain and repair their properties. Staff also proposes additional zoning or code relief incentives to promote flexibility in existing regulations, and to encourage property owners to invest in the maintenance of their historic properties. Those incentives will proceed and be reviewed by the Ordinance Committee separately.

REVIEWED BY: _____ Attorney

Agenda Item No. _____

Staff believes that these incentives combined will prove beneficial as the City moves forward in its Historic Resources Survey work, and in anticipation of possible designations of City Landmarks, Structures of Merit and Historic Districts.

An estimate of the fiscal impact of participation in the Mills Act Tax Abatement Program suggests that Santa Barbara would lose property taxes in the approximate range of \$6,000 to \$15,000 per year, if contracts were limited to a recommended ten per year. The range reflects the fact that the abatement depends on the current assessed values of participating properties.

DISCUSSION:

Background:

On July 3, 2007, City Council authorized staff to proceed with several incentives, including the implementation of a Mills Act Program. Staff has researched financial and other incentives that work well in other municipalities. Based on a review of available economic incentives, the Mills Act is the most important economic incentive program available in California for use by the private property owners of qualified historic structures. Following is a description of the Mills Act and its potential financial impact on City revenues.

State Mills Act:

The Mills Act is a state law enacted in 1972, which could enable owners of designated City Landmarks to enter into an agreement (contract) with the City to preserve, maintain and possibly rehabilitate the structure. Such agreements provide a reduction of property taxes in exchange for the continued preservation of the property. Many communities are participating in this type of Mills Act program (see Attachment 1).

The Mills Act requires the County Tax Assessor to re-evaluate the property using a capitalization method rather than the market value. In other words, the County Tax Assessor determines the value of the historic property based upon its current net operating income, rather than the upon the traditional assessed valuation method. Property valuation is determined by the "income" method set out in Revenue and Tax Code Section 439.21.9. The result is a substantial reduction in property taxes for post-Proposition 13-qualified historic properties. The money saved on taxes will be available for use in maintaining and restoring the property. The agreement runs for ten years and can renew annually each year thus extending the agreement term unless a notice of cancellation is filed by the owner (see Attachment 2).

Some communities and counties have had success with this thirty-year-old program, notably the Cities of Los Angeles, San Diego, Anaheim and Orange (see Attachment 3). Some cities require that owners of historic properties spend the tax money saved on preserving or restoring their property. Cities require different levels of documentation to verify that the property is being maintained or improved with actual expenditures.

Mills Act Agreement applications do not necessarily require the payment of any fees unless the City adopts a fee requirement to recover some of the costs of having staff review and execute the contracts. The property value and property taxes are recalculated by the County Tax Assessor and do not involve City staff. The contracts could be more easily managed if they are limited in number.

Potential Financial Impact of Mills Act to City Revenues

The Office of Historical Preservation of the State of California offers the information that Mills Act contracts may result in a reduction in property taxes from 40-60% for each re-assessed house.

The impact of the Mills Act on a property's assessment may vary depending on how recently the property was purchased. Properties purchased before the passage of Proposition 13 in 1978 are unlikely to receive a reduction, as they are already determined to be at baseline threshold values under the taxation and revenue code."

Staff survey of other California cities' participation in the Mills Act program (see Attachment 3) reveals that the average reduction in assessed values of participating residential properties ranges from 39% in Ontario to 63.1% in Santa Monica.

An estimate of the fiscal impact of participation in the Mills Act Tax Abatement Program suggests that Santa Barbara would lose property taxes in the approximate range of \$6,000 to \$15,000 per year, if contracts were limited to a recommended ten per year. The range reflects the fact that the abatement depends on the current assessed values of participating properties. This estimate is being reviewed with the Tax Assessor's office for accuracy.

While most California cities have not placed limits on their participation in the Mills Act program, a few have adopted one of two measures to respond to the potential loss of property tax income. Los Angeles and Coronado have capped the potential revenue that could be lost, with Los Angeles limiting the amount to \$1,000,000 per year. In addition, some cities have placed a limit on the number of new contracts added each year. For example, City of Orange restricts additional contracts to 20 per year, and Anaheim has a cap of 30 new contracts per year.

Eligibility Criteria for Mills Act Contract Applications

To apply for a Mills Act Agreement, a property must be listed on the official local, state or National Register of Historic Places. For Santa Barbara, it is recommended that the historic structure must already be a designated City Landmark, Structure of Merit or contributing resource to a Historic District.

Staff intends to create program guidelines that further explain eligibility and review criteria for all Mills Act contract applications. Specific information will be required to be submitted for each application to outline a ten-year rehabilitation plan (See Example Contract, Attachment 4). All work must meet all City requirements and follow the Secretary of Interior Standards for Rehabilitation. Staff recommends that the City adopt application fees, program guidelines, application instructions to implement this program and set an annual limit of ten new contracts per year.

Staff is recommending that applications be reviewed and ranked by the Historic Landmarks Commission Designations Subcommittee to determine priority for each tax year. Final contract approval would be executed by City Council. Eligibility criteria that the Historic Landmarks Commission would consider are: the historic significance of the structure, level of community benefit, date of application submittal, and expenditure level of rehabilitation planned or underway.

Potential Staff Time Impacts

Depending on the number of Mills Act contracts approved per year, staff time will be necessary to process, analyze and complete inspections to administer Mills Act contract applications. Some cities fully monitor Mills Act contracts compliance by performing annual site visits, reviewing construction expenditures in detail and checking work progress to ensure consistency with the contract agreements. Planning staff recommends basic monitoring as part of the program implementation. Staff plans to initially review the properties to confirm the existing physical condition of the property. Annual reports would be submitted to staff to help document the rehabilitation work completed. Staff would also monitor the rehabilitation work to verify that the planned repairs or improvements were being made. If insufficient progress on rehabilitation work was resulting, the agreement would be cancelled. No additional field inspections of construction related work are planned unless irregular work is proposed and investigation is required.

The Mills Act applications and contracts are typically processed together and approved by City Council during a set time period each year. Staff would review all applications and the rehabilitation plan to determine if eligibility criteria had been met. Approximately 40 to 60 hours of staff time would be necessary to process ten Mills Act contract applications every year. That time estimate could increase if extended contract monitoring requirements are adopted. The estimate is, therefore, based on processing a set limit of contract agreements per year, initial inspections of properties, and only a limited review of annual report submittals. Staff recommends that the Finance Committee confirm the fiscal impact estimates, review the scope and number of Mills Act contracts that could be offered and forward the Mills Act Program for adoption by City Council.

