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To: Date: 09/02/2016

THE COUNCIL

From:

THE MAYOR

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.

(Ana Guerrero)

ERIC GARCETTIA Mayor

DEPARTMENT OF CITY PLANNING

OFFICE OF HISTORIC RESOURCES 200 N. Spring Street, Room 559 Los Angeles, CA 90012-4801

CULTURAL HERITAGE COMMISSION

RICHARD BARRON

GAIL M. KENNARD

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FELY C. PINGOL COMMISSION EXECUTIVE ASSISTANT (213) 978-1294

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CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI

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August 23, 2016

The Honorable Eric Garcetti, Mayor City of Los Angeles 200 N. Spring Street, Room 303 Los Angeles, CA 90012

Attn: Mandy Morales, Legislative Coordinator

RE: 2016 MILLS ACT HISTORICAL PROPERTY CONTRACTS

Pursuant to Executive Directive 3, transmitted herewith for your review, prior to City Council action, is one original of 40 Historical Property Contracts. The contracts are pro-forma and vary only to the extent that each contract represents a different property. Each property owner has entered into this agreement voluntarily and submitted the City's standard form of Historical Property Contract. The standard contract has been approved as to form and legality by the City Attorney.

As required under provisions of Ordinance No. 172,857 implementing State Government Code Sections 50280 et seq., commonly known as the "Mills Act", the Department of City Planning has verified the following:

- 1. That the properties subject to the contract are either designated as Historic-Cultural Monuments or Contributing Structures to an Historic Preservation Overlay Zone, and;
- 2. Engaging in these contracts will not cause the City's lost property tax revenue from the Historical Property Contracts program in aggregate to exceed \$2 million annually.
- 3. The applicants have submitted a rehabilitation/maintenance/preservation scope of work for the property.

The Mills Act Historical Property Contracts program is the State's leading financial incentive for historic preservation projects. Enabling legislation was approved by the state legislature in 1974. It allows local jurisdictions to enter into contracts with owners of qualified historical properties for their preservation, maintenance and rehabilitation. The property is assessed on an income basis rather than market value. The result is property tax abatement. The program is designed to assist under-utilized and under-valued properties. The City of Los Angeles adopted the Mills Act in 1996 and the first year of contracts began in 1997. To date, 832 properties have entered the program in the City.

The Mills Act Ordinance governs limitations on historical property contracts. These include requirements that eligible single-family properties are to be limited to a pre-contract assessed value of \$1,500,000; and that commercial properties are limited to a pre-contract assessed value of \$3,000,000 unless the Cultural Heritage Commission grants an exemption from these caps. The criteria for granting the exemption are 1) that the exemption will assist in the preservation of a structure (including unusual and/or excessive maintenance requirements) that would otherwise be in danger of demolition, substantial alteration or relocation; 2) the structure is an exceptional Historic-Cultural Monument or a Contributing Structure to an HPOZ; and 3) granting the exemption will not cause the annual cumulative loss of property tax revenue to the City to exceed \$2,000,000. Pursuant to Administrative Code Section 19.142, two applications for exemptions to these limitations were received by the Department. All properties have been qualified under priority consideration criteria established in the ordinance for investment, necessity, and uniqueness and are subject to final inspection to verify existing conditions on the property.

Program Summary

Existing contracts in program: 832
Pending 2016 applications (new contracts): 40

Estimated Mills Act fiscal impact for 2016-17

Current tax revenue loss to City: \$1,157,954
Estimated impact of the new contracts: \$114,481
Cumulative impact of existing and new contracts: \$1,272,435
Estimated total tax revenue loss (all agencies): \$11,987,542
Percentage of annual cap committed: 63.6%
Percentage of annual cap available: 36.4%

The City's share of the general levy property tax collected by the County Assessor for FY 2016-17 (1.02% of property value) is 0.106146446, or 10.6%. It is the intent of the City Council that unrealized City revenue from the loss of property taxes not collected due to executed Historical Property Contracts shall not exceed \$2,000,000 annually. The current total revenue loss projection for 2016-17 would put the program at 63.6% capacity.

If there are any questions, please contact Ken Bernstein at (213) 978-1181 or Lambert Giessinger at (213) 978-1183.

Sincerely,

VINCENT P. BERTONI, AICP

Director of Planning

Attachments:

Kevin J. Keller, AICP Deputy Director of Planning

> 2016 Mills Act List of Applicants 40 Historical Property Contracts

2016 Mills Act Applicants

| | Property Street Num. | Property Street Dir. | Property Street Name | Zipcode | Owner Name 1 | Owner Name 2 | Council District |
|----|-------------------------|-------------------------|------------------------|---------|--|-------------------------------------|---------------------|
| 1 | 1132 | S. | 5th Avenue | 90019 | Karen Swerdlow | | 10 |
| 2 | 601 | W. | 5th Street | 90014 | LHREV One Bunker Hill, LP | Dan Klein | 14 |
| 3 | 2508 | S. | 9th Avenue | 90018 | 25089 Revocable Trust, Strath Hamilton Trustee | | 10 |
| 4 | 2895 | W. | 15th Street | 90006 | J. Dorian Frankel | | 10 |
| 5 | 2251 | W. | 20th Street | 90018 | Henrik Khodaverdi | Hrout-Tania Aghassian | 10 |
| 6 | 929 | W. | 23rd Street | 90007 | Jose Elmer Cedillos | | 1 |
| 7 | 2176 | W. | 24th Street | 90018 | Joel G. Delman | Mika R. Holkeboer | 10 |
| 8 | 518 | N. | Avenue 53 | 90042 | Teresa Sotomayor | Frank O. Sotomayor 2009 Trust | 1 |
| 9 | 6663 | W. | Bonair Place | 90068 | Kalman Victor Portman | | 4 |
| 10 | 510 | S. | Broadway | 90015 | 5ten Broadway, LLC | | 14 |
| 11 | 840 | S. | Bronson Avenue | 90005 | Vanessa Aberman | Bennett Graebner | 4 |
| 12 | 1853 | S. | Buckingham Road | 90019 | Chapman Baehler II | Carolyn Angelica Cob-Baehler | 10 |
| 13 | 1862 | S. | Buckingham Road | 90019 | The Davidson Living Trust | | 10 |
| 14 | 2192 | W. | Cambridge Street | 90006 | Owen Kydd | Magyn Kydd | 9 |
| 15 | 3600-3610 | W. | Country Club Drive | 90019 | Yust Family Trust | Clara and Larry Yust | 10 |
| 16 | 3612-3616 | W. | Country Club Drive | 90019 | Yust Family Trust | Clara and Larry Yust | 10 |
| 17 | 3620-3624 | W. | Country Club Drive | 90019 | Yust Family Trust | Clara and Larry Yust | 10 |
| 18 | 1216-1218 | S. | Crescent Heights Blvd. | 90035 | Todd Grabarsky | | 5 |
| 19 | 4784 | W. | Cromwell Avenue | 90027 | Richard O. Magram | | 4 |
| 20 | 6665 | W. | Emmet Terrace | 90068 | Gary Hoffman | Julie Hoffman | 4 |
| 21 | 5715-5717 | N. | Figueroa Street | 90042 | 5715-5717 N. Figueroa, LLC | | 1 |
| 22 | 1115 | S. | Gramercy Place | 90019 | Schmidt Family 2014 Trust | | 10 |
| 23 | 4550 | N. | Griffin Avenue | 90031 | Kimo Allen Proudfoot | Julianne Zirkle Larsen | 1 |
| 24 | 701 | S. | Hill Street | 90014 | Bonnis Properties Cal LP | | 14 |
| 25 | 808 | S. | Hobart Blvd. | 90005 | TRG INV XIV, LLC, Macbart LLC, Cresta 808 S Hobart LLC | | 10 |
| 26 | 6251-6253 | W. | Hollywood Blvd | 90028 | Meco Properties, LLC | | 13 |
| 27 | 6820 | w. | Iris Circle | 90068 | Eshaghian 2012 Family Trust c/o Sabrina/Gabriel Eshaghian | | 4 |
| 28 | 800 | S. | La Brea Avenue | 90036 | 800 S La Brea Avenue, LLC | La Brea Fairfax, LLC | 4 |
| 29 | 2700 | S | La Salle Avenue | 90018 | Steven T. Scheier | | 8 |
| 30 | 154 | S. | Larchmont Blvd. | 90004 | Joe Yuzefpolsky | Regina Yuzefpolsky | 4 |
| 31 | 17013 | W. | Lisette Street | 91344 | Jared Hammond | Peter Emmerich and David DePasquale | 12 |
| 32 | 1547 | S. | Manhattan Place | 90029 | Jeremy A. Samuelson | Dara A. Samuelson | 10 |

2016 Mills Act Applicants

| | Property Street Num. | Property Street Dir. | Property Street Name | Zipcode | Owner Name 1 | Owner Name 2 | Council District |
|----|-------------------------|-------------------------|----------------------|---------|--------------------------------|------------------|---------------------|
| 33 | 3118 | W. | Mont Clair Street | 90018 | David Raposa | | 10 |
| 34 | 1700 | S. | Oxford Avenue | 90006 | Nicholas Higgins | Kristina Robbins | 10 |
| 35 | 433 | S. | Spring Street | 90013 | LORE LAC Spring Street GP, LLC | | 14 |
| 36 | 5863 | W. | Tuxedo Terrace | 90068 | Billy J. Russell | Ruth E. Russell | 4 |
| 37 | 1847 | S. | Virginia Road | 90019 | Gregory A. Hampson | Carol Hampson | 10 |
| 38 | 1142 - 1144 | N. | West Kensington Road | 90026 | 1142 Kensington LLC | | 1 |
| 39 | 940 | N. | West Kensington Road | 90026 | Craig Ekedahl | Jamie Haller | 1 |
| 40 | 6711 | W. | Whitley Terrace | 90068 | Jonathan Little | | 4 |