

# Mills Act Program Assessment

## Questions from Outreach Workshop

1. Would there be an expectation that maintenance continue on a property when the Mills Act contract expires?

*If the City issues non-renewal letters for existing Mills Act contracts older than 10 years as the assessment report recommends, a property would still be subject to the City's Cultural Heritage Ordinance (if designated as an Historic-Cultural Monument) or the Historic Preservation Overlay Zone (HPOZ) ordinance and preservation plan. Properties in the City are still required to be maintained in accordance with the minimum standards of the building and housing codes.*

2. How can the City Council change state law's established time limits for Mills Act contracts?

*The state law enables legislative bodies to enter into Mills Act Historical Property contracts and indicates that the minimum term for Mills Act contracts should be 10 years (see [California Government Code Section 50281](#)). The specific term limits for Mills Act contracts with the City of Los Angeles are outlined in the contract.*

3. How can the term limits for existing Mills Act contracts be modified?

*No specific term limits exist for existing Mills Act contracts. Under state law and as outlined in the Mills Act contract, the property owner or the City may elect in any year not to renew the contract. If the City or the property owner serves notice of intent in any year not to renew the contract, the existing contract remains in effect for the balance of the period remaining since the original execution or the last renewal of the contract. Since Mills Act contracts have a minimum 10-year term, upon a notice of non-renewal being issued, the contract would remain in effect for an additional 10 years.*

4. Can the Mills Act database recommended in the assessment report be made visible to the public?

*As stated in the report, a goal for the program is to provide greater transparency and therefore, the City would look at providing more data to the public.*

5. Would individual property taxes be raised if the City does not renew older Mills Act contracts?

*Yes, over the remaining 10-year term of a contract following the issuance of a notice of non-renewal property taxes would gradually increase to the amount an owner would be paying under Proposition 13.*

6. How long after a Mills Act contract inspection does an owner have to bring their property into compliance?

*For properties that are found to be in some form of non-compliance with the contract, owners are given 30 days from the issuance of the inspection report to contact the City's Office of Historic Resources to develop a plan to bring the property into compliance. However, in practice, and depending on the severity of the violation, the City's expectation is that an owner is working diligently to bring the property into compliance.*

7. Are any existing Mills Act contracts going to be nullified?

*No, the assessment report recommends that the City issue notices of non-renewal for properties with contracts older than 10 years and that are in compliance to enable capacity for new contracts. This would mean that contracts would be in effect for another 10 years from the issuance date of the notice.*

8. If a Mills Act contract is canceled, what happens to the work an owner does to protect historic aspects of a property when there is a new owner who wants to remove all of the historic elements?

*To clarify, cancellation of a contract is an enforcement action the City can take when an owner is out of compliance, and cancellation is accompanied by a substantial financial penalty. The assessment report recommends non-renewing older contracts, which would not impact a property's historic designation and associated protections. However, currently a Mills Act contract protects the interior and exterior whereas Historic Preservation Overlay Zone restrictions only apply to the exterior. Typically, Historic-Cultural Monument designations cover both the interior and exterior.*

9. Does the \$1.5 million valuation cap on single-family homes apply to the Mills Act assessed value or the market value?

*Neither. The valuation cap only applies to applications for new contracts and is based upon the Proposition 13 assessed value.*

10. Does the Mills Act program protect properties from being redeveloped or sold?

*No, there are no restrictions on properties under a Mills Act contract being sold or potentially redeveloped. However, the contract specifies that any new work be in conformance with the Secretary of the Interior's Standards for Rehabilitation.*

11. If a property is designated as both a Contributor to an Historic Preservation Overlay Zone and an Historic-Cultural Monument, what happens to the Mills Act designation if the contract is canceled or not renewed.

*To clarify, the Mills Act is an historic preservation incentive program, not a designation. It is a contract between the City and a property owner to incentivize restoration and rehabilitation. The Mills Act program is separate from the historic designation of a property. If the Mills Act contract for a property is canceled or not renewed, the property's designation remains.*

12. What is considered to be a high barrier or low barrier property?

*The concepts of high barriers and low barriers to opportunity stems from the [Los Angeles Equity Index](#) developed by the Los Angeles City Controller's Office. The Equity Index comprises four indicators at the census tract level that are central to the issues of equity and opportunity. These are education, access to resources, environment, and socioeconomic factors. The "low barrier to opportunity" to "high barrier to opportunity" measures reflected larger geographic areas; these were not analyzed at the individual parcel level.*

13. How does the non-renewal of contracts positively impact equity?

*The recommendation to not renew older contracts, potentially making the program more sustainable, would free up capacity to accept new applications for properties located in underserved areas.*

14. Would the revised Mills Act policies apply to existing and new contracts, or just new contracts?

*The policy changes and recommendations in the assessment report, if implemented, would apply to applications for new contracts and existing contracts.*

15. Were any buildings with existing Mills Act contracts consulted as part of the assessment study?

*Yes, the consultant interviewed a few property owners who are under contract as part of the study's background data gathering relative to affordable housing. The assessment report was commissioned to take an external review of the program and it was assumed that the City would gather input on the assessment from existing contract holders and the public at this stage of the process, to inform recommendations to the City Council.*

16. Will the \$583 contract maintenance fee be charged per contract, or per individual unit owner in the case of condominiums?

*The \$538 fee is per property and the report recommends establishing a different fee amount for condominium buildings based on the number of units.*

17. To whom can owners of historic properties appeal to increase funding and staffing for the Mills Act program?

*Ultimately, decisions to implement the policy changes and recommendations of the assessment report would be made by the City Council and the Mayor's Office; public input on the program's staffing and budgeting should therefore be directed to these elected officials.*

18. What is the best way for individuals to provide feedback on the assessment report findings and recommendations if they were not able to attend one of the workshops?

*There are several ways to provide input which include sending an e-mail to [planning.millsact@lacity.org](mailto:planning.millsact@lacity.org) or filling out the [feedback form](#) on our website.*

19. Can existing Mills Act contract holders demonstrate compliance to the Office of Historic Resources individually so that staff can focus on non-compliant homeowners?

*Yes, in addition to the City evaluating owner compliance through standard periodic inspections, owners are encouraged to self-report on the status of compliance under the contract.*