- ATTACHMENTS:**
1. Communities Participating in Mills Act Program
 2. Mills Act Program Information
 3. Examples of Mills Act Fiscal Impact on Other Cities
 4. Example of Mills Act Application and Contract

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SUBMITTED BY: David Gustafson, Acting Community Development Director

APPROVED BY: City Administrator's Office

COMMUNITIES PARTICIPATING IN MILLS ACT PROGRAM

Jurisdiction	County	# of Contracts	Ordinance	Certified Local Government
Berkeley	Alameda	1	YES	YES
Fremont	Alameda	2	YES	NO
Chico	Butte	2	NO	NO
Danville	Contra Costa	4	YES	YES
Orinda	Contra Costa			NO
Claremont	Los Angeles	1	NO	NO
Covina	Los Angeles	0	YES	NO
Glendale	Los Angeles	6	YES	YES
Glendora	Los Angeles	5	YES	NO
La Verne	Los Angeles	6	NO	NO
Long Beach	Los Angeles	22	YES	YES
Los Angeles (county)	Los Angeles	2	NO	NO
Los Angeles (city)	Los Angeles	185	YES	NO
Monrovia	Los Angeles	63	YES	NO
Norwalk (pending)	Los Angeles			
Pasadena	Los Angeles	12	YES	YES
Pomona	Los Angeles	0	YES	NO
Redondo Beach	Los Angeles	43	YES	YES
San Gabriel	Los Angeles	1	YES	NO
Santa Monica	Los Angeles	18	YES	YES
Sierra Madre	Los Angeles	14	YES	NO
South Pasadena	Los Angeles	3		YES
West Hollywood	Los Angeles	68	YES	YES
Whittier	Los Angeles	24	YES	NO
Belvedere	Marin	1	YES	NO
Larkspur	Marin	1	YES	NO
Monterey (city)	Monterey	5	YES	YES
Monterey (county) (pending)	Monterey			YES
Napa (city)	Napa	0	NO	YES
St. Helena	Napa	0	YES	NO
Anaheim	Orange	97	YES	NO
Brea	Orange	5	NO	NO
Dana Point	Orange	5	YES	NO
Irvine	Orange	1		NO
Laguna Beach	Orange	5	YES	NO
La Mesa	Orange	0		NO
Orange (city)	Orange	74	YES	NO
San Clemente	Orange	16	YES	YES
San Juan Capistrano	Orange	1		NO
Santa Ana	Orange	10	YES	YES
Tustin	Orange	6	YES	YES
Placer (county)	Placer	0	YES	NO
Corona	Riverside	5	YES	NO
Palm Springs	Riverside	1	YES	NO
Sacramento (city)	Sacramento	29	YES	YES
Colton	San Bernardino	12	YES	YES
Highland	San Bernardino	2	NO	YES
Ontario	San Bernardino	11	NO	YES
Rancho Cucamonga	San Bernardino	22	YES	NO
Upland	San Bernardino	28	NO	NO

COMMUNITIES PARTICIPATING IN MILLS ACT PROGRAM

Jurisdiction	County	# of Contracts	Ordinance	Certified Local Government
Chula Vista	San Diego	29		NO
Coronado	San Diego	0	YES	NO
Escondido	San Diego	54	YES	YES
La Mesa	San Diego	7	YES	NO
National City	San Diego	3	YES	NO
San Diego (city)	San Diego	473	YES	YES
San Diego (county)	San Diego	13	YES	YES
San Francisco (city and county)	San Francisco	1	YES	YES
Paso Robles	San Luis Obispo		YES	NO
San Luis Obispo (city)	San Luis Obispo	19	YES	NO
Redwood City	San Mateo	5	YES	YES
San Mateo (city)	San Mateo	1	YES	NO
South San Francisco	San Mateo	6	YES	NO
Gilroy	Santa Clara			
Los Altos	Santa Clara	5	YES	YES
Morgan Hill	Santa Clara	1	YES	NO
Palo Alto	Santa Clara	2	YES	YES
San Jose	Santa Clara	3	YES	YES
Santa Clara (county)	Santa Clara	4	NO	NO
Saratoga	Santa Clara	0	YES	YES
Sunnyvale	Santa Clara	3	YES	YES
Benicia	Solano	12	YES	NO
Vallejo	Solano	2	YES	YES
Modesto	Stanislaus	12	YES	NO
Jamestown (unincorporated)	Tuolumne	1	YES	YES
Soulsbyville (unincorporated)	Tuolumne	1	YES	YES
Tuolumne (unincorporated)	Tuolumne	1	YES	YES
Tuttletown (unincorporated)	Tuolumne	1	YES	YES
Ojai	Ventura	1	YES	NO
Ventura (City)	Ventura	0	YES	NO
Ventura (county)	Ventura	1	YES	YES

Mills Act Property Tax Abatement Program

Technical Assistance Bulletin #12

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Mills Act Property Tax Abatement Program

Purpose of the Mills Act Program

Economic incentives foster the preservation of residential neighborhoods and the revitalization of downtown commercial districts. The Mills Act is the single most important economic incentive program in California for the restoration and preservation of qualified historic buildings by private property owners.

Enacted in 1972, the Mills Act legislation grants participating local governments (cities and counties) 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.

Benefits to Local Governments

The Mills Act allows local governments to design preservation programs to accommodate specific community needs and priorities for rehabilitating entire neighborhoods, encouraging seismic safety programs, contributing to affordable housing, promoting heritage tourism, or fostering pride of ownership. Local governments have adopted the Mills Act because they recognize the economic benefits of conserving resources and reinvestment as well as the important role historic preservation can play in revitalizing older areas, creating cultural tourism, building civic pride, and retaining the sense of place and continuity with the community's past.

A formal agreement, generally known as a Mills Act or Historical Property Contract, is executed between the local government and the property owner for a minimum ten-year term. Contracts are automatically renewed each year and are transferred to new owners when the property is sold. Property owners agree to restore, maintain, and protect the property in accordance with specific historic preservation standards and conditions identified in the contract. Periodic inspections by city or county officials ensure proper maintenance of the property. Local authorities may impose penalties for breach of contract or failure to protect the historic property. The contract is binding to all owners during the contract period.

Benefits to Owners

Owners of historic buildings may qualify for property tax relief if they pledge to rehabilitate and maintain the historical and architectural character of their properties for at least a ten-year period. The Mills Act program is especially beneficial for recent buyers of historic properties and for current owners of historic buildings who have made major improvements to their properties.

