



AGENDA REPORT

Meeting Date: December 20, 2016
Item Number: E-2
To: Honorable Mayor & City Council
From: Mark Odell, Urban Designer
Subject: A RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS APPROVING A THREE YEAR EXTENSION OF THE MILLS ACT PILOT PROGRAM

Attachments:

1. Resolution of Approval
2. Current Program Authorization (City Council Resolution 14-R-12973)
3. Cultural Heritage Commission Recommendation (Resolution No. CHC 59)

RECOMMENDATION

It is recommended that the City Council adopt a resolution approving a three-year extension of the Mills Act Pilot Program, effective January 1, 2017 to December 1, 2019.

INTRODUCTION

The City of Beverly Hills has operated a Mills Act Pilot Program, which offers property tax relief for the maintenance of historic properties, since 2011. The current program is set to expire at the end of 2016 and the proposed extension would follow the parameters previously set for this preservation incentive. Upon the recommendation of the Cultural Heritage Commission, with concurrence from the Planning Commission and Beverly Hills Unified School District (BHUSD) Board of Education, the City Council is asked to renew the pilot program for an additional three-year term.

DISCUSSION

What is the Mills Act?

The Mills Act is a state law that enables local governments to enter into contracts with owners of qualified historic properties to provide property tax abatement in exchange for the continued preservation, restoration, maintenance or rehabilitation of an identified historic property. Under California law, a local municipality may enact a program which the municipality will define, implement, and administer, and serve as a contract holder

with the private owner of the historic structure. A Mills Act contract (also referred to as a historic preservation agreement), carries a 10-year term initially, with automatic yearly extensions, and runs with the title of the property when transferred. Subsequent owners are bound by the contract and hold the same rights and obligations as the original owner who entered into the contract. The local government and the property owner negotiate other specific terms of the contract. Statewide, 88 municipalities administer Mills Act programs and the incentive is widely considered the most effective tool for historic preservation by private owners. Generally speaking, newer property owners with high property tax assessments can realize greater tax savings, of which a portion is expected to be reinvested back into the preservation, restoration, maintenance, or rehabilitation of the historic property. Property owners that have owned a resource for many years may not reap the benefits of a significant reduction in property taxes, as the property taxes may already be significantly below the current property assessment values for a particular area. Included in each agreement is a preservation plan, whereby the property owner outlines anticipated projects and costs that are tied to the historic or character-defining features of the property, for each year of the ten-year term. City staff verifies the information at the time of application, and after contract approval, staff reviews proposed plans for conformance with the Secretary of the Interior's Standards and other guidelines. Applicants are to self-report on work progress and staff conducts inspections to ensure compliance after the first five-year period or more frequently as needed.

History of the Mills Act in Beverly Hills

In October 2011, the City of Beverly Hills adopted a Mills Act Contract program as a pilot program to operate from January 1, 2012, through December 31, 2013. The initial pilot program limited "qualified historic properties" to privately-owned single family-residences or theaters located entirely within the City of Beverly Hills that were individually listed on the City's local landmark register and not exempt from property taxation. At the time, the program limited property tax revenue loss to the City at \$50,000 annually, and the number of contracts granted were set at a maximum of three per year or six over the course of the two-year pilot program term. Subsequent to the adoption of the Pilot Mills Act Program, the City Council created a Historic Preservation Ordinance (Beverly Hills Municipal Code, Title 10, Chapter 3, Article 32) and appointed the inaugural Cultural Heritage Commission to advise on historic preservation matters in January 2012.

Over the course of 2013, City Staff, the Cultural Heritage Commission (CHC), Planning Commission (PC), and City Council (CC) studied the initial Mills Act Pilot Program, revisiting goals and policies over the course of several meetings:

- The CHC reviewed the program at its meetings on January 9, 2013, and March 6, 2013;
- A joint subcommittee of the CHC and PC convened on May 14, 2013, to discuss the matter;
- The PC conducted a hearing on September 12, 2013, and recommended an amended and extended pilot program to the City Council.
- City Staff presented the proposed extension of the program to the Beverly Hills Unified School District Board of Education for consultation on the program since the reduction in property taxes would result in an indirect loss of revenue to the

School District. At the time, the BHUSD Board indicated their general support for the program, as it promotes the history of the City.

