

RESOLUTION NO. 2012-75

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLAREMONT AMENDING THE CITY'S PROCEDURES AND CRITERIA FOR APPROVAL OF HISTORICAL PROPERTY (MILLS ACT) CONTRACTS.

WHEREAS, the City of Claremont ("City") has established a policy of historic preservation by addressing historic preservation as part of the City's General Plan; and

WHEREAS, as set forth in the Land Use, Community Character, and Heritage Preservation, the City recognizes the importance of conserving and safeguarding the City's cultural, architectural, and historical resources that contribute to the special and unique character of the City, and create a recognizable identity for the community; and

WHEREAS, the Historic Preservation Element sets forth the following goal and policies:

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| Goal 2-14 | Retain and celebrate Claremont's rich history and heritage, as evidenced through its development patterns, buildings and building materials, landscaping, street treatments, parks and open space, and civic architecture. |
| Policy 1-14.1 | Continue to protect architectural, historical, open space, environmental, and archaeological resources throughout the City. |
| Policy 1-14.3 | Continue to encourage pride in the quality and character of historic areas. |
| Policy 1-14.5 | Continue to support the retention and/or adoptive reuse of existing residential, commercial, and industrial buildings where possible, particularly structures listed on the Register of Structures of Historical and Architectural Merit of the City of Claremont. |
| Policy 1-14.6 | Strive to prevent the demolition of structures listed on the Register of Historical and Architectural Merit of the City. |
| Policy 1-14.8 | Continue to offer historic preservation tools such as the Mills Act. |
| Policy 1-14.9 | Explore and evaluate different approaches to protect and enhance historic resources throughout the community; and |

WHEREAS, the State of California enacted the Mills Act (California Government Code Section 50820, et seq.) to allow cities to enter into contracts with owners of "qualified historical property" to preserve historical properties by reducing property taxes; and

WHEREAS, Mills Act contracts provide a benefit to the City in helping to ensure that important community resources are preserved and/or restored, and to help carryout the goals and policies of the City's General Plan; and

WHEREAS, in October, 2000, the City Council adopted Resolution 2000-157 that established a procedure and qualifying criteria for historical property contracts, which included a criteria that limited the number of properties that qualified for historical property contracts; and

WHEREAS, in January 2009, the City Council adopted Resolution 2009-04, which expanded the criteria for historic property contracts in order to encourage additional Mills Act contracts that will help to advance the City's historic preservation goals and policies, and to restrict the number of Mills Act contracts to no more than six per calendar year in order to limit the fiscal impact the Mills Act contracts will have on the City; and

WHEREAS, the City Council retains the final authority to approve, deny, or modify any Mills Act contract recommended by the Architectural Commission; and

WHEREAS, on February 29 and September 12, 2012, the Architectural Commission reviewed and analyzed the current procedures and criteria for the Mills Act Program, and adopted Resolution 2012-12 recommending approval to the City Council to amend the existing program to incorporate an annual review fee to recover the cost of staff time associated with annual reviews for contract compliance, which is calculated at 2.2 staff hours at the prevailing hourly rate approved by the City Council (current rate is \$98.50 making the annual review fee \$217), and to modify Criteria D to state that the proposed improvements be related to the preservation and/or the rehabilitation of character defining elements and/or historical and structural integrity of the property. Additionally, the cost of such improvements must be equal to or greater than the expected property tax savings for the first ten years, which needs to be equally distributed into two five-year periods; and

WHEREAS, on October 9, 2012, the City Council fully reviewed the subject matter at its regular meeting.

NOW, THEREFORE, THE CLAREMONT CITY COUNCIL DOES HEREBY RESOLVE:

SECTION 1. The City Council has determined that amendment of procedures for approval of Mills Act contracts is not a project defined by Section 15378 of the California Environmental Quality Act (CEQA) guidelines. Therefore, no further environmental review is necessary.

SECTION 2. The procedure and qualifying criteria for approval of historical property contracts are amended to read as follows:

PROCEDURES FOR REVIEW AND APPROVAL OF HISTORICAL PROPERTY (MILLS ACT) CONTRACTS

110 PURPOSE OF MILLS ACT

In 1976, legislation was adopted in California that created an alternative method for determining assessed value of certain qualified historical properties. Commonly referred to as the Mills Act, the law provides an income-based tax formula for eligible properties subject to historical property contracts (Article 12, commencing with Section 50280, of Chapter 1, Part 1 Division 1, Title 5, of the California Government Code).

The use of the Mills Act gives communities the flexibility to deal with historical structures on a case-by-case basis. Local government has the option to choose which properties are suitable for the incentive by evaluating various factors. These contracts can be used both as a tool to rehabilitate and preserve an individual building, and as part of a broader community-wide program.

As a preservation incentive, historical property contracts offer advantages to both local government and property owners. The contracts provide property tax relief for owners of qualified historical properties who agree to abide by reasonable preservation requirements. For local government, the preservation requirements ensure an authentic rehabilitation and a high level of maintenance of a cultural resource that is important to the community.

120 APPLICATION FILING

Any residential property owner may file an application with the required submittal deposit of \$1,000 for a historical property contract with the Department of Community Development. The application shall be made on forms provided by the department and submitted to the department together with the application fee deposit, and such documentation, information, and photographs required by the department for a complete understanding of the qualities and characteristics of the property for which the historical property contract is requested, and a description of, and timeframe for, proposed improvements to the property. City costs in processing applications shall be charged against application fee deposits.

Prior to determining the completeness of an application, the Director shall provide a copy of the application and submitted materials to Claremont Heritage for review and comment. Prior to submittal of an application, the property owner is encouraged to discuss with City staff whether their property meets the criteria for historical property contracts.