Mills Act participants may realize substantial property tax savings of between 40% and 60% each year for newly improved or purchased older properties because valuations of Mills Act properties are determined by the Income Approach to Value rather than by the standard Market Approach to Value. The income approach, divided by a capitalization rate, determines the assessed value of the property. In general, the income of an owner-occupied property is based on comparable rents for similar properties in the area, while the income amount on a commercial property is based on actual rent received. Because rental values vary from area to area, actual property savings vary from county to county. In addition, as County Assessors are required to assess all properties annually, Mills Act properties may realize slight increases in property taxes each year.

Qualified Historic Property

A qualified historic property is a property listed on any federal, state, county, or city register, including the *National Register of Historic Places*, *California Register of Historical Resources*, California Historical Landmarks, State Points of Historical Interest, and locally designated landmarks. Owner-occupied family residences and income-producing commercial properties may qualify for the Mills Act program.

OHP's Role

OHP provides technical assistance and guidance to local governments and property owners. OHP maintains a current list of communities participating in the Mills Act program and copies of Mills Act ordinances, resolutions, and contracts that have been adopted. OHP does not participate in the negotiations of the agreement and is not a signatory to the contract.

For Additional Information

Contact the planning department of the city or county within which the historic property is located.

California's four largest cities (Los Angeles, San Diego, San Francisco, and San Jose) as well as more than 75 other city and county governments have instituted Mills Act programs. A list of communities participating in the Mills Act Program is available online at http://www.ohp.parks.ca.gov/default.asp?page_id=21412.

For additional information on the Mills Act, please contact Maryln Lortie in the Office of Historic Preservation, PO Box 942896, Sacramento CA 94296-0001, (916) 653-8911, mlort@ohp.parks.ca.gov.

California State Codes Relating to Mills Act Program

California Government Code, Article 12, Sections 50280 - 50290

50280. Restriction of property use.

Upon the application of an owner or the agent of an owner of any qualified historical property, as defined in Section 50280.1, the legislative body of a city, county, or city and county may contract with the owner or agent to restrict the use of the property in a manner which the legislative body deems reasonable to carry out the purposes of this article and of Article 1.9 (commencing with Section 439) of Chapter 3 of Part 2 of Division 1 of the Revenue and Taxation Code. The contract shall meet the requirements of Sections 50281 and 50282.

50280.1. Qualified historic property.

"Qualified historical property" for purposes of this article, means privately owned property which is not exempt from property taxation and which meets either of the following:

- (a) 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.
- (b) Listed in any state, city, county, or city and county official register of historical or architecturally significant sites, places, or landmarks.

50281. Required contract provision.

Any contract entered into under this article shall contain the following provisions:

- (a) The term of the contract shall be for a minimum period of 10 years.
- (b) Where applicable, the contract shall provide the following:
 - (1) 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 Department of Parks and Recreation, the United States Secretary of the Interior's Standards for Rehabilitation, and the State Historical Building Code.
 - (2) For the periodic examinations of the interior and exterior of the premises by the assessor, the Department of Parks and Recreation, and the State Board of Equalization as may be necessary to determine the owner's compliance with the contract.
 - (3) 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.
- (c) The owner or agent of an owner shall provide written notice of the contract to the Office of Historic Preservation within six months of entering into the contract.

50281.1. Fees.

The legislative body entering into a contract described in this article may require that the property owner, as a condition to entering into the contract, pay a fee not to exceed the reasonable cost of administering this program.

50282. Renewal.

(a) Each contract shall 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 section. If the property owner or the legislative body 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 legislative body at least 60 days prior to the renewal date, one year shall automatically be added to the term of the contract.

(b) Upon receipt by the owner of a notice from the legislative body of nonrenewal, the owner may make a written protest of the notice of nonrenewal. The legislative body may, at any time prior to the renewal date, withdraw the notice of nonrenewal.

(c) If the legislative body 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.

(d) The owner shall furnish the legislative body with any information the legislative body shall require in order to enable it to determine the eligibility of the property involved.

(e) No later than 20 days after a city or county enters into a contract with an owner pursuant to this article, the clerk of the legislative body shall record with the county recorder a copy of the contract, which shall describe the property subject thereto. From and after the time of the recordation, this contract shall impart a notice thereof to all persons as is afforded by the recording laws of this state.

50284. Cancellation.

The legislative body may cancel a contract if it determines that the owner has breached any of the conditions of the contract provided for in this article or has allowed the property to deteriorate to the point that it no longer meets the standards for a qualified historical property. The legislative body may also cancel a contract if it determines that the owner has failed to restore or rehabilitate the property in the manner specified in the contract.

50285. Consultation with state commission.

No contract shall be canceled under Section 50284 until after the legislative body has given notice of, and has held, a public hearing on the matter. Notice of the hearing shall be mailed to the last known address of each owner of property within the historic zone and shall be published pursuant to Section 6061.

50286. Cancellation.

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(a) If a contract is canceled under Section 50284, 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.

(b) The cancellation fee shall be paid to the county auditor, at the time and in the manner that the county auditor shall prescribe, and shall be allocated by the county auditor 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.

(c) Notwithstanding any other provision of law, revenue received by a school district pursuant to this section shall be considered property tax revenue for the purposes of Section 42238 of the Education Code, and revenue received by a county superintendent of schools pursuant to this section shall be considered property tax revenue for the purposes of Article 3 (commencing with Section 2550) of Chapter 12 of Part 2 of Division 1 of Title 1 of the Education Code.

50287. Action to enforce contract.

As an alternative to cancellation of the contract for breach of any condition, the county, city, or any landowner 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.

50288. Eminent domain.

In the event that property subject to contract under this article 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 legislative body to frustrate the purpose of the contract, such contract shall be canceled and no fee shall be imposed under Section 50286. Such contract shall be deemed null and void for all purposes of determining the value of the property so acquired.

50289. Annexation by city.

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

50290. Consultation with state commission.

Local agencies and owners of qualified historical properties may consult with the State Historical Resources Commission for its advice and counsel on matters relevant to historical property contracts.

California Revenue and Taxation Code, Article 1.9, Sections 439 – 439.4

439. Historical Property Restrictions; enforceably restricted property.
For the purposes of this article and within the meaning of Section 8 of Article XIII of the Constitution, property is "enforceably restricted" if it is subject to an historical property contract executed pursuant to Article 12 (commencing with Section 50280) of Chapter 1 of Part 1 of Division 1 of Title 5 of the Government Code.