On March 4, 2014, the City Council considered the recommendations of the CHC and PC adopted Resolution No. 14-R-12973 (Attachment 2), amending the Mills Act Pilot Program and approving a three-year extension to the pilot program through December 31, 2016. The amendments to the program included:

The definition of a "qualified historic property" was expanded to encompass:

- All single-family residential, multi-family residential, and commercial properties,
- Properties with a tax assessed valuation not exceeding \$7,500,000 (though the program does allow for the City Council to approve an exception to the valuation cap for "exceptional circumstances"),
- Located entirely within the City of Beverly Hills,
- Privately owned,
- Not exempt from property taxation, and
- Individually listed on the City of Beverly Hills Register of Historic Properties.

In order to limit the fiscal impact of the program, the following revised limits were placed on the program in 2014 and the proposed program extension will follow these same parameters:

- The annual property tax revenue loss to the City not to exceed \$100,000 per annum
- The annual property tax revenue loss to the Beverly Hills School District not to exceed \$80,000 per annum
- The City shall not enter into more than three (3) preservation agreements per year of the extended pilot program

Current Mills Act Contracts

To date, the City has entered into a total of three (3) Mills Act Contracts with the property owners of the following historic properties:

- 1) Fox Wilshire-Saban Theater at 8440 Wilshire Boulevard (2013),
- 2) Wallis Annenberg Center for the Performing Arts at 9390 N. Santa Monica Boulevard (2013), and
- 3) Joe E. Brown Residence at 707 Walden Drive (2014).

The Mills Act statute (California Government Code Section 50281) as well as individual contract language specify that the City is to conduct periodic inspections of beneficiary properties, prior to a new agreement and every five years thereafter. Historic Preservation program staff conducted inspections of all three contracted properties prior to each contract authorization and again in the second half of 2016 for the purpose of maintaining dialogue with the property owners and to observe that progress was being made on the specified work plans. All three aforementioned properties have completed

a portion of planned work items and appear to be moving forward diligently towards their identified ten-year historic preservation work plans and the Staff has inspected each of the properties this year to confirm the agreements are being fulfilled. Should a property owner wish to modify their ten-year work plan based on changing needs of their historic building, staff would work with the owners to determine appropriate adjustments to the plan within program and contract parameters. Cumulative tax losses to the City and BHUSD are detailed in the Fiscal Impact analysis section of this report below.

Review of Mills Act Program Structure to be Extended

As the current program is set to expire at the end of the calendar year 2016, City staff and advisory commissions have revisited the program policies in order to make a recommendation to the City Council on the future of the program. The Cultural Heritage Commission re-reviewed the program structure at a Special Meeting on November 17, 2016, and adopted a resolution unanimously recommending extension of the program (Attachment 3).

Continuation of the Mills Act Program has tax revenue implications for the Beverly Hills Unified School District (BHUSD), therefore Staff presented to the BHUSD Board of Education regarding the proposed extension at their regular meeting on November 22, 2016. The Board of Education was supportive of the Mills Act Program continuation, as the reduction in tax revenue to the District has been minimal. Staff also provided the Planning Commission with an informational update on the proposed extension at its regular meeting on December 8, 2016 and the Commissioners were supportive of the proposed pilot program extension. It is important to note that continuation of this program does not expand this incentive beyond the scope previously approved for the pilot program and the financial impact to the City and to the School District remain the same as previously approved.

The City's current program, as adopted in 2011 and amended and extended in 2014 (Attachment 2), has been operating within the policy and financial parameters set forth by the City Council. While the program is promoted by staff and is of interest to owners of historic and eligible historic properties, the program has not reached its approved limits in 2016. In 2016, four property owners conducted consultation with staff regarding applications; however, none of the four inquiries provided complete information in order to advance the request to the Cultural Heritage Commission for their consideration. Should any of these applications be completed prior to May 31, 2017, staff will forward the applications to the CHC for their review and to the City Council for approval in 2017. The Mills Act is considered one of the strongest incentives for historic preservation in the state of California, and staff believes it to be one of the most important incentives for property owners or buyers to consider listing their eligible historic property on the City of Beverly Hills Register of Historic Properties. As such, the Cultural Heritage Commission recommended continuation of the program *as it is currently structured* for an additional three years (through December 31, 2019). A resolution authorizing the extension is included as Attachment 1 to this report.

PUBLIC NOTIFICATION

No public notification of the resolution extending the Mills Act Pilot Program is required. As a courtesy, updates were provided to the Planning Commission and BHUSD School Board that the item would appear on the December 20, 2016 City Council agenda.

