



CITY OF ENCINITAS
Development Services Department
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MILLS ACT

HISTORICAL PROPERTY PRESERVATION AGREEMENT

PURPOSE

The purpose of an “Historical Property Preservation Agreement” is to provide an opportunity for owners of qualified historic structures to potentially receive property tax relief through the use of the Mills Act. The owner agrees to preserve, maintain and, if necessary, restore and or rehabilitate the historic property. In return for rehabilitation and continued preservation of the property, the owner is eligible for a different method of property valuation and property tax assessment which may reduce the property taxes each year the Agreement is in effect (minimum of 10 years). Use of the Mills Act will help offset the higher costs involved in restoration and ongoing maintenance required for historic structures which have been recently purchased or have been reassessed as a result of prior rehabilitation improvements. Although the City and the property owner enter into the Agreement, the County Tax Assessor is responsible for administering the valuation terms of the Agreement.

Owners of any qualified historic property that is privately owned and not exempt from property taxation, and is individually designated or within a designated district, which is listed as a contributing historic structure on the National Register of Historic Places, California Register of Historical Resources or Register of Historical Landmarks, California Points of Historical Interest, or in the Encinitas Register of Historical Property, may apply to enter into an “Historic Property Preservation Agreement.”

In reviewing and processing the application, the Development Services Department will evaluate whether or not the proposed work meets the minimum required standards and conditions for the maintenance, use, and preservation of the qualified historic property according to the conditions of the “Historic Property Preservation Agreement.” Further, the City Council will review the proposed work to determine that it serves a purpose for the community. A priority will be given for improvement of basic structural systems (roof, foundation, electrical, termite control, painting, etc.). Improvements to landscape, hardscape, room additions, and interior renovations will not normally be allowed as part of the program. Note that only new work done after approval of the agreement will be considered as part of the program. The City Council makes the final decision for the City to approve and accept the :Historic Property Preservation Agreement,”

PROCESS

Step 1 Applicant Consideration of Long-Term Goals for Property

Early in the consideration of whether to apply for an “Historic Property Preservation Agreement,” the property owner should determine what the goals are for the property and develop a proposed work and/or maintenance schedule. Documentation by a Historic/Preservation Consultant showing property history is necessary prior to submittal of any application materials. In addition, the owners shall employ a qualified preservation architect, to be approved by the Development Services Department Director, with experience in the restoration of historic architecture, rehabilitation, and reuse of historic sites, if substantial structural alterations are considered. Since the intent of the Agreement is preservation of the property, long term goals, which include significant modifications that would negatively impact the integrity of the building, may not be consistent with the goals and requirements of the Agreement and state law.

Step 2 Pre-Application Assistance

Prio to submitting a formal application, the property owner shall make an appointment with the Development Services Department, who will explain the program requirements and the :Historic Property Preservation Agreement.” Staff will discuss the specific details of the Agreement itself, which is a legal and binding document recorded against the property, and binds successor property owners as well. The property owner will be

encouraged to seek the advice and recommendations of his/her own independently selected counsel concerning the nature, extent and duration of his/her rights and obligations under the Agreement.

Upon submittal of the homeowner's proposed work list and current photographs of the property, staff will provide assistance to the homeowner in identifying priorities and specifics of the proposed work, as it relates to the recommendations and or requirements in the "Secretary of the Interior's Guidelines for Rehabilitation," and the State Historic Building Code.

*Application Deadline: City applications for the Mills Act are due no later than October 1st and must be executed no later than December 31st to take effect the following tax year. For example, the tax year beginning July 2004, the Agreement must be executed by December 31, 2003. Therefore, an agreement executed in January 2004 will not take effect until the 2005-06 tax year.

Step 3 Site Meeting

City staff or a Consultant will contact the owner to schedule a site meeting. The purpose of this meeting is to inspect the property including any previously completed restoration work or improvements, examine those areas where proposed work, or needed improvements will be installed, and to identify any ongoing items which may need long-term maintenance.

Because the Agreement requires adherence to the "Secretary of the Interior's Standards and Guidelines for Rehabilitation," any inappropriate changes to the property in the past that are not consistent with guidelines or property maintenance and code deficiencies needing repair or correction will be identified and included in the list of work specified in the contract of improvements.

Step 4 Review of Application

City staff will review the application for completeness and review the (type, order, and list) potential restoration improvements to determine if such improvements conform to the required standards. Documentation by a Historic/Preservation Consultant showing property history is necessary prior to submittal. The applicant will be notified after filing as to whether the application is complete or what additional information is required.

Step 5 Improvements Requiring Review

Prior to consideration of the application by City Council, all proposed improvements must be reviewed and approved by the City. Projects proposing new additions and major exterior renovations may be subject to review and approval by the City. Minor exterior restoration and interior alterations and improvements will be reviewed and approved by the Development Services Department.

For those projects requiring review by City staff or a Historic Consultant, staff will review the type of potential improvements and determine if such work conforms to the required standards. At the conclusion of the discussion, City staff will make a recommendation regarding the proposed work and forward its recommendation to the City Council for consideration at the public meeting regarding acceptance of the Mills Act Agreement.

Step 6 City Council Review

The City Council shall hold at least one public meeting on the "Historic Property Preservation Agreement" application and the "Encinitas Register of Historic Property" application.

At the public meeting, staff will present a report, with their recommendation or the recommendation from a Historic Consultant. In considering a request for an Agreement, Council will place a priority on improvement of basic structural systems such as roof, foundation, electrical, termite control and painting protection. Costs for landscape, hardscape, room additions and interior renovations (not associated with basic systems) will not normally be allowed as part of the program. The City Council makes a decision approving or conditionally approving the Agreement, denying the Agreement, or postponing the decision to a later date. The City Council's decision on an "Historic Property Preservation Agreement" is final.

Step 7 Execution of Approved Agreement

Once the City Council has approved the Agreement, the property owner is required to execute the Agreement. Staff will then coordinate the execution of the agreement by the City. Within 20 days after the Agreement is executed, the City will forward the Agreement to the County Recorder for recordation. Upon receipt of the recorded copy from the County, the City will then forward the recorded Agreement to the County Tax Assessor's office for implementation.

Step 8 Owner's Notice to Office of Historic Preservation

The owner or owner's agent shall provide written notice of the Agreement to the following agency within 6 months of entering into the Agreement.

California Office of Historic Preservation
Department of Parks and Recreation
PO Box 942896
Sacramento, California 94296-0001