



CITY OF MONROVIA HISTORIC PRESERVATION

PROCEDURES FOR A MILLS ACT CONTRACT

PURPOSE OF THE MILLS ACT CONTRACT

The City of Monrovia has adopted and established a number of incentives to encourage the rehabilitation, maintenance, and preservation of designated historic landmarks. Upon submitting for landmark designation, a property owner may apply concurrently for a Mills Act Contract. The Mills Act Contract is an agreement between the City of Monrovia and the owner of a designated historic landmark. Any property listed as a local, state or national landmark is eligible. The agreement requires the owner of the property to undertake specific restoration tasks specified in the contract and to properly maintain the landmark. In exchange for this commitment, the property owner may benefit from a reduction in property taxes. A Mills Act Contract requires that the County Tax Assessor's Office assess the value of the landmark based on its current income potential, rather than future development potential. This can result in substantial property tax savings, especially to recent purchasers of property.

TERM OF CONTRACT

Mills Act Contracts 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 the City or Property Owner may submit a notice of non-renewal which will terminate after ten (10) years from the time the non-renewal is approved. Immediate cancellation of the contract by either the City or property owner requires a public hearing and will result in the immediate termination of the contract and a penalty equal to 12½ percent of the assessed market value of the property.

REVIEW PROCEDURES

A Mills Act Contract is a monetary incentive that is granted by the City Council following a review and recommendation by the Historic Preservation Commission. The process is:

- Property owner(s) request Mills Act Contract by submitting Mills Act Contract application to the Planning Division of the Community Development Department. (This can be done concurrently with a Historic Landmark application).
- Staff prepares a report for consideration by the Historic Preservation Commission.
- The Commission reviews the proposal will make a recommendation on the request to the City Council. The City Council will make the final decision on application.
- The restoration plan for the property will be reviewed in conjunction with the Mills Act Contract Application. In addition to tasks identified on the restoration plan, there will be other conditions of approval that include: completion of an electrical safety inspection and placing an historic landmark plaque on the house within two years. A seismic retrofit must be completed within 10 years of approval of the Mills Act Contract.

Once a property is designated a historic landmark, all changes to the exterior of structures on the property are subject to the approval of a Certificate of Appropriateness by the Historic Preservation Commission.

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

1. The Mills Act Contract will serve to compensate for the cost of rehabilitating and/or maintaining the historic landmark. The submission of the application and the required documentation will provide the basis to make this finding.
2. The rehabilitation of the historic landmark will occur in conjunction with the use of the Mills Act Contract and that it will not impair the architectural, historic or aesthetic integrity of the historic landmark.

RECORDATION

After the Mills Act Contract is approved by the City Council, it is required to be filed with the County Recorder in Norwalk. The applicant is responsible for insuring that the document is properly recorded by the County Recorder's Office.

After recordation, the Recorded Contract is taken to the Los Angeles County Assessor located at 500 West Temple St., Los Angeles. The Assessor calculates the exact tax savings. Every year the property tax for the property is recalculated by the Assessor.

If you need help or have questions, please contact the Planning Division at (626) 932-5565.

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MILLS ACT CONTRACT APPLICATION

This form is required to be filled out when applying for a Mills Act Contract. If you need help filling out the forms, please contact a member of the Community Development Department/Planning Division for assistance at (626) 932-5565.

PLEASE PRINT OR TYPE

Property Address: _____
Assessor Parcel # _____
Owner Name(s): _____
Address: _____
Phone Number: _____
Building size (sq. ft.) _____
Assessed Value _____

Has the building been seismically retrofitted (e.g. bolted to the foundation)? **Yes** **No**
If so, provide written documentation such as a building permit or contractor/inspector certification.

Note: Seismic retrofitting is a standard condition for all historic landmarks with a Mills Act Contract. This requirement must be completed within 10 years of approval of the Contract.

Additional Information

The following documentation is required to be submitted as a part of this application.

- Copy of the current Grant Deed with the property's legal description.
- Copy of the most recent tax bill.
- Ten-year Rehabilitation Plan for exterior changes (window replacement, wood trim work, etc.).
- Photographs of Exterior of the Property (interior photographs are required if there is a Batchelder Tile fireplace that will be preserved as part of the contract.)