

Mills Act Contract Application

INSTRUCTIONS

APPLICABILITY: Upon designation of a structure or improvement as a cultural resource, the property owner may apply for aid and assistance in its rehabilitation. The purpose of providing such incentives is to encourage the preservation, rehabilitation and maintenance of designated Cultural Resources, based upon a recognition that maintaining and rehabilitating the resource may place burdens on the property owner.

PURPOSE: A Mills Act Contract is an agreement between the City of West Hollywood and the owner of a qualified cultural resource. Any property listed on the local register or National Register of Historic Places is eligible. The agreement requires the owner of the property to undertake specific restoration tasks specified in the contract and to properly maintain the cultural resource. In exchange for this commitment, the property owner benefits from a reduction of property taxes. A Mills Act Contract requires that the County Tax Assessor's office assesses the value of the cult rural resource based on its current income, rather than future development potential. This can result in substantial property tax savings, especially to recent purchases of property.

TERMS OF CONTRACT: Mills Act Contract extend for a period of ten (10) years and are renewed automatically each year on the anniversary of the contract. The rights and obligations of the contract are also binding upon all successive owners of the property during the life of the contract. To end the contract, either party may submit a notice of non-renewal which will terminate the contract at the end of the ten (10) year period. Cancellation of the contract by the City due to non-compliance requires a public hearing and will result in the immediate termination of the contract and a penalty equal to 12 1/2 percent (12.5%) of the assessed market value of the property. This penalty fee must be transferred to the County Auditor (AB 1789). Although contracts can be approved at any time, new valuations will not take effect until March of any given year.

REVIEW PROCESS: A Mills Act Contract is a monetary incentive that is granted by the City Council following review and recommendation by the Cultural Heritage Commission. A request for a Mills Act Contract is initiated through the submittal of a completed Mills Act Contract Application to the Community Development Department. Staff then prepares a report for consideration by the Cultural Heritage Commission, recommending approval or denial of the application. The financial analysis is for estimated purposes only. The actual financial analysis is prepared by the County Appraiser's Office. The Commission reviews the application, required documentation and the staff report, and recommends approval or denial of the request to City Council. The Commission must also approve a Certificate of Appropriateness for a restoration/rehabilitation plan for the cultural resource before or in conjunction with review of the Mills Act Contract Application. Both the owners and the occupants of the property must be notified of the pending request in advance of the meeting in which the Cultural Heritage Commission considers the application.

To grant approval of a Mills Act Contract Application, the City Council must make the following findings:

- O The Mills Act Contract will serve to compensate for the cost of rehabilitating and/or maintaining the cultural resource. The submission of a pro forma, in addition to a rehabilitation plan cost estimate and Mills Act Financial Analysis Form may be required to make this finding.
- O The rehabilitation of the resource will occur prior to, or in conjunction with, the use of the Mills Act Contract and that it will not impair the architectural, historic or aesthetic integrity of the cultural resource.

APPLICATION CHECKLIST
The following materials must be submitted to the Department of Community Development in order to process a Mills Act Contract Application:
 Mills Act Contract Application with completed Owner's Affidavit Application Fee Copy of the legal description; generally this is "Exhibit A" of a deed An architectural report identifying the status of all character defining features of the building and site (photographs required)
A systems/structural report of the building's plumbing, electrical, roofing and structural systems A restoration/rehabilitation plan for the designated cultural resource. If the building is already restored in good condition, a maintenance list must be submitted to support the need for tax relief. The plan shall be prepared by a specialist in historic preservation and a time table for the work
A cost estimate of the restoration/rehabilitation from a City-approved preservation architect A completed Financial Analysis of Mills Act Contract form (see sample). The final financial analysis is prepared by the County Appraiser's Office. Documentation of income, expenses etc. shall be provided



