

Historic Preservation 101

March 2, 2021

Study Session

Monrovia City Council



Historic Preservation Ordinance

- Adopted in 1995, Monrovia's Historic Preservation Ordinance established the framework and authority to implement the City's Historic Preservation program. These provisions establish and authorize:
 - A process and the criteria for the designation of historic landmarks and historic districts.
 - Procedures and findings to review and approve modifications to designated properties.
 - Specific incentives provided to designated properties.
 - A Historic Preservation Commission to administer the program.

Designation

A historic landmark can be a structure, site or a natural feature if it meets one of the seven criteria in the Ordinance. Historic Districts can also be designated if the area meet one of the same criteria. There is no age requirement.

Other key points related to historic designation include:

- For individual landmarks, the Ordinance is voluntary, the property owner must consent to the submittal of an application.
- For districts, a majority (50% + 1) of the property owners must consent to the application.
- Requires two public hearings: Historic Preservation Commission (HPC) and City Council.

Certificate of Appropriateness

Exterior modifications to designated landmarks and properties within a historic district that require a building permit must obtain a Certificate of Appropriateness from the Historic Preservation Commission (HPC).

- The Commission must determine that the proposed change will not adversely affect the historic significance of the property.
- Requires notice of a public meeting.

Incentives

Specific incentives are available to owners of historic landmarks and contributors within designated historic districts.

- Use of the State Historical Building Code
- Building permit fee relief
- Zoning flexibility (setbacks, unit size, parking)
- Mills Act Contracts

Demolition Review Ordinance

In 2016, the Monrovia City Council adopted Ordinance No. 2016-10. These regulations require all residential properties 50 years or older to be reviewed by the Historic Preservation Commission if demolition or partial demolition is proposed.

- Historic Significance is determined by HPC based on the criteria in the Ordinance and the thresholds established in the Citywide Historic Context Statement.
 - Written historic assessment by a historic preservation consultant required.
 - If there is an “obvious lack of historic significance”, an exemption may be requested.

Historic Preservation Commission

- Administers the provisions of Chapter 17.40 of the MMC.
- Authority to approve:
 - Certificate of Appropriateness
 - Special Reviews (Old Town facades, Potential Historic Landmarks)
- Advisory to City Council for:
 - Historic Landmark and District designations
 - Mills Act Contracts/Conditions
- Advisory to Planning Commission on:
 - Amendments to Ordinance
 - Modifications to historic structures

Mills Act Contracts

The Mills Act was enacted by the California Legislature in 1972. It is the single most important economic incentive program in California for the restoration and preservation of historic structures.

- Enables local jurisdictions to enter into an agreement with owners of historic properties that provides a financial incentive to preserve and restore through a reduction in property taxes owed.
- Monrovia adopted the Mills Act program in 1995 as part of the Historic Preservation Ordinance.
- Mills Act Contracts are available to the property owners of all locally designated historic landmarks and contributors in designated historic districts.

Mills Act Contract – Conditions

The Mills Act Contract allows the City to place specific conditions on the contract to ensure that the property is preserved as well as to require specific restoration tasks. Standard conditions include:

- Electrical Safety Inspection
- Certificate of Appropriateness for exterior modifications.
- Placing of a landmark plaque
- Seismic retrofit
- Regular progress reports:
 - First 10 years – biennial report
 - Every five years after the first 10.

Mills Act Contract – Conditions

Additionally, the Mills Act Contract allows the City to place conditions to address the specific needs of the resource. This is based on a 10-year plan developed with the property owner. The conditions may include tasks such as:

- Repair of original windows
- Siding repair or replacement (in kind)
- Removal of non-appropriate modifications.
- Ongoing maintenance and preservation.

Mills Act Contract - Term

- Contracts are for a 10 year period, but renew automatically each year by adding a year to the end of the contract period in perpetuity.
- A contract can be terminated two ways:
 - The City or the property owner issues a Notice of Non-renewal *without cause*. This will cease the automatic renewals and the Contract will run out after 10 years. There is no penalty for this process.
 - The City may revoke a contract *for cause* if the contract is out of compliance. The revocation process requires both the HPC and City Council hold a public hearing on the matter.
 - If the Contract is revoked, the property owner is assessed a fee equal to 12½% of the current fair market value.