130 CRITERIA FOR AN HISTORICAL PROPERTY CONTRACT

An historical property contract may be approved only if all the following criteria are met:

- A. The subject property meets the eligibility requirements for a Mills Act contract pursuant to California Government Code Section 50280.1 in that it is a privately owned property which is not exempt from property taxation, and is listed on the National Register of Historic Places, located in a National Register or local historic district, or listed in a state or county official register of historic or architecturally significant sites, places or landmarks, or in the Register of Structures of Historic and Architectural Merit of the City of Claremont;

- B. The subject property contributes significantly to the quality, diversity, historical interest, and ambience of the community;
- C. Significant features that define the historical character of the subject property, and its buildings have not been destroyed or can be restored based on documentary, physical, or pictorial evidence;
- D. The owner of the subject property proposes to make improvements that are related to preservation and/or rehabilitation of character defining elements and/or historical and structural integrity of the property. Additionally, the cost of such improvements must be equal to or greater than the expected property tax savings for the first ten years, which needs to be distributed into two five-year periods; and
- E. The subject property is residential.

140 PREPARATION OF HISTORICAL PROPERTY CONTRACT

Upon receipt of a complete application for a property meeting the above criteria, the Director of Community Development or his/her designee shall assist the property owner in preparing a draft historical property contract and agreement conditions, and an example of tax savings. The city attorney shall review the proposed contract to ensure it conforms to statutory guidelines.

As part of the contract, the owner of the property shall agree to periodic examinations, by appointment, of the interior and exterior of the property by representatives of the City, County Assessor, the State Department of Parks and Recreation, and the State Board of Equalization, to determine the owner's compliance with the contract. The owner shall also agree to conform to the rules and regulations of the Office of Historic Preservation of the Department of Parks and Recreation, United States Secretary of the Interior's Standards for Rehabilitation of Historic Properties, and the State Historical Building Code.

150 HEARING REQUIREMENTS

After the City Attorney has completed a review of a draft historical property contract, the matter shall be referred to the Architectural Commission at their next available meeting. Notice of the hearing by the Architectural Commission shall be given not less than ten days prior to any action taken on the application by publishing a notice in a local newspaper. Such notice shall include the date, time, and place of the hearing and general explanation of the matter to be considered. Notice of the hearing shall also be sent to the record owner(s) and to other persons who have requested to be notified of such matters, or whom staff determines may have an interest in the matter.

160 COMMISSION RECOMMENDATION AND COUNCIL DECISION

The Architectural Commission shall, by resolution, make a recommendation related to the application, and the resolution shall be forwarded to the City Council. The City

Council shall consider the recommendation of the Architectural Commission and make a decision on the proposed historical property contract. The City Council shall have complete and final authority to approve, deny, or modify any historical property contract recommended by the Architectural Commission.

170 EXECUTION OF CONTRACT

The City Manager shall have the authority on behalf of the City to execute historical property contracts approved by the City Council.

180 CONTRACT RECORDATION

Upon approval and execution of a historical property contract, the City Clerk shall submit a certified copy of the agreement for recording to the County Recorder of Los Angeles, and the County Assessor's Office. Written notice of the agreement shall also be provided to the State Office of Historic Preservation.

190 PERIODIC REVIEW OF CONTRACT

The Director of Community Development shall periodically review the historical property contract and inspect the property to determine the property owner's compliance with the contract. The owner of the property shall, on an annual basis, provide the Director with a letter describing the home improvements completed during the preceding year, along with the annual review fee (calculated at 2.2 staff time at the prevailing hourly rate approved by the City Council).

200 MAXIMUM NUMBER OF CONTRACTS PER YEAR

The City Council shall approve no more than six historical property contracts during any one calendar year period.

SECTION 3. If applicable, the applicant shall be notified when the City costs in processing the application exceed \$1,000 and advised of the estimated costs to continue/finish processing the application. If applicable, the applicant shall be notified again when the City costs in processing the application exceed \$1,500 and advised of the estimated costs to continue/finish processing the application.

SECTION 4. Resolution Nos. 2000-157 and 2009-04 are hereby repealed in their entirety and superseded by the provisions set forth in this Resolution.

SECTION 5. The Mayor shall sign this Resolution and the City Clerk shall attest and certify to the passage and adoption thereof.

SECTION 6. This Resolution shall take effect immediately, provided that the fee for the annual review of the historical property contract shall not take effect until 60 days after the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 9th day of October, 2012.



Mayor, City of Claremont

ATTEST:



City Clerk, City of Claremont

APPROVED AS TO FORM:



City Attorney, City of Claremont

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)ss.
CITY OF CLAREMONT)

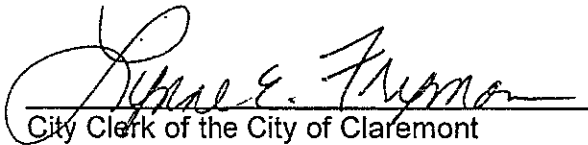
I, Lynne E. Fryman, City Clerk of the City of Claremont, County of Los Angeles, State of California, hereby certify that the foregoing Resolution No. 2012-75 was regularly adopted by the City Council of said City of Claremont at a regular meeting of said Council held on the 9th day of October, 2012, by the following vote:

AYES: COUNCILMEMBERS: NASIALI, PEDROZA, CALAYCAY, LYONS, SCHROEDER

NOES: COUNCILMEMBERS: NONE

ABSTENSIONS: COUNCILMEMBERS: NONE

ABSENT: COUNCILMEMBERS: NONE



City Clerk of the City of Claremont