Mills Act Contract Application

PROPERTY INFORMATION:		
STREET ADDRESS		
PRESENT/LAST USE OF PROPERTY		
Rehabilitation or Maintenance Need	ded (attach Maintenance Plan separately):	
DATE OF DESIGNATION:		
	ATIONAL REGISTER? 🔲 YES 🔲 NO	
List any public or private funds gran	ited for restoration of the resource:	
PROPERTY OWNER		
NAME		
ADDRESS		
CITY	STATE ZIP	
PHONE NUMBER	FAX	
E-MAIL		
S D D L C A N T / L L L C C		d 4h 1: 4 !
This is the person who will be contact	cted regarding this application. This person will be named ation.)	a as the applicant in
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ALL ITEMS ON THIS FORM MUST BE COMPLETED AND SUBMITTED BEFORE THE APPROVAL PROCEDURE MAY **BEGIN**

Planning Division Permit Application

OWNER'S AFFIDAVIT

State of California, County of Los Angeles	
I, (We),	
	(we) am (are) the owner(s) of the property involved in this request, or if the
	we) am (are) duly authorized to execute this affidavit on behalf of said
	the foregoing statements and the information submitted herewith are true
and correct.	
I (we) hereby authorize	(list applicant's name)
	(application type: CUP, MCUP, PUP, DVP, AP, DMP, etc.)
for	
PROPERTY OWNER'S INFORMATION	CAPACITY CLAIMED
	BY SIGNER
OWNER(S) NAME(S)	☐ INDIVIDUAL(S) ☐ CORPORATE OFFICER(S)
OWNER(S) SIGNATURE(S)	PARTNER(S) ATTORNEY-IN-FACT
ADDRESS	TRUSTEE(S) OTHER
CITY, STATE, ZIP CODE	
TELEDUOLE	SIGNER IS REPRESENTING:
TELEPHONE	
	NAME OF PERSON(S) OR ENTITY(IES)
On before me,	, who proved to me on the basis of satisfactory evidence to be the
appeared	, who proved to me on the basis of satisfactory evidence to be the
	within instrument and acknowledged to me that he/she/they executed the d that by his/her/their signature(s) on the instrument the person(s), or the
entity upon behalf of which the person(s) acted, e	
entity apon benan of which the person(s) acted, c	Accuted the instrument.
I certify under PENALTY OF PERJURY under the law	ws of the State of California that the foregoing paragraph is true and correct.
WITNESS my hand and official seal.	
NOTARY'S SIGNATURE	SEAL:

TO ALL APPLICANTS:

Employees of the City of West Hollywood will give every possible assistance to anyone who desires to utilize the remedies provided by the City's zoning ordinance. However, the burden of proof is on the applicant to make the showing necessary before any of the described permits can be granted. Also, there is no guarantee - expressed or implied - that any permit will be granted by whatever agency or individual has authority in the matter. The applicant shall understand also that each matter must be carefully investigated and, after a staff investigation has been made or a public hearing has been held, the staff's recommendation or decision may be contrary to a position taken in any preliminary discussions.

The staff is not permitted to assist the applicant or any opponents of the applicant in preparing arguments for or against a request. I have read the foregoing and understand that I HAVE THE BURDEN OF PROOF in the matter arising under the application made by me.

APPLICANT'S SIGNATURE DATE

	Current	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
3%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5%	\$0	\$0		\$0		\$0	\$0	\$0	\$0	\$0	\$0
6%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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CAPITALIZATION RATE

9) Interest Component	6.5%
10) Historic Property Risk	2%
(4% for SFD, 2% all other prop	erty)
11) Property Tax Component	1.2%
12) Amortization Component	0.5%
13) Capitalization Rate	10.2%
(Sum Line 9 - 12)	

TAXES

ITOLES												_
14) Mills Act Assessment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.0	
(Net Operating Income/ Line 13)												TOTAL
15) Tax Under Mills Act	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(Line 14 X .01035146)												
16) Current Tax 2%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17) Tax Savings												
(Line 16 - Line 15)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

THE FOLLOWING TABLE IS TO BE COMPLETED BY STAFF ONLY:

												_
18) Annual Costs to City	Current	Year 1	Year 2	Year 3	Year 4	Year 5		Year 7	Year 8	Year 9	Year 10	TOTAL
(Line 17 X 16%)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0