



Legislation Text

File #: 14-0267, **Version:** 1

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Bruce Moe, Acting City Manager

FROM:

Richard Thompson, Community Development Director

Laurie Jester, Planning Manager

Angelica Ochoa, Assistant Planner

SUBJECT:

Status Report on the Mills Act - A Preservation Program for Historic Properties (Community Development Director Thompson).

DISCUSS AND PROVIDE DIRECTION

RECOMMENDATION:

Staff recommends that the City Council receive the status report on the Mills Act Program, discuss and provide further direction.

FISCAL IMPLICATIONS:

Adoption of the Mills Act Program will require additional staff time and resources from the Community Development Department, and impact work load in the Department. Administration of the ordinance would involve the following: completing an inventory of eligible properties, processing of applications including Commission review, preparing and enforcing each contract with each property owner and reviewing and approving any proposed alterations to the eligible properties during the term of the contract.

BACKGROUND:

Since September 2006, the Culturally Significant Landmark ordinance has been in effect under Title 10 Chapter 10.86 of the Manhattan Beach Municipal Code regarding the designation of culturally significant landmarks. A local task force comprised of voluntary members from the community was formed in 2006 to increase public awareness and community appreciation of Manhattan Beach's unique heritage. The task force, named the Manhattan Beach Cultural Heritage Conservancy is headed by Jan Dennis, a local historian. This group has been actively researching potential historic properties throughout the City to designate as Cultural Significant Landmarks. To date, the City of Manhattan Beach has designated 18 properties as Culturally Significant Landmarks through the efforts of the Manhattan Beach Cultural Heritage Conservancy. Two properties have been accepted by the State Historic Preservation Office to be listed in the California Register of Historical Resources.

On July 12, 2006, the Planning Commission considered the proposed Cultural Significant Landmark

ordinance and adopted Resolution No. PC 06-08 recommending the City Council adopt it. The City Council held public hearings on August 15, 2006 and September 5, 2006 and adopted Ordinance No. 2089 to recognize Culturally Significant Landmark properties in the City of Manhattan Beach. At that time, the Mills Act costs and benefits were discussed by the Planning Commission and City Council. The benefits to the property owners are the financial incentives since the Mills Act provides a reduction in property taxes. The benefit to the City is the preservation of a historic structure. The staff report and minutes are attached as Attachment A.

On May 17th, 2011 and June 7, 2011 (Attachment A), the City Council reviewed amendments to the Culturally Significant Landmark Ordinance to remove the need for a required public hearing for designating properties culturally significance. The current Culturally Significant Landmark Ordinance No. 2143 (Attachment B) only acknowledges and designates properties of historical and/or cultural significance but does not prevent the ability to alter or demolish a designated property. Properties may only be nominated by the property owner. The criteria on determining designation include architectural significance, association with local significant events, association with a significant designer and unique locations which are associated with the City.

DISCUSSION:

The following is a discussion on the introduction of the Mills Act Program, how it will impact properties and the future of preserving historical properties in the City of Manhattan Beach.

Mills Act Program

State law provides for voluntary restrictions on historically significant properties in exchange for reduced property tax. The legislation known as the "Mills Act" (Government Code section 50280 et seq.) requires that local governments adopt a local ordinance establishing historical criteria (or adopting State or Federal standards) and authorizes the City to enter into contracts with property owners meeting those criteria. The contracts would limit an owners' ability to replace or alter the appearance of the property during the term of the contract which must be for a minimum of 10 years. The contract must be binding on the future owners and heirs of the property and must be recorded. The agreement would entitle the property owner to a lower valuation for property tax purposes during the term of the agreement. Participation from the property owner to enter into a contract through the Mills Act is strictly voluntary.

Other Cities (Attachment C)

Other Southern California cities, including the City of Redondo Beach, Hermosa Beach and Pasadena have adopted historic preservation ordinance such as the Mills Act Program. The City of Redondo Beach adopted the Mills Act Program in 1992 and the Program is regulated under the City's Preservation Commission. The Preservation Commission's goal is to promote awareness and use of the Mills Act as an incentive for the preservation of local historic buildings. One Planner spends 25 to 35% of their time handling historic preservation, plus additional staff and other resources are required for the Preservation Commission, additional Planning Commission review and other related responsibilities.

The City of Hermosa Beach established their historic preservation program in 1998. The program is voluntary and encourages property owners to voluntarily apply for landmark status. The City Council must approve the alteration of a designated landmark or potential landmark through a Certificate of Appropriateness on the list of historic resources established by City Council. An outside consultant

reviews the modification to ensure changes meet the historical guidelines. The City Council has designated 28 properties in the City of Hermosa Beach. Three commercial buildings, since 2009, have been designated and protected under the City's Historic Resources Preservation Ordinance.

The City of Pasadena established a historical ordinance in 1992 under the Mills Act Program. Property owners enter into contracts with the City and any alterations to the historic property must follow the Secretary of the Interior's Standards. The City approves up to six contracts per year for multi-family or commercial/industrial properties and up to twenty contracts per year for single family residential properties for historic designation. The program is administered through the Planning and Community Development Department under the Design and Historic Preservation Section.

Manhattan Beach Cultural Heritage Conservancy (Attachment D)

The Manhattan Beach Cultural Heritage Conservancy is requesting that the City Council consider adopting the Mills Act in the City. They feel that the current program does not protect or preserve potential historic properties and that the City of Manhattan Beach is losing its history and not maintaining the original character of the community. They will be making a presentation this evening on the Mills Act along with the Los Angeles Conservancy organization.

CONCLUSION:

Staff is requesting that the City Council provide direction on the further study of the Mills Act Program and the possible adoption of an ordinance in the future.

Attachments:

Attachment A- City Council Staff Reports and Minutes from August 15, 2006, September 5, 2006, May 17th, 2011, and June 7, 2011

Attachment B- Culturally Significant Landmark Ordinance No. 2143

Attachment C- Other Cities Historic Documentation

Attachment D- Manhattan Beach Cultural Heritage Conservancy Documentation