



MILLS ACT CONTRACT APPLICATION

Thank you for your interest in the City of Laguna Beach Mills Act Program. This program is a self-directed, economic incentive program for owners of locally designated historic registered properties.

A Mills Act Contract is a 10-year contract between the owner of a City designated landmark property and the City of Laguna Beach. The purpose of a Mills Act Contract is to provide property tax relief for an owner in return for the long-term maintenance and preservation of the property's historic features and character.

In order for your property to be considered for a Mills Act contract under the current program, it must be a designated City of Laguna Beach Historic Registered property and satisfy the Mills Act program requirements. If you are unsure whether your property is a designated or eligible landmark, please contact City staff.

Introduction

- The Mills Act was adopted in 1972 by the State Legislature to establish an alternative method for determining assessment values for historic properties. The Act authorizes cities to enter into 10-year contracts (minimum) with owners of qualified historic structures that agree to comply with certain preservation restrictions and receive property tax reductions. The property owner may then use the money made available from a reduced tax bill to maintain and/or rehabilitate the historic structures. State codes related to the Mills Act include the California Government Code, Article 12, Sections 50280-50290 and the California Revenue and Taxation Code, Article 1.9, Sections 439-439.4.
- The Mills Act grants local governments the authority to establish, administer, implement and monitor Mills Act Historic Preservation Tax Abatement Programs (Mills Act programs). Cities and counties with Mills Act programs are able to enter into contracts with owners of qualified historic properties who actively participate in the restoration, rehabilitation, and maintenance of their historic properties while receiving property tax relief. Each local government establishes its own criteria for evaluating applications and determines how many contracts will be allowed within its jurisdiction.
- The County Assessor's office re-assesses property taxes based on a capitalization of income formula rather than on market value. Mills Act participants may realize a property tax savings of approximately 50% each year depending on property value, net operating income, and other variables. Contracts are automatically renewed each year and are transferred to new owners when the property is sold.



CITY OF LAGUNA BEACH
COMMUNITY DEVELOPMENT DEPARTMENT
505 Forest Avenue, Laguna Beach, CA 92651
Tel. (949) 497-0713 Fax. (949) 497-0759

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GENERAL INFORMATION (must be typed):

Property Address: _____
Property Owner
(as noted on Grant Deed): _____
Mailing Address: _____
City: _____ State: _____ Zip Code: _____
Telephone No: _____ E-Mail: _____

Applicant: _____
Address: _____
City: _____ State: _____ Zip Code: _____
Telephone No: _____ E-Mail: _____

PROPERTY INFORMATION:

Address of property: _____ Assessor Parcel No(s): _____
Tract: _____ Block: _____ Lot(s): _____
Legal
Description: _____

HISTORIC DESIGNATION CATEGORY:

Staff Only: Application No.: _____ HR Designation No.: _____ Date of Designation: _____

REQUIRED MATERIALS (must be submitted with this application):

- ☐ COMPLETED AND SIGNED APPLICATION FORM
- ☐ \$3,201 APPLICATION FEE
- ☐ COPY OF GRANT DEED, INCLUDING LEGAL DESCRIPTION
- ☐ \$4,000 DEPOSIT FOR HISTORIC ASSESSMENT¹
The assessment will include current photographs of street views, each exterior or side elevation and all other improvements/features on the parcel. The photographs will be used to create a table identifying character-defining features and provide recommendations for treatments. The assessment will also include a recommended rehabilitation/maintenance plan and timeline which includes all work to be completed within the next 10 years.
- ☐ DRAFT 10-YEAR REHABILITATION/MAINTENANCE PLAN AND COST ESTIMATE OF ITEMIZED WORK
- ☐ COPY OF MOST RECENT PROPERTY TAX BILL
- ☐ MOST RECENT REAL PROPERTY REPORT

I hereby certify that I am the present owner of the subject property described above and that I have reviewed the subject application and apply for consideration for a Mills Act Contract. I further understand that a Mills Act Application does not result in an automatic entitlement and each application is evaluated on its own merits on its historical significance and inclusion in the City's program.