439.1. Historical Property; definitions.
For purposes of this article "restricted historical property" means qualified historical property, as defined in Section 50280.1 of the Government Code, that is subject to a historical property contract executed pursuant to Article 12 (commencing with Section 50280) of Chapter 1 of Part 1 of Division 1 of Title 5 of the Government Code. For purposes of this section, "qualified historical property" includes qualified historical improvements and any land on which the qualified historical improvements are situated, as specified in the historical property contract. If the historical property contract does not specify the land that is to be included, "qualified historical property" includes only that area of reasonable size that is used as a site for the historical improvements.

439.2. Historical Property; valuation.
When valuing enforceably restricted historical property, the county assessor shall not consider sales data on similar property, whether or not enforceably restricted, and shall value that restricted historical property by the capitalization of income method in the following manner:

(a) The annual income to be capitalized shall be determined as follows:

(1) Where sufficient rental information is available, the income shall be the fair rent that can be imputed to the restricted historical property being valued based upon rent actually received for the property by the owner and upon typical rentals received in the area for similar property in similar use where the owner pays the property tax. When the restricted historical property being valued is actually encumbered by a lease, any cash rent or its equivalent considered in determining the fair rent of the property shall be the amount for which the property would be expected to rent were the rental payment to be renegotiated in the light of current conditions, including applicable provisions under which the property is enforceably restricted.

(2) Where sufficient rental information is not available, the income shall be that which the restricted historical property being valued reasonably can be expected to yield under prudent management and subject to applicable provisions under which the property is enforceably restricted.

(3) If the parties to an instrument that enforceably restricts the property stipulate therein an amount that constitutes the minimum annual income to be capitalized, then the income to be capitalized shall not be less than the amount so stipulated. For purposes of this section, income shall be determined in accordance with rules and

regulations issued by the board and with this section and shall be the difference between revenue and expenditures. Revenue shall be the amount of money or money's worth, including any cash rent or its equivalent, that the property can be expected to yield to an owner-operator annually on the average from any use of the property permitted under the terms by which the property is enforceably restricted. Expenditures shall be any outlay or average annual allocation of money or money's worth that can be fairly charged against the revenue expected to be received during the period used in computing the revenue. Those expenditures to be charged against revenue shall be only those which are ordinary and necessary in the production and maintenance of the revenue for that period. Expenditures shall not include depletion charges, debt retirement, interest on funds invested in the property, property taxes, corporation income taxes, or corporation franchise taxes based on income.

(b) The capitalization rate to be used in valuing owner-occupied single family dwellings pursuant to this article shall not be derived from sales data and shall be the sum of the following components:

(1) An interest component to be determined by the board and announced no later than September 1 of the year preceding the assessment year and that was the yield rate equal to the effective rate on conventional mortgages as determined by the Federal Housing Finance Board, rounded to the nearest 1/4 percent.

(2) A historical property risk component of 4 percent.

(3) A component for property taxes that shall be a percentage equal to the estimated total tax rate applicable to the property for the assessment year times the assessment ratio.

(4) A component for amortization of the improvements that shall be a percentage equivalent to the reciprocal of the remaining life.

(c) The capitalization rate to be used in valuing all other restricted historical property pursuant to this article shall not be derived from sales data and shall be the sum of the following components:

(1) An interest component to be determined by the board and announced no later than September 1 of the year preceding the assessment year and that was the yield rate equal to the effective rate on conventional mortgages as determined by the Federal Housing Finance Board, rounded to the nearest 1/4 percent.

(2) A historical property risk component of 2 percent.

(3) A component for property taxes that shall be a percentage equal to the estimated total tax rate applicable to the property for the assessment year times the assessment ratio.

(4) A component for amortization of the improvements that shall be a percentage equivalent to the reciprocal of the remaining life.

(d) Unless a party to an instrument that creates an enforceable restriction expressly prohibits the valuation, the valuation resulting from the capitalization of income method described in this section shall not exceed the lesser of either the valuation that would have resulted by calculation under Section 110, or the valuation that would have resulted by calculation under Section 110.1, as though the property was not subject to an enforceable restriction in the base year.

(e) The value of the restricted historical property shall be the quotient of the income determined as provided in subdivision (a) divided by the capitalization rate determined as provided in subdivision (b) or (c).

(f) The ratio prescribed in Section 401 shall be applied to the value of the property determined in subdivision (d) to obtain its assessed value.

439.3. Historical Property; notice of nonrenewal.

Notwithstanding any provision of Section 439.2 to the contrary, if either the county or city or the owner of restricted historical property subject to contract has served notice of nonrenewal as provided in Section 50282 of the Government Code, the county assessor shall value that restricted historical property as provided in this section.

(a) Following the hearing conducted pursuant to Section 50285 of the Government Code, subdivision (b) shall apply until the termination of the period for which the restricted historical property is enforceably restricted.

(b) The board or assessor in each year until the termination of the period for which the property is enforceably restricted shall do all of the following:

(1) Determine the full cash value of the property pursuant to Section 110.1. If the property is not subject to Section 110.1 when the restriction expires, the value shall be determined pursuant to Section 110 as if the property were free of contractual restriction. If the property will be subject to a use for which this chapter provides a special restricted assessment, the value of the property shall be determined as if it were subject to the new restriction.

(2) Determine the value of the property by the capitalization of income method as provided in Section 439.2 and without regard to the fact that a notice of nonrenewal or cancellation has occurred.

(3) Subtract the value determined in paragraph (2) of this subdivision by capitalization of income from the full cash value determined in paragraph (1).

(4) Using the rate announced by the board pursuant to paragraph (1) of subdivision (b) of Section 439.2, discount the amount obtained in paragraph (3) for the number of years remaining until the termination of the period for which the property is enforceably restricted.

(5) Determine the value of the property by adding the value determined by the capitalization of income method as provided in paragraph (2) and the value obtained in paragraph (4).

(6) Apply the ratios prescribed in Section 401 to the value of the property determined in paragraph (5) to obtain its assessed value.

439.4. Historical Property; recordation.

No property shall be valued pursuant to this article unless an enforceable restriction meeting the requirements of Section 439 is signed, accepted and recorded on or before the lien date for the fiscal year in which the valuation would apply.

City of Anaheim
Example-Fiscal Impact Discussion

PM



CITY OF ANAHEIM, CALIFORNIA

Community Development Department
Housing and Neighborhood Preservation Office
201 S. Anaheim Blvd., 2nd Floor
Anaheim, CA 92805
Telephone: (714) 765-4320
FAX: (714) 765-4331

DATE: DECEMBER 12, 2000

TO: CITY MANAGER/CITY COUNCIL

FROM: COMMUNITY DEVELOPMENT DEPARTMENT

SUBJECT: ESTABLISHMENT OF A MILLS ACT PROGRAM FOR THE PRESERVATION OF HISTORIC STRUCTURES

RECOMMENDATION:

That the City Council, by motion, approve a Mills Act Program for the preservation of historic structures.