GENERAL PLAN CONSISTENCY

Approval of a three (3) year extension of the City's Pilot Mills Act Program is consistent with and helps further the objectives, principles, and standards of the General Plan, including the GP Historic Preservation Element:

- **General Plan Policy HP 1.3** – Promote National, State, and Local Designation of Historic Resources” encourages the establishment of programs encouraging the nomination of landmarks,
- **General Plan Policy HP 1.4** calls for the City to develop and fund financial and regulatory incentives to encourage the protection of historic buildings from demolition or significant alteration, which may include Mills Act Contracts, and
- **General Plan Policy HP 1.4a** specifies that the City should study likely fiscal impacts and consider implementing a local Mills Act ordinance as an incentive for owners to preserve and maintain historic properties for their own benefit and the benefit of the community.

ENVIRONMENTAL ASSESSMENT

A three (3) year extension of the City's Pilot Mills Act Program, was assessed in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA), the State CEQA Guidelines, and the environmental regulations of the City. The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Finally, it has been determined that approval of a three (3) year extension of the City's Pilot Mills Act Program would not have a significant environmental impact and is exempt from CEQA pursuant to Sections 15061(b) (3) and 15331 of Title 14 of the California Code of Regulations because approval of a three (3) year extension of the City's Pilot Mills Act Program is an action of the City to protect and preserve a historic resource.

FISCAL IMPACT

Both the City of Beverly Hills and the Beverly Hills Unified School District receive property tax revenue from the State of California through the Los Angeles County Assessor's Office. The exact proportions of tax revenue vary based on the tax assessment district of a specific parcel, but the proportion can be generally estimated at 17-19 percent of the 1-1.1 percent general tax levy for an individual property, as a pro-rata share for the City. Correspondingly, the proportion of the taxable rate for the Beverly Hills Unified School District amounts to approximately 15-16 percent of the 1-1.1 percent general tax levy.

The current Mills Act Program includes limits on individual property valuation as well as overall program expenditures. In order for an individual property to be eligible for a Mills Act Contract (known as a “qualified historic property”), the maximum tax assessed property valuation is limited to \$7,500,000. The overall program limits the impact of tax revenue loss at \$100,000 to the City (or \$1,000,000 over ten years) and \$80,000 to the BHUSD (or \$800,000 over ten years). The cumulative loss of tax revenue resulting from the three current Mills Act Contract commitments amount to approximately \$55,000 per annum in tax reduction to the City, and approximately \$48,000 to the Beverly Hills Unified School District. The three active contract commitments fall within approved

program limits, with the ability to approve additional contracts should the applications not exceed the remaining budget allowances.

As no further program increases are recommended at this time, the fiscal impact of extending the pilot Mills Act Program for three additional years is not expected to increase beyond that which was previously approved by the Council, but will extend the budgeted funds through the next three years (end of calendar year 2019). Staffing and administrative costs are currently encompassed as part of the operation of the Historic Preservation Program within the Community Development Department's annual budget. Should the monetary limits for this extension need to be expanded in the future, then Staff would return to the City Council with an update and a recommendation for a possible expansion of the program parameters.

Don Rhoads, CPA
Chief Financial Officer



Finance Approval

Susan Healy Keene, AICP
Director of Community Development



Approved By



City Council Agenda Report

December 20, 2016

Mills Act Pilot Program Extension

Attachment 1

Resolution of Approval

RESOLUTION NO. 16-R-_____

A RESOLUTION OF THE COUNCIL OF THE CITY OF
BEVERLY HILLS APPROVING A THREE YEAR EXTENSION
OF THE MILLS ACT PILOT PROGRAM

Section 1. On April 21, 2011 the City Council directed City Staff to develop a Mills Act Program for the City of Beverly Hills to incentivize the preservation, maintenance, and rehabilitation of historic properties.

Section 2. On October 18, 2011 the City Council approved the establishment of a two-year Pilot Mills Act Program in the City of Beverly Hills from January 1, 2012 until December 31, 2013.

Section 3. On March 4, 2014, the City Council amended the Mills Act Pilot Program and approved a three-year extension of the pilot program through December 31, 2016.

Section 4. The City's Pilot Mills Act Program provides property tax reductions to owners of qualified historic properties who agree to invest in the preservation, restoration, or rehabilitation of qualifying historic properties. Pursuant to Government Code Section 50280 et seq. ("the Mills Act"), the City Council may establish a program pursuant to which the City may enter a historical property preservation agreement ("Preservation Agreement") with an owner of a historic property for the purposes of preservation, rehabilitation, and maintenance of a designated historic resource in accordance with the United States Secretary of the Interior's Standards for Rehabilitation, the State Historical Building Code, and applicable City codes ("Mills Act Program"). The Preservation Agreement allows the owner to receive a reduction in property taxes in exchange for the property owner's commitment to repair, restore, rehabilitate, and/or maintain the historic property.