Owner's Signature: _____

Date: _____

¹ Properties with more than two historic-age buildings (including ancillary buildings such as a garage or guest house) will require an additional fee to be determined based on the size and complexity of the property and number of historic-age buildings.



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APPLICATION REVIEW PROCESS	
TIMELINE	
Pre-Application Review Meeting (January/February)	
	Prior to submitting an application for a Mills Act Contract, the owner shall schedule a pre-application review meeting with the City Heritage Committee staff liaison. The purpose of the pre-application review meeting is to confirm the property qualifies for the program and ensure that the mandatory terms of the Agreement and the application submittal requirements are understood.
Application Submittal (By Wed, March 27, 2024)	
	Heritage Committee staff liaison receives the Mills Act application, application fee, and deposit for Historic Assessment Report.
Historic Assessment Report (Spring)	
	The historic consultant will conduct a site visit to ascertain the current condition and historic features of the property. The Historic Assessment Report will be prepared and finalized by the historic consultant. The report will itemize character-defining features to be preserved, maintained, or in need of rehabilitation and include a recommended rehabilitation/maintenance plan.
Final Report Submittal (Early Summer)	
	The final Historic Assessment Report and application will be sent back to the applicant to provide 8 collated copies for City staff to distribute to the Heritage Committee for review.
Heritage Committee Meeting (Late Summer)	
	The Heritage Committee shall consider the application and make a recommendation to the City Council regarding the proposed list of improvements, any restrictions that should be added to the agreement, and whether the application for a Mills Act contract should be approved or denied. The Heritage Committee members will visit the property once the application is scheduled to be considered at a regular Heritage Committee meeting.
City Council Hearing (Fall)	
	Once per year, the City Council considers approval of Mills Act contracts as part of its consent calendar. The City Council is provided with a staff report and information on the estimated fiscal impact on the City and Community Development Department.
Contract Execution and Recordation (December)	
	If approved by the City Council, the City executes the contract and forwards it to the County Recorder's office for recordation. The recorded copy will be returned to the City for submission to the County Tax Assessor's office for implementation.



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REHABILITATION/MAINTENANCE PLAN AND TIMELINE (attach additional sheets if necessary)

Please use this form to outline your Rehabilitation/Maintenance Plan and timeline. Include all proposed exterior work (including electrical, plumbing, etc.) to be completed within the next ten years. See the following page for list of potential projects. Use additional sheets if necessary to discuss proposed plan.

	Contract Year	Building Feature	Proposed Work/Task	Est. Cost
1.				\$
2.				\$
3.				\$
4.				\$
5.				\$
6.				\$
7.				\$
8.				\$
9.				\$
10.				\$
TOTAL COST:				\$

Besides the above information, the Rehabilitation/Maintenance Plan must include the following:

- For all work completed during the first ten years of contract, cost estimates must be provided (cost estimates are subject to verification by City staff).
- Fully labeled photographs of the front of the main building and its relationship to the public right-of-way (street, parkway, sidewalk, etc.); each elevation or side of all buildings on the property; structural and architectural details of any building proposed to be restored, rehabilitated or preserved; and any portions of the property where landscaping or paving work is proposed.
- Plans, drawings, material samples, brochures, etc. as needed to depict the location and characteristics of all proposed work (if available).
- Additional information may be required during the review process for clarification.



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LIST OF POTENTIAL PROJECTS	
BUILDING FEATURE	PROPOSED WORK/TASK
Architectural	Removal non-historic feature and restore to original
Architectural Trim	Repair
Architectural Trim	Replace
Balcony/Decks	New railings
Balcony/Decks	Repair or replace
Chimney	Inspect and clean
Chimney	New
Chimney	Repair
Column	Repair or replace
Corbels/Brackets	Repair or replace
Deck	Repair, replace or install
Door	Repair or replace entrance door (specify)
Door	Repair or replace hardware
Drainage	Protection or correction
Driveway	Repair, replace, remove
Dry Rot, Mold	Remove, repair, replace (specify feature)
Electrical	Rewire and/or service upgrade
Electrical	Lighting fixtures
Electrical	Relocate meter (specify location)
Fence	Repair, replace, install gate (specify)
Fence	New (specify location, materials, style, etc.)
Foundation	Bolting and seismic work
Foundation	Repair or rebuild
Fumigation	Extermination
Gable and Attic	Vent repair, re-screening, etc.
Garage	Repair, remove, replace
Garage Door	Repair, remove, replace
Gutters and Drains	Repair, remove, replace
Insulation	Attic
Masonry	New
Masonry	Repair or replace tile hearth
Masonry	Repair and/or repoint
Masonry	Repoint brick
Mechanical	Air conditioning, HVAC, repair, remove, install, general maintenance
Painting or Staining	Exterior
Painting or Staining	Removal of lead based paint (exterior)
Painting or Staining	Exterior trim
Painting or Staining	Porch deck or patio deck, etc.
Patio, Porch	Repair, replacement, removal
Plastering	Exterior: removal, refinish, repair, replacement or patching