DISCUSSION:

The Mills Act is a state law enacted in 1972 that encourages the preservation and maintenance of qualified historic structures. The Act permits cities to enter into agreements with owners of Qualified Historic Structures to preserve and maintain their properties, in exchange for the County Assessor assessing their property by utilizing a formula established by the State.

In recent times, staff has received numerous inquiries from owners of historic structures in the Anaheim Colony Historic District, asking whether the City of Anaheim would implement such a program. Staff researched Mills Act programs in Orange County and Los Angeles County and is recommending establishment of such a program for Anaheim.

With Council approval of the attached program guidelines, the Mills Act program can be implemented for owners of eligible Qualified Historic Structures. This program will have a positive impact on the Historic District as well as individual homes, serving as an incentive for property owners to restore, rehabilitate, and maintain their properties in accordance with standards established by the United States Secretary of the Interior.

Establishment of the Mills Act Program was discussed on two recent occasions at the Anaheim Colony Neighborhood Council, which endorsed the program. This item was also brought as an action item on November 13, 2000 to the

City Manager/City Council
Mills Act Program
Page 2

Anaheim Redevelopment and Housing Commission. The Redevelopment and Housing Commission recommended Council approval of the Mills Act Program.

IMPACT ON THE BUDGET:

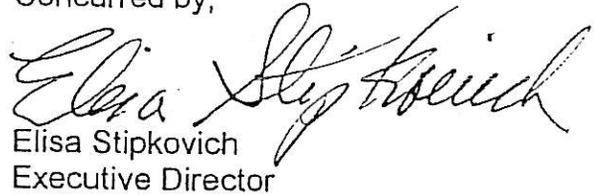
Estimated impact to the General Fund of \$6,000 per year.

Respectfully submitted,



Bertha Chavoya
Housing Manager

Concurred by,



Elisa Stipkovich
Executive Director

Attachments

City of Anaheim Mills Act Program

Background

The Mills Act, enacted in 1972, permits the City to enter into agreements with persons owning Qualified Historical Structures reducing property taxes based on a State formula. Mills Act participants may realize a property tax saving of approximately 50% per year.

Program Purpose

To establish guidelines permitting persons owning Qualified Historic Structures to enter into agreements implementing the Mills Act in Anaheim. The guidelines will establish the means by which such owners can apply for Mills Act agreements. These guidelines will encourage purchase and rehabilitation of historical structures.

Qualified Historical Properties

1. Listed on the National Register of Historical places.
2. Listed on the City of Anaheim's List of Historical Structures and in compliance with all housing codes and the Department of Interior Standards.

Required Contract Provisions

1. Term is for 10 years with an evergreen provision providing one year automatic extensions annually.
2. Property must be maintained in accordance with United States Department of the Interior Standards and City Housing Code and State Historical Building and Housing Codes.
3. Property shall be available for periodic examinations by the City, County Assessor and State Officials.
4. Each party may file a Notice of Non-Renewal; however the City may cancel the Contract if the Owner has breached any of the conditions only after holding a public hearing.

Historical Property Valuation

The County Assessor does not consider sales data to set value, but rather utilizes the capitalization of income approach. The property tax is set by using estimated market rent minus expenses, divided by a capitalization rate set by State regulations.

Procedures

- Staff will process a maximum of 30 Agreements per calendar year.
- Fee: No fee will be charged for processing of applications.
- A letter explaining the provisions of the Mills Act program and application will be sent to the 160 property owners whose houses were surveyed in depth.
- Applications will be processed on a first-come first-served basis, with priority given to those applications that are complete.
- Following receipt of a completed application, NPO staff will review the application and inspect the property for improvements made to the exterior of the structure for compliance with the U.S. Secretary of Interior Standards and proposed improvements.
- If the structure is in non-compliance, the applicant will have 6 months to make the improvements, with a 6-month extension if the applicant has shown good-faith efforts to make the improvements.
- The Mills Act Agreement for the property is prepared and executed by the property owner and Executive Director of the Community Development Department.
- The Agreement is recorded with the County Recorder and forwarded to the Orange County Tax Assessor's office for calculation of the tax savings.

City of Santa Monica
 Examples of Contracts-Fiscal Impact
 2004

Attachment L
 2004 -- SUMMARY OF FINANCIAL ANALYSIS FOR MILLS ACT CONTRACTS**

Property Address	Assessed Value (Prop. 13)	Est. Assessed Value (MILLS ACT)	Current Tax (Prop. 13)	Est. Tax (MILLS ACT)	Est. Mills Act Tax as a % of Current Tax	City Revenue (Prop. 13)	City Revenue (MILLS ACT)	City Revenue Reduction
140 Hollister Avenue #1	\$424,820	\$229,091	\$5,027	\$2,371	47.2%	\$804	\$379	(\$425) -52.8%
140 Hollister Avenue #2	\$408,363	\$229,091	\$4,849	\$2,371	48.9%	\$776	\$379	(\$396) -51.1%
140 Hollister Avenue #3	\$481,014	\$229,091	\$5,332	\$2,371	44.5%	\$853	\$379	(\$474) -55.5%
140 Hollister Avenue #4	\$390,922	\$229,091	\$4,586	\$2,371	51.7%	\$734	\$379	(\$354) -48.3%
2034 La Mesa Drive	\$3,570,000	\$840,000	\$39,113	\$8,695	22.2%	\$6,258	\$1,391	(\$4,867) -77.8%
147 Georgina Avenue	\$2,714,000	\$1,145,455	\$29,266	\$11,857	40.5%	\$4,683	\$1,897	(\$2,785) -59.5%
2511 Beverly Avenue	\$2,100,000	\$397,091	\$23,100	\$4,110	17.8%	\$3,696	\$658	(\$3,038) -82.2%
2402 4th Street #4	\$540,000	\$160,364	\$4,593	\$1,660	36.1%	\$735	\$266	(\$469) -63.9%
2621 2nd Street	\$1,350,000	\$290,182	\$14,850	\$3,004	20.2%	\$2,376	\$481	(\$1,895) -79.8%
822 3rd Street	\$1,988,636	\$613,718	\$21,875	\$6,353	29.0%	\$3,500	\$1,016	(\$2,484) -71.0%
406 Adelaide Drive	\$4,584,900	\$2,290,909	\$50,026	\$23,714	47.4%	\$8,004	\$3,794	(\$4,210) -52.6%
Total						\$32,419	\$11,021	-\$21,398 -66.0%

**This worksheet provides only an estimate analysis. The County of Los Angeles Office of the Assessor is responsible for calculating official Mills Act property tax assessments.

