# DEPARTMENT OF

OFFICE OF HISTORIC RESOURCES 200 N. SPRING STREET, ROOM 559 LOS ANGELES, CA 90012-4801

CULTURAL HERITAGE COMMISSION

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September 7, 2016

The Honorable City Council City of Los Angeles 200 N. Spring Street, Room 395 Los Angeles, CA 90012

Attn: Sharon Dickinson, Legislative Assistant

### RE: 2016 MILLS ACT HISTORICAL PROPERTY CONTRACTS - CORRECTED

Pursuant to Los Angeles Administrative Code Chapter 14 (Approval of Historical Property Contracts), authorization for the Director of Planning to execute 39 Historical Property Contracts is hereby requested. 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.

CITY OF LOS ANGELES

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#### EXECUTIVE OFFICES

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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. The exemption cases were reviewed and approved by the Commission on September 1, 2016. At this meeting, the Commission determined that the properties met the exemption criteria. The remaining 37 properties have been gualified under priority consideration criteria established in the ordinance for investment, necessity and uniqueness. All properties are subject to final inspection to verify existing conditions on the property.

#### Program Summary

Existing contracts in program:	832						
Pending 2016 applications (new contracts):	39						
Estimated Mills Act fiscal impact for 2016-17							
Current tax revenue loss to City:	\$1,157,954						
Estimated impact of the new contracts:	\$113,585						
Cumulative impact of existing and new contracts:	\$1,271,539						
Estimated total tax revenue loss (all agencies):	\$11,979,101						
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

Kevin J. Keller, AICP

Deputy Director of Planning

Attachments:

2016 Mills Act List of Applicants 39 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	Ν.	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	5715-5717	N.	Figueroa Street	90042	5715-5717 N. Figueroa, LLC		1
21	1115	S.	Gramercy Place	90019	Schmidt Family 2014 Trust		10
22	4550	Ν.	Griffin Avenue	90031	Kimo Allen Proudfoot	Julianne Zirkle Larsen	1
23	701	S.	Hill Street	90014	Bonnis Properties Cal LP		14
24	808	S.	Hobart Blvd.	90005	TRG INV XIV, LLC, Macbart LLC, Cresta 808 S Hobart LLC		10
25	6251-6253	w.	Hollywood Blvd	90028	Meco Properties, LLC		13
26	6820	w.	Iris Circle	90068	Eshaghian 2012 Family Trust c/o Sabrina/Gabriel Eshaghian		4
27	800	S.	La Brea Avenue	90036	800 S La Brea Avenue, LLC	La Brea Fairfax, LLC	4
	2700	S	La Salle Avenue	90018	Steven T. Scheier		8
29	154	S.	Larchmont Blvd.	90004	Joe Yuzefpolsky	Regina Yuzefpolsky	4
30	17013	W.	Lisette Street	91344	Jared Hammond	Peter Emmerich and David DePasquale	12
31	1547	S.	Manhattan Place	90029	Jeremy A. Samuelson	Dara A. Samuelson	10
32	3118	W.	Mont Clair Street	90018	David Raposa		10

## 2016 Mills Act Applicants

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