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To:

Date:

NOV

8 2013

THE COUNCIL

From:

THE MAYOR

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.

(Ana Guerrero)

ERIC GARCETTI Mayor

# DEPARTMENT OF CITY PLANNING

OFFICE OF HISTORIC RESOURCES 200 N. Spring Street, Room 620 Los Angeles, CA 90012-4801 (213) 978-1200

**CULTURAL HERITAGE COMMISSION** 

RICHARD BARRON PRESIDENT ROELLA H. LOUIE VICE PRESIDENT

TARA J. HAMACHER GAIL M. KENNARD OZ SCOTT

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

November 4, 2013

RE:

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

Attn: Mandy Olvera, Legislative Assistant

#### , ,

MILLS ACT HISTORICAL PROPERTY CONTRACTS

Pursuant to Executive Directive 3, transmitted herewith for your review, prior to City Council action, are (1) original and (2) copies of each of the 54 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 revenues 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, and, since then, 654 properties have benefited from the program. 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.

The Mills Act Ordinance governs limitations on historical property contracts. These include requirements that eligible single-family homes are to be limited to pre-contract assessment valuations of \$1,500,000; and that commercial properties are limited to pre-contract assessed valuations of \$3,000,000 unless the Cultural Heritage Commission grants an exemption from these caps. The criteria for granting the exemption are 1)

# CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI

**EXECUTIVE OFFICES** 

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INFORMATION www.planning.lacity.org

that commercial properties are limited to pre-contract assessed valuations 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 19.142, five applications for exemptions to these limitations were received by the Department. The exemption cases were reviewed by the Commission on November 3, 2013. The Commission found that three of the properties met the exemption criteria and two did not. The remaining fifty-one properties qualified 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: 654
Pending 2013 applications (new contracts): 54

Estimated Mills Act fiscal impact for 2013-14:

Total tax revenue loss (all agencies):

Current fiscal impact to City:

Estimated impact of the new contracts:

Cumulative impact of existing and new contracts:

Percentage of annual cap committed:

Percentage of annual cap available:

\$8,982,208

\$886,882

\$83,705

\$970,587

48.5%

\$1.5%

The City's share of the general levy property tax collected by the County Assessor for FY 2013-14 (1% of property value) is 0.108056595, or slightly under 11%. The 2013-14 Apportionment Factor has not been posted as of the writing of this report, so these numbers will change slightly after the new factor is programmed into the calculation. 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 2013-14 would put the program at 48.5% capacity.

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

Sincerely,

MICHAEL J. LOGRANDE

Director of Planning

Alan Bell, AICP

Deputy Director

Attachments:

2013 Mills Act List of Applications

54 Historical Property Applications

## 2013 Mills Act List of Applications

#	DCP Case No	Street No.		Street Name	Council District No.	HCM No.	Property Name	HPOZ Name	Owner
1	CHC-2013-1601-MA	2203	W.	20th St.	10	0	Contributing Property	Western Heights	Anne & Daniel Hakes
2	CHC-2013-1632-MA	2129	W.	21st St.	10	0	Contributing Property	Western Heights	Lilia Nuno
3	CHC-2013-1593-MA	2038	w.	29th St.	10	0	Contributing Property	Jefferson Park	Lisa Schurga & lan Goodwin
4	CHC-2013-1606-MA	2234	W.	31st St.	10	0	Contributing Property	Jefferson Park	Elizabeth, Daniel & Ruth Daly
5	CHC-2013-1621-MA	1223	5.	3rd Ave.	10	0	Contributing Property	Country Club Park	David & Laura Posamentier
6	CHC-2013-1602-MA	922	S.	4th Ave.	4	0	Contributing Property	Wilshire Park	James Gray & Dudley Saunders
7	CHC-2013-1678-MA	622	N.	Aldama Terrace	1	0	Contributing Property	Highland Park	Jeff & Shannon Driskill
8	CHC-2013-1750-MA	134	S.	Alta Vista Blvd.	5	0	Contributing Property	Miracle Mile North	Cheryl Howard & Gene Farkas
9	CHC-2013-1592-MA	1062	S.	Alvira St.	5	0	Contributing Property	South Carthay	Carl Emery & James Tsai
10	CHC-2013-1652-MA	1133	S.	Alvira St.	5	0	Contributing Property	South Carthay	Kimberly Mendoza
11	CHC-2013-1646-MA	11600	W.	Amanda Dr.	2	1024	Lechner House	NA	Haines Thomas Hall & Pamela Francesca Shamshiri
12	CHC-2013-1648-MA	3410	N.	Amesbury Rd.	4	1025	Durex Model Home	NA	Michael Locke & Andrew Jelmert
13	CHC-2013-1645-MA	3435	N.	Amesbury Rd.	4	1026	Sherwood House	NA	Douglas Winnie & Irene DeBari
14	CHC-2013-1675-MA	756	N.	Avenue 66	14	0	Contributing Property	Highland Park- Garvanza	Nicole Gatto, Joseph Gatto
15	CHC-2013-1658-MA	6108	W.	Barrows Dr.	5	0	Contributing Property	Carthay Circle	Jeremy & Allie Weinstein
16	CHC-2013-1679-MA	686	S.	Bronson Ave.	4	0	Contributing Property	Wilshire Park	Kimberly Nortman & Benjamin Handzo
17	CHC-2013-1661-MA	847	S.	Bronson Ave.	4	0	Contributing Property	Wilshire Park	Amanda Hayes-Kibreab & Biniam Kibreab
18	CHC-2013-1685-MA	871	S.	Bronson Ave.	4	0	Contributing Property	Wilshire Park	Ethan & Judy Gregory
19	CHC-2013-1677-MA	1947	N,	Canyon Dr.	4	0	Contributing Property	Hollywood Grove	Scott Addison Clay & Philippa Margaret Drewer

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#### 2013 Mills Act List of Applications

#	DCP Case No.	Street No.		Street Name	Council District No.	HCM No.	Property Name	HPOZ Name	Owner
20	СНС-2013-1597-МА	6502-6504	W.	Commodore Sloat Dr.	5	0	Contributing Property	Carthay Circle	Nika & Bradley Schmidt
21	CHC-2013-1611-MA	6681	W.	Emmet Terrace	4	0	Contributing Property	Whitley Heights	Brian Rishwain
22	CHC-2013-1676-MA	203	S,	Formosa Ave.	5	0	Contributing Property	Miracle Mile North	Claire Browne & Jim Beck
23	CHC-2013-1636-MA	1034	s.	Gramercy Pl.	10	0	Contributing Property	Country Club Park	Karen Canady & Robert Michelson
24	CHC-2013-1616-MA	1121	S.	Gramercy Pl.	10	0	Contributing Property	Country Club Park	Judith Reidel
25	CHC-2013-1618-MA	2037	S,	Harvard Blvd.	10	0.	Contributing Property	Harvard Heights	Rosario Vargas & Alida Nuno
26	CHC-2013-1638-MA	6004	E.	Hayes Ave.	14	0	Contributing Property	Highland Park	Rivkin Shah LLC
27	CHC-2013-1663-MA	2327	W.	Hill Dr.	14	1042	Egasse-Braasch House	NA	Myanna & David Dellinger
28	CHC-2013-1670-MA	760	S.	Hill St.	14	1030	Union Bank & Trust Company	NA	Onni Union Lofts Limited Partnership
29	CHC-2013-1617-MA	6630	W.	lris Dr.	4	0	Contributing Property	Whitley Heights	Nicolas Florez & Richard Durell
30	CHC-2013-1633-MA	209	S,	Irving Blvd.	4	0	Contributing Property	Windsor Square	Gavin & Anna Milner
31	CHC-2013-1631-MA	211	S.	Larchmont Blvd.	4	0	Contributing Property	Windsor Square	Mark & Allison Meyerson
32	CHC-2013-1635-MA	678	S.	Lorraine Blvd.	4	0	Contributing Property	Windsor Village	Clark Christopher Cook & James Jeffers Healy
33	CHC-2013-1637-MA	845	S.	Lorraine Blvd.	4	0	Contributing Property	Windsor Village	Guy & Jennifer Pithie
34	CHC-2013-1660-MA	4955	w.	Marathon St.	13	0	Contributing Property	Melrose Hill	Niccolasa Ardin
35	CHC-2013-1655-MA	118	N.	Martel Ave.	5	0	Contributing Property	Miracle Mile North	Judbin Meraj
36	CHC-2013-1654-MA	3542	S.	Meier St.	11	0	Contributing Property	Gregory Ain Mar Vista Tract	Andrew Powell & Melinda Tsapatsaris
37	CHC-2013-1673-MA	6423	W.	Moore Dr.	5	0	Contributing Property	Carthay Circle	Jason Kerwin & Marcelia Flores
38	CHC-2013-1600-MA	17103	W.	Nanette St.	12	0	Contributing Property	Balboa Highlands	Susanne & Michael Hemming