City of Santa Monica
 Examples of Contracts-Fiscal Impact
 2005

Attachment I
 2005 -- SUMMARY OF ESTIMATE FINANCIAL ANALYSIS FOR MILLS ACT CONTRACTS**

Property Address	Assessed Value (Prop. 13)	Est. Assessed Value (MILLS ACT)	Current Tax (Prop. 13)	Est. Tax (MILLS ACT)	Est. Mills Act Tax as a % of Current Tax	City Revenue (Prop. 13)	City Revenue (MILLS ACT)	City Revenue Reduction
331 Palisades Avenue	\$4,600,000	\$840,000	\$50,729	\$8,695	17.1%	\$8,117	\$1,391	(\$6,725) -82.9%
710 Adelaide Place	\$2,200,000	\$687,273	\$22,773	\$7,114	31.2%	\$3,644	\$1,138	(\$2,505) -68.8%
1911 La Mesa Drive	\$3,839,078	\$916,364	\$42,345	\$9,486	22.4%	\$6,775	\$1,518	(\$5,257) -77.6%
1333 Ocean Avenue	\$2,940,000	\$2,305,333	\$32,538	\$23,864	73.3%	\$5,206	\$3,818	(\$1,388) -26.7%
1337 Ocean Avenue	\$2,705,000	\$1,798,333	\$29,779	\$18,615	62.5%	\$4,765	\$2,978	(\$1,786) -37.5%
2619 3rd Street	\$1,361,146	\$519,273	\$15,100	\$5,375	35.6%	\$2,416	\$860	(\$1,556) -64.4%
404 Georgina Avenue	\$2,485,000	\$534,545	\$27,323	\$5,533	20.3%	\$4,372	\$885	(\$3,486) -79.7%
142 Adelaide Drive	\$3,197,655	\$916,364	\$34,940	\$9,486	27.1%	\$5,590	\$1,518	(\$4,073) -72.9%
Total						\$40,884	\$14,107	-\$26,777 -65.5%

**This worksheet provides only an estimate analysis. The County of Los Angeles Office of the Assessor is responsible for calculating official Mills Act property tax assessments each year.

City of Santa Monica
 Examples of Contracts-Fiscal Impact
 2006

Attachment C

2006 -- SUMMARY OF ESTIMATE FINANCIAL ANALYSIS FOR MILLS ACT CONTRACTS**

Property Address	Assessed Value (Prop. 13)	Est. Assessed Value (MILLS ACT)	Current Tax (Prop. 13)	Est. Tax (MILLS ACT)	Est. Mills Act Tax as a % of Current Tax	Est. Reduction in Property Tax	City Revenue (Prop. 13)	City Revenue (MILLS ACT)	City Revenue Reduction
2614 2nd Street	\$729,175	\$267,273	\$7,971	\$2,767	34.7%	-\$5,204	\$1,275	\$443	-\$833
501 24th Street	\$2,700,806	\$763,636	\$31,757	\$7,905	24.9%	-\$23,852	\$5,081	\$1,265	-\$3,816

**This worksheet provides only an estimate analysis. The County of Los Angeles Office of the Assessor is responsible for calculating official Mills Act property tax assessments each year.

City of Riverside Planning Department

Mills Act Application

Thank you for your interest in the City of Riverside's Mills Act Program. In order for your property to be considered for a contract you must have a designated historic resource listed on any city, county, state or federal register. City designations are: Landmark, Structure of Merit, and contributor to a designated Historic District or Neighborhood Conservation Area.

The City of Riverside accepts seven (7) Mills Act contracts per year – five residential and two commercial, or up to seven residential if no commercial applications are submitted. Applications will be accepted during the month of June and must be submitted with a non-refundable application fee of \$25. Incomplete applications will not be considered. The seven (7) contracts will be randomly selected for the program. Once accepted, a contract initiation fee of \$300 will be due. All contracts are reviewed by the Cultural Heritage Board and referred to the City Council for approval.

A ten-year rehabilitation plan is required as part of the application and will be re-evaluated every five (5) years or as needed. Upon acceptance to the program your property will be subject to an initial inspection by Cultural Heritage staff to assist you in finalizing the rehabilitation plan and to photo document the current condition of the property. You will be required to submit annual reports on completed project(s), along with copies of receipts and building permits where applicable. City staff will conduct annual property inspections to ensure that proposed work has been completed and meets all applicable City standards.

This packet is designed to assist you in completing the Mills Act Application. The application packet is also available on line at www.riversideca.gov. If you have any questions please contact Janet Hansen, Historic Preservation Specialist at (951) 826-5463.

This packet includes:

- Mills Act Fact Sheet
- City Mills Act Resolution
- Application Checklist
- Application
- Financial Analysis
- Ten-year Rehabilitation Plan Form
- Potential Project List
- Property Owner Annual Report
- Description of the Monitoring Program
- State Mills Act Legislation
- Secretary of the Interior's Standards for Rehabilitation

EXHIBIT 4

Mills Act Application Checklist

- Completed Application Form
- Tax Savings Calculation
- Ten year plan for property improvements
- Grant Deed with legal description of property
 - \$25 Non-Refundable Application Fee

City of Riverside Mills Act Application

Property Information

Property Address _____

APN: _____

Owner _____

Owner Address _____

Owner Telephone Number: Daytime _____ Evening _____

Use of Property _____

Eligibility for Program:

- City Landmark City Structure of Merit
- County Landmark California Register
- State Landmark State Point of Historical Interest
- National Register National Historic Landmark
- Contributor to a Designated Historic District
- Contributor to a Designated Neighborhood Conservation Area

Name of District or NCA _____

Date of Designation _____

CITY OF RIVERSIDE MILLS ACT FINANCIAL ANALYSIS FORM

Please complete the following form. Instructions are included in the *Checklist for Mills Act Contract*