Section 5. The preservation and rehabilitation of historic properties enhances the character of Beverly Hills by retaining the City's sense of place and continuity with the community's past. As a matter of public policy, the identification, designation, preservation, enhancement, perpetuation and use of improvements, buildings and structures within the City that reflect special elements of the City's cultural, historical, agricultural, architectural, artistic, educational, or economic heritage is in the interest of the health, economic prosperity, cultural enrichment and general welfare of the people. Preservation of historic resources is an important aspect of tourism. By encouraging property owners to maintain and restore historic buildings and landscapes, the City is preserving its history and supporting the local economy.

Section 6. The City's General Plan Historic Preservation Element includes policies related to preserving resources that represent the City's history and culture or contribute to the City's special character and unique identity. Specifically, General Plan Policies HP 1.4 and 1.4a, and Program 2.3, focus on the development of financial and regulatory incentives, such as the Mills Act Program, to protect significant historic resources.

Section 7. The City of Beverly Hills Municipal Code has established procedures for identifying and designating historic resources. The Historic Preservation Code (City of Beverly Hills Municipal Code, Title 10, Chapter 3, Article 32. Historic Preservation) is intended to protect buildings, structures, and sites that are of particular historic or cultural significance and define the City's heritage and historic development. The City's Cultural Heritage Commission is designated to serve in an advisory capacity to the City Council on the preservation of historic and cultural landmarks. In this capacity, the Cultural Heritage Commission and the Community Development Department, which is the department that supports the Cultural Heritage Commission, are positioned to administer programs the City

establishes for rehabilitating, restoring, maintaining and preserving historic structures, including a Mills Act Program.

Section 8. At the meeting of December 5, 2013, City Council reviewed a staff report regarding the goals and policies of the City's Pilot Mills Act Program and the proposed three (3) year extension of a revised Mills Act Pilot Program from January 1, 2014 to December 31, 2016. At that time City Council directed staff to reach out to the Beverly Hills Unified School District Board to review the program and the fiscal implications of a possible extension of the Mills Act Pilot Program beyond the initial two-year Pilot Program to December 31, 2016, and with an increased cap on lost property tax to the City not to exceed \$100,000 in a single year, and not exceeding \$1,000,000 projected over the ten-year term for Mills Act contracts with the City. The corresponding fiscal impact on Beverly Hills Unified School District (BHUSD) funding through lost property tax revenue would be up to \$80,000.00 per annum and not exceeding \$800,000 when projected over ten years.

Section 9. On March 4, 2014, the City Council adopted a resolution extending the City's Pilot Mills Act Program by three years, from January 1, 2014, expiring on December 31, 2016, and adopted the amendments to the Mills Act Pilot Program based on recommendations from Staff, the Cultural Heritage Commission, and the Planning Commission, as set forth herein. The cap on the tax assessed value of participating properties was set at \$7.5M for any Single-Family Dwellings, Multi-Family Dwellings or Commercial Properties, restricting participation in the revised Pilot Mills Act Program for properties valued above \$7.5M unless a subject property satisfies the requirements for exemption from the cap on the tax assessed value limitations including significant cultural-historic and/or architectural value to the community. The City Council also adopted an incremental increase to the annual cap on lost property tax to

the City from \$50,000.00 to \$100,000.00 per annum, (with a corresponding maximum annual loss to BHUSD of up to approximately \$80,000.00 per annum) to allow for additional properties to participate in the extended Pilot Program.

Section 10. On November 17, 2016, the Cultural Heritage Commission reviewed the Mills Act Pilot Program policies and progress and adopted Resolution CHC 59, recommending that the City Council extend the Mills Act Pilot Program as it is currently structured for an additional three-year term, from January 1, 2017, through December 31, 2019.