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## 2013 Mills Act List of Applications

#	DCP Case No	Street No.		Street Name	Council District No	HCM No.	Property Name	HPOZ Name	Owner
39	CHC-2013-1653-MA	6507	W.	Olympic Pl.	5	0	Contributing Property	South Carthay	Raj & Tanya Ahluwalia
40	CHC-2013-1656-MA	1325	N.	Orange Grove Ave.	4	0	Contributing Property	Spaulding Square	Alex Kaufman
41	CHC-2013-1641-MA	6039	Ε,	Piedmont Ave.	1	0	Contributing Property	Highland Park	Neeru Grovert Rev Tr, Rajiv Grover Rev Tr, Simone Shah
42	CHC-2013-1651-MA	167	N.	Poinsettia Pl.	5	0	Contributing Property	Miracle Mile North	Eric Teves & Michael Burau
43	CHC-2013-1598-MAEX	367	S.	Rimpau Blvd.	4	0	Contributing Property	Hancock Park	Michael Kong
44	CHC-2013-1605-MAEX	450	N.	Rossmore Ave.	4	309	El Royal Apartments	NA	KH Family El Royale, LLC El Royale Rossmore 450, LLC
45	CHC-2013-1657-MA	414-416	S.	Spring St.	14	1029	Hotel Strowell	NA	El Dorado on Spring Property Owner Assoc.
46	CHC-2013-1667-MAEX	6121- <del>6</del> 125	W.	Sunset Blvd.	13	947	CBS Columbia Sqaure Studios	NA	KR Hollywood, LLC
47	CHC-2013-1650-MA	216	S.	Thorne St.	14	0	Contributing Property	Highland Park	John Jackman & Eric Magallon
48	CHC-2013-1680-MA	5867	W.	Tuxedo Terrace	4	1031	Frederick A. Hanson Residence	NA	Melodie Hicks Arterberry
49	CHC-2013-1662-MA	262	S.	Van Ness Ave.	4	0	Contributing Property	Windsor Square	Marat Daukayev & Pamela Van de Velde
50	CHC-2013-1672-MA	446	S.	Van Ness Ave.	4	0	Contributing Property	Windsor Square	Andrew Friedman & Cara Dipaolo
51	CHC-2013-1671-MA	1814	S,	Virginia Rd.	10	0	Contributing Property	La Fayette Square	Irving Meyer & Kathie Foley Meyer
52	CHC-2013-1682-MA	106	N.	Vista St.	5	0	Contributing Property	Miracle Mile North	Allison Ashmore
53	CHC-2013-1599-MA	6537	w.	Whitworth Dr.	5	0	Contributing Property	South Carthay	Alexander Hall
54	CHC-2013-1674-MA	245	S.	Wilton Pl.	4	0	Contributing Property	Windsor Square	Leslie Ann Ferraro

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