	CURRENT	ONE	TWO	THREE	FOUR
INCOME					
1. Monthly Rental Income	_____	_____	_____	_____	_____
2. Annual Rental Income	_____	_____	_____	_____	_____
ANNUAL EXPENSES					
3. Insurance	_____	_____	_____	_____	_____
4. Utilities	_____	_____	_____	_____	_____
5. Maintenance / Repairs	_____	_____	_____	_____	_____
Management	_____	_____	_____	_____	_____
7. Other	_____	_____	_____	_____	_____
8. Total	_____	_____	_____	_____	_____
NET OPERATING INCOME					
9. Net Operating Income	_____	_____	_____	_____	_____
CAPITALIZATION RATE					
10. Interest Component	_____	_____	_____	_____	_____
11. Historical Property Risk Component	_____	_____	_____	_____	_____
12. Amortization Component	_____	_____	_____	_____	_____
13. Property Tax Component	_____	_____	_____	_____	_____
14. Capitalization Rate	_____	_____	_____	_____	_____
TAXES					
15. Mills Act Assessment Value	_____	_____	_____	_____	_____
16. Mills Act Taxes	_____	_____	_____	_____	_____
17. Current Taxes	_____	_____	_____	_____	_____
18. Tax Savings	_____	_____	_____	_____	_____

How to Complete the Mills Act Financial Analysis

Income:

1. Monthly Rental Income:

When a property is owner-occupied, the determination of "income" is based on what a property could reasonably be expected to yield, or an amount stipulated in the contract as the minimum income to be used. The income projected for owner-occupied property is based on comparable rents for similar property in the area, or, if insufficient rental information is available, the income that it could reasonably be expected to produce under prudent management. In the case of income producing property, the income amount is based on rent actually received and on typical rentals received for similar property in similar use. Two suggested methods for documenting comparable rents are through newspaper advertisements or a real estate or management company comparables.

2. Annual Rental Income:

Annual Rental Income is calculated by multiplying the monthly rental income by twelve (12) months. Subtract a reasonable amount or percentage for vacancy and collection. 3-5% is a reasonable percentage.

Annual Expenses:

- 3-8. Add typical expenses such as insurance, utilities, maintenance and repairs, and management fees to arrive at annual expenses. Excluded expenses include debt service, depletion charges, and interest on funds invested in the property.

Net Operating Income

Subtract annual expenses (Line 8) from Income (Line 2)

Capitalization Rate

The capitalization rate for both owner-occupied and income-producing property includes an interest component, an historical property risk component, an amortization component, and a property tax component.

9. An interest component is determined by the State Board of Equalization and announced no later than September 1 of the year preceding the assessment year (the yield rate is equal to the effective rate on conventional mortgages as determined by the Federal Home Loan Bank Board, rounded to the nearest ¼ percent)
10. The historical property risk component is 4% in the case of owner-occupied single-family dwellings. In all other cases, the property risk component is 2%.

11. The amortization component is a percentage equal to the reciprocal of the remaining life of the improvements. Although this calculation varies by individual structure, as an estimate, the typical remaining life of a frame building would be 20 years; for masonry buildings, the remaining life might be up to 50 years.
12. The property taxes component is defined as the “percentage of the estimated total tax rate applicable to the property for the assessment year times the assessment ratio.” This component will be 1% (0.1 post-Prop 13 tax rate X 100% assessment ratio). Special district assessments are not included in this component. The Riverside Tax Assessor’s Office has the latest tax rate area information at (951) 955-6250.
13. The capitalization rate is the sum of Line 9 to 12.

Taxes

14. Calculate the Mills Act Assessment by dividing the net operating income by the capitalization rate
15. Calculate the tax under the Mills Act by multiplying the Mills Act Assessment (Line 14) by .01142593 and then add in the direct assessments as shown on your tax bill. (The Mills Act does not allow a reduction in direct assessment taxes)
16. Write in the current total taxes due. (The subsequent years are increased by 2%)
17. Calculate the tax savings by subtracting the current tax under the Mills Act. (Line 15)

MILLS ACT PROGRAM TEN-YEAR REHABILITATION PLAN
City of Riverside

Year	Proposed Project*	Estimated Cost
Year 1		
Year 2		
Year 3		
Year 4		
Year 5		
Year 6		
Year 7		
Year 8		
Year 9		
Year 10		

To be attached to the Historic Property Preservation Agreement (Mills Act Contract) as Exhibit D.

*See attached for list of potential projects. Use additional sheets if necessary.

Projects may be interior or exterior, but must utilize all of your tax savings. All projects that affect the exterior of the residence are subject to Cultural Heritage Board/Staff review and approval before work begins. Work must meet all City requirements and the *Secretary of the Interior's Standards for Rehabilitation* (see attached).

Retain copies of all receipts and permits for submittal with the required annual reports.

MILLS ACT PROGRAM – LIST OF POTENTIAL PROJECTS

Projects may include but are not limited to:

- Access Modifications – Exterior
- Access Modifications – Interior
- Accessory Structure Repair or Replace
- Annual Maintenance & Repairs
- Appliance Vent
- Architectural – Remove Non-historic Feature & Restore to Original
- Architectural Trim – Repair
- Architectural Trim – Replace
- Architectural Trim – Install New
- Balcony/ Decks – New Railings
- Balcony/ Decks – Repair or Replace
- Basement – Access – Repair or Replace to Code
- Basement – New or Rebuild
- Cabinets – New Built-in Bathroom
- Cabinets – New Built-in Kitchen
- Cabinets – New Built-in Other
- Carpentry – Remove window & reframe shower including Siding/Caulking
- Chimney – Inspect and Clean
- Chimney – New
- Chimney – Rebuild or Repair
- Code Repair Item
- Column – Replace or Rebuild
- Corbels/ Structural Brackets Replace or Repair
- Door – Repair or Replace Screen Door
- Door – Hardware
- Door – New Basement Hatch Cover and Base
- Door – Repair
- Door – Replacement
- Drain for Deck – Install & or Repair
- Drainage Protection or Correction
- Dry-Rot Remove, Repair and or Replace
- Electrical – Rewire or Install New Outlets
- Electrical – Complete Rewire and Service Upgrade
- Electrical – Ground & Service Entry
- Electrical – Install New Circuits
- Electrical – Lighting Fixtures
- Electrical – New Service Lines to Garage
- Electrical – Security Lighting and Alarm
- Electrical – New Outlets
- Fence – Repair or New
- Flashing
- Floor Furnace – Remove or Restore floor