Section 11. Pursuant to the requirements of the California Environmental Quality Act (CEQA), the City evaluated the action of approving an extension of the Mills Act Pilot Program from January 1, 2017 through December 31, 2019. The extension of the Mills Act Pilot Program establishes a property tax reduction for property owners that rehabilitate, restore, maintain, and preserve properties that are determined to be of historic significance. The extension of the Mills Act Pilot Program does not authorize any new development or construction of buildings, nor does it authorize any new land uses. The extended program encourages the continued use of existing structures and the continuance of existing land uses. For these reasons it can be seen with certainty that the three-year extension of the Mills Act Pilot Program will not result in any significant adverse impact on the environment. Thus, the extension of the Mills Act Pilot Program to December 31, 2019, is exempt from the CEQA environmental review requirements pursuant to Section 15061(b)(3) of Title 14 of the California Code of Regulations. Further, the extension of the Mills Act Pilot Program to December 31, 2019, would be categorically exempt from environmental review pursuant to section 15331 of the CEQA Guidelines, which exempts projects limited to maintenance, repair, stabilization, rehabilitation, restoration, preservation, conservation or reconstruction of historical resources in

a manner consistent with the Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring, and Reconstructing Historic Buildings (Weeks and Grimmer, 1995) in that it is an incentive program the results in the preservation and maintenance of historic resources in exchange for property tax reductions. In addition, the extension of the Mills Act Pilot Program to December 31, 2019, is categorically exempt from CEQA, pursuant to CEQA Guidelines Section 15308 because it is an action by a regulatory agency (the City) to maintain, restore and protect the environment through protection of historic resources in the community.

Section 12. The three-year extension of the amended City of Beverly Hills Mills Act Pilot Program (Mills Act Program) from January 1, 2017 to December 31, 2019, shall go into effect at midnight on December 31, 2016, and shall continue in effect, until midnight on December 31, 2019. To allow adequate processing time, new applications for preservation agreements shall be accepted at any time between January 1 and May 31 of each calendar year the Pilot Program is in effect. No new applications will be accepted into the program after May 31, 2019, unless a permanent Mills Act Program is established to supersede the Mills Act Pilot Program. If a permanent Mills Act Program is not established, preservation agreements recorded prior to January 1, 2020, shall continue in effect, unless terminated or cancelled in accordance with the terms of the Mills Act contract.

Section 13. A “qualified historic property” for the purposes of the Beverly Hills Mills Act Pilot Program shall be defined as:

- a. A single-family residential property, a multi-family residential property or a commercial property with a tax assessed value not exceeding \$7.5 million dollars, unless exempted from the maximum tax assessed value through exceptional circumstances;

- b. Located entirely within the City of Beverly Hills;
- c. Privately owned;
- d. Not exempt from property taxation; and
- e. Individually listed in the City of Beverly Hills' official landmark register.

Section 14. To limit any fiscal impact of the Mills Act Pilot Program, the City of Beverly Hills shall limit annual revenue loss from property tax revenues to \$100,000 each year. To further limit any fiscal impact, the City of Beverly Hills shall not enter into or execute more than three (3) preservation agreements per calendar year during the term of the Mills Act Pilot Program.

Section 15. The City Council hereby delegates to the Director of Community Development or his or her designee, with review by the City Attorney, the authority and responsibility to develop, maintain, and amend, as necessary, an application, administrative guidelines, and forms of Preservation Agreements for properties seeking qualification and participation in the Mills Act Pilot Program. The Director of Community Development or his or her designee shall, as necessary, establish priority consideration criteria whereby such criteria shall be used to rank applications in terms of the preservation and rehabilitation needs of each property and prioritize selection of applications. The Director of Community Development or his or her designee shall also report on an annual basis to the City Council the number of Mills Act preservation agreements executed and the effectiveness of the Mills Act Pilot Program. The terms of the Preservation Agreement shall comply with Government Code Section 50280 et seq. The maintenance, repair, rehabilitation, and/or restoration standards applicable to the subject property shall be set forth in the Preservation Agreement. In consideration of abiding with the terms of the Preservation Agreement, the owner of the subject property shall be entitled to

qualify for a reassessment of the historic property pursuant to State Revenue and Taxation Code Section 439 et seq.

Section 16. The City Council hereby delegates to the Cultural Heritage Commission the authority and responsibility to review and make recommendations to the City Council on applications submitted pursuant to the Mills Act Program. The City Council shall be the final authority on the authorization and approval of Preservation Agreements pursuant to the Mills Act Pilot Program.

Section 17. Preservation Agreements will have a minimum contract term of ten (10) years, with automatic renewal on an annual basis, shall be recorded against title to the property and run with the land. Owners shall maintain the regulated characteristics of historical significance of the historic property in accordance with the rules and regulations of the State Office of Historic Preservation of the Department of Parks and Recreation, the United States Secretary of the Interior's Standards for Rehabilitation, the State Historical Building Code, and any applicable local codes and policies. Owners must allow reasonable periodic examination of the interior and