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BUILDING FEATURE	PROPOSED WORK/TASK
Plumbing	Drain, waste, and vent repair, replacement, install
Plumbing	Repair, remove, install sump pump and discharge drain
Plumbing	Repair, remove, install supply lines
Plumbing	Minor repairs
Plumbing	Sewer
Porch	Ceiling repair, replacement
Porch	Repair, rebuild, replace
Porch	Brick repoint
Porch Railing	Repair or replace to code
Porch	Resurface
Porch Steps	Repair, rebuild, replace
Railing	Repair, remove, replace, install
Roof	Repair or replace eaves, fascia and/or overhangs
Roof	Strip and install new layer of roofing material
Roof	Re-roof (specific material)
Roof	Minor repair (specify)
Roof	Major repair (specify)
Seismic Work	Seismic upgrade (specify)
Siding (specify)	Repair, patch, replace
Siding	Remove non-original siding and restore original
Skylights	Remove, replace
Stair (exterior)	Repair, replace, remove, relocate
Stonework	Repair, replace, remove, install
Stoop	Repair, replace
Structural	Stabilize, repair, replace framing
Structural	Modifications
Structural	Roof and ceiling joist repair, replacement
Termite	Treatment and repair
Utilities	Enclosure(s)
Waterproofing	Exterior
Window	Frame repair or replacement
Window	Screen, glazing, hardware repair or replacement



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All projects that affect the exterior of the property are subject to Heritage Committee/Staff review and approval before work begins. Work must meet all City requirements and comply with the *Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring, and Reconstructing Historic Buildings* or the *Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings* (1995, by Weeks and Grimmer; Revised 2017, by Grimmer).

STANDARDS for REHABILITATION	
1.	A property will be used as it was historically or be given a new use that requires minimal change to its distinctive materials, features, spaces and spatial relationships.
2.	The historic character of a property will be retained and preserved. The removal of distinctive materials or alteration of features, spaces and spatial relationships that characterize a property will be avoided.
3.	Each property will be recognized as a physical record of its time, place and use. Changes that create a false sense of historical development, such as adding conjectural features or elements from other historic properties, will not be undertaken.
4.	Changes to a property that have acquired historic significance in their own right will be retained and preserved.
5.	Distinctive materials, features, finishes and construction techniques or examples of craftsmanship that characterize a property will be preserved.
6.	Deteriorated historic features will be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature will match the old in design, color, texture and, where possible, materials. Replacement of missing features will be substantiated by documentary and physical evidence.
7.	Chemical or physical treatments, if appropriate, will be undertaken using the gentlest means possible. Treatments that cause damage to historic materials will not be used.
8.	Archeological resources will be protected and preserved in place. If such resources must be disturbed, mitigation measures will be undertaken.
9.	New additions, exterior alterations or related new construction will not destroy historic materials, features and spatial relationships that characterize the property. The new work will be differentiated from the old and will be compatible with the historic materials, features, size, scale and proportion, and massing to protect the integrity of the property and its environment.
10.	New additions and adjacent or related new construction will be undertaken in such a manner that, if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

PERIODIC INSPECTIONS

The City monitors properties for compliance with the terms of the contract. Reporting is required by the property owner to the City every other year, during which the property owner updates the City on the progress of the preservation plan.