Flooring – Carpet
Flooring – Repair
Flooring – Repair Wood Floors
Flooring – Replacement
Foundation – Bolting and Seismic Work
Foundation – New
Foundation – Repair
Gable or Attic – Re-screening
Garage Door
Gutters & Downspouts
House Relocation
HVAC – Complete New System
HVAC – Maintenance & Replacement/Plumbing Service & Painting
Insulation – Walls – Blown-in
Insulation – Attic
Interior Trim – Refinish
Kitchen – New Counters
Masonry – New
Masonry – Repair or Replace Tile Hearth
Masonry – Repair or Repoint
Masonry – Repoint Brick
Mechanical – Air Conditioning
Mechanical – Heating Unit
Mechanical – Ventilation – New Kitchen/Bath Fan & Duct Work
Mechanical – Venting & Duct
Mechanical – Venting & Duct Work
Minor Painting and Exterior Repairs
Painting – Exterior
Painting – Interior
Painting – Removal of Lead Based Paint
Painting – Exterior Trim
Patio – Repair
Plastering – Remove, Replace, or Refinish
Plumbing – DWV, Drain, Waste & Vent
Plumbing – Fixtures
Plumbing – Install new supply lines
Plumbing – Install Sump Pump & Discharge Drain
Plumbing – Minor Repairs
Plumbing – New Supply
Plumbing – Service Lines
Plumbing – Sewer
Plumbing Repairs
Porch - Ceiling replacement
Porch – Rebuild or Replace
Porch – Repair
Porch – Repoint Brick

Porch Railing – Repair or Replace to Code
Porches – Resurface
Remove Substandard Construction (Tin Shed)
Repair Eaves and/or Overhangs
Repair Exterior Stucco
Repair Garage
Replace Garage
Replace Non-Historic Feature
Roof- Minor Repair
Roof- Reroof
Roof- Strip and Install New
Security Lighting and Alarm System
Seismic Retrofitting – Other than Foundation
Siding – Remove Asbestos Siding & Restore
Siding – Repair
Skylights – Replace
Stair – Repair
Stair – Replacement
Stonework
Stoop – Repair
Stoop – Replacement
Structural – New Framing or Repairs
Structural Bracing
Structural Modifications
Structural Repairs – Roof and/or Ceiling Joists
Termite Treatment
Termite Treatment and Repair
Tile – Replace, Repair or Repoint
Utility Enclosure – New
Ventilation – Attic Fan
Waterproofing
Weatherproofing
Window – Screens or Hardware
Windows – Repair
Windows – Replacement in kind

**MILLS ACT PROGRAM
PROPERTY OWNER ANNUAL REPORT**

Property Address: _____ Date _____

What were your tax savings this year? _____

What was your project(s)? _____

What was the cost of the project(s)? _____

Based on the results of this project would you like to revise your Ten-Year Plan? _____

If so, how? _____

Comments/ Suggestions:

(Attached additional sheets if necessary)

Name _____ Signature _____

IMPORTANT: Attach copies of Receipts and Permits to this form for documentation

Return form by December 30th to:

Janet Hansen
Historic Preservation Specialist
City of Riverside
City Hall
3900 Main Street, 3rd Floor
Riverside, CA 92522

**MILLS ACT PROGRAM
CITY STAFF ANNUAL INSPECTION REPORT**

Date of inspection: _____ Drive-by Site Visit

Staff Name: _____

Was work completed in accordance with all City requirements? Yes No

Comments: _____

Signature: _____

MILLS ACT PROGRAM PROPERTY INSPECTION INFORMATION

Initial Inspection:

If you are selected to participate in the Mills Act, City Cultural Heritage staff will complete an initial inspection of your property to help finalize your Ten-Year Rehabilitation Plan and to photo document the current condition of the property. Photographs will be attached to the Historic Property Preservation Agreement (Mills Act Contract) as Exhibit C. The inspection will be scheduled at a time that is convenient for you and will include a walk-through of the residence and any accessory buildings as well as a general inspection of the property.

Yearly Inspection:

City Cultural Heritage staff will inspect your property annually (during the month of January, following submittal of your Annual Report) to ensure that work has been completed in accordance with the Ten-Year Rehabilitation Plan and all City requirements. Exterior work that is easily visible from the street may be inspected without an appointment. Interior work will require an inspection appointment. Photographs will be taken as part of the inspection for inclusion in you file.



City of Santa Barbara Parks and Recreation Department
 P.O. Box 1990, Santa Barbara, CA 93102-1990 (805) 897-1982

APPLICATION FOR FACILITY & EQUIPMENT USE PERMIT

Cabrillo Pavilion Arts Center - Chase Palm Park Center - Casa Las Palmas

Facility: (Please circle one of the above)

Applicant _____
 Organization/Dept _____
 Mailing Address _____
 City, State Zip _____
 Phone: Day _____
 Email _____

Rental Date _____ Day _____
 Event Description _____
 Estimated Attendance _____
 Total Rental Hours (incl. setup & cleanup): _____ to _____

Type of Event: City/Govt. Educational/Training

Will you use our P.A. System/ mic? Y N Explain _____

Will you pick up the facility key? Y N Who _____

Use the Tables and/or chairs? Y N If Not Explain _____

Props or Decorations? Y N Explain _____

Catering lunch or dinner? Y N Explain _____

Onsite Contact Person? _____

I have read and am familiar with the 'housekeeping' rules and regulations pertaining to the facility, and equipment use.

Signature of Applicant _____ Date _____

FOR OFFICE USE ONLY

FEES:			
Facility Use (<u>hours @ \$ /hour</u>		
Bldg. Monitor (<u>hours @ \$15/hour</u>		Transfer Funds Acct. #
		Payment	Receipt # Balance
Set-Up Fee	(Tables, chairs)		
Cleaning Fee			
Other: _____			
TOTAL			

**Housekeeping Rules and Regs.
Facility Use Cooperation Statement**

Please read the following statements and initial next to each indicating you have read and understand our facility guidelines.

- _____ I understand that all equipment must be dropped off during the contracted event times and I also understand that no items may be left overnight.

- _____ I understand all parties involved in the event may not enter earlier or vacate later than the contracted event times.

- _____ I understand plants or paintings must not be moved.

- _____ I understand barbecuing is allowed outside this facility, but only on the asphalt (black top) surface in the driveway.

- _____ I understand I am responsible for all trash, bottles & cans to be bagged, tied and removed from the facility and dumped into the trashcans outside the facility.
(Lock Combo for Chase Palm Park Center is 7.1.9.6)

- _____ I understand it is the City's policy to recycle all available items.

- _____ I understand buckets containing ice or drinks must sit on a bar mat and not directly on the carpet or linoleum.

- _____ I understand ice and/or liquids must be dumped in the sink and not on the patios, in the plants or on the grounds in or around the building.

- _____ I understand that nails, staples, thumbtacks or tape with permanent adhesive may not be used to hang props or decorations.

- _____ I understand any extension cords used in the facility must be taped down to the carpet/floor.

- _____ I understand that if we choose to open the facility ourselves, we must pick up a key from the Cabrillo Pavilion Art Center prior to our event, and return the key within 24 hrs after our event. I also agree to lock all doors upon vacating the facility.

Signature

Date

Event Date

Signature of Facility Coordinator