Mills Act Assessments

Properties with Mills Act Contracts are reassessed every year using three formulas, the lowest is becomes the assessed value:

- **Mills Act Formula** – Income based formula established in state law
- **Prop 13**
- **Fair Market Value**

The formula favors owners that have newly acquired the property. At some point, the assessment reverts back to Prop 13 (or in rare cases, Fair Market Value)

Mills Act Assessments

MA		Prop 13	Current Market	Mills Act	Reduction
1	250 N Primrose Ave	\$1,465,980	\$1,600,000	\$619,000	58%
15	336 N Ivy Ave	207,607	860,000	294,000	0%
32	123 El Nido Ave	103,510	840,000	247,000	0%
114	214 N Encinitas Ave	708,607	676,000	362,000	49%
129	805 S Shamrock Ave	1,679,278	1,640,000	1,221,000	27%
135	200 E Lime Ave	1,038,319	929,000	390,000	62%

Assessments as of January 1, 2020:

137 Contracts processed by Assessor

Average reduction: 46%

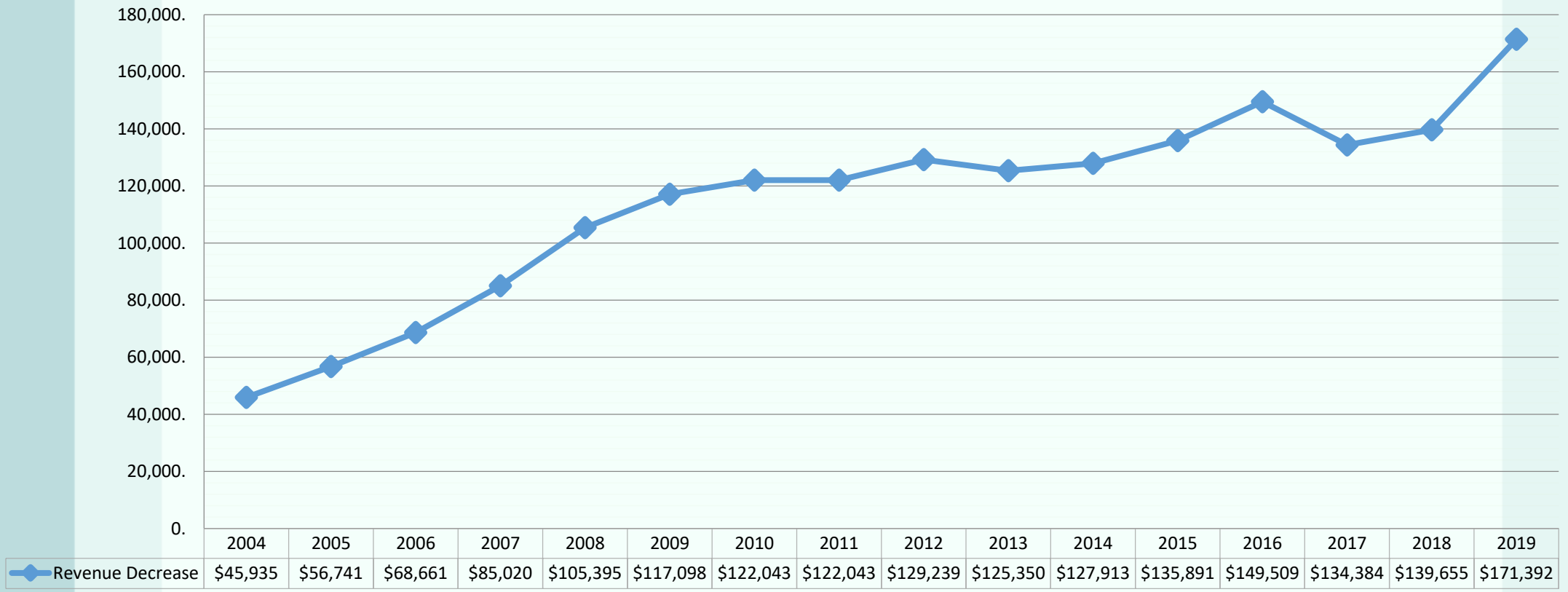
Estimated total City revenue decrease: \$171,392

Average City tax decrease per contract: \$1,251



Revenue Decrease Over Time

CITY REVENUE DECREASE BY YEAR



Historic Preservation - Benefits

Historic Preservation provides both tangible and intangible benefits to a community.

- Encourages investment in a community to maintain and make property improvements
- Maintains property values
- Maintains and enhances the character of a community
- Community pride
- Economic development tool by encouraging visitors
- Mills Act Contract is an investment in the City's historic structures and generates an interest in preservation

Historic Preservation - Results

- 163 designated Historic Landmarks
- 2 Historic Districts containing 81 properties and 52 contributors
- 153 Mills Act Contracts
- Citywide Historic Context Statement
- Demolition Review Ordinance

Questions and Discussion