

Mills Act Program
Proposed Priority Criteria

February 24, 2013

BACKGROUND

On November 26, 2013, the Board of Supervisors adopted the Mills Act ordinance (Part 26 of Title 22–Planning and Zoning). The ordinance requires that the Director of Regional Planning, in consultation with the Historical Landmarks and Records Commission (Landmarks Commission), propose “priority criteria” by which an application for a Mills Act contract may receive priority consideration over other applications (§22.52.2740). Such provisions must be approved by the Board of Supervisors, and may be amended from time-to-time by the Board of Supervisors.

MILLS ACT PROGRAM OVERVIEW

The purpose of the Mills Act ordinance (Program) is to provide an incentive for owners of qualified historical properties. 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 the agreement, the County Assessor reassesses the property, which usually results in a reduction in the real estate property taxes.

Cost Control Provisions

On November 26, 2013, the Board of Supervisors adopted provisions to control the cost to the County of the operation of the Program (§22.52.2740). The adopted Program cost control provisions limit the number of historical property contracts that may be approved to six (6) per year from 2014 to 2016. Further, the cost control provisions limit the total unrealized property tax revenue to \$300,000 each year of the Program.

PROPOSED PRIORITY CRITERIA

In event that the number of eligible applications received in a calendar year exceeds the allowed cost control provisions, contracts would be considered through a competitive selection process and the priority criteria would be used to rank and approve contracts. One point would be awarded to an applicant that satisfies a particular criterion, up to three points maximum. Applications with the highest points would be awarded contracts first. Eligible properties not awarded priority points during the evaluation of applications would still be considered for a contract agreement if its approval would not exceed the cost control provisions for that calendar year. The proposed Program priority criteria are presented below:

Proposed Priority Criteria	Purpose
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.

Proposed Priority Criteria	Purpose
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.

NEXT STEPS

Per the Mills Act ordinance (§22.52.2740), Regional Planning staff is scheduled to consult with the Landmarks Commission on March 13, 2013 to receive comments on the proposed priority criteria and a recommendation for consideration by the Board of Supervisors.

Once the priority criteria are adopted by the Board of Supervisors, Regional Planning expects the Mills Act Program to begin accepting applications for contracts no later than May 1, 2014 for the 2014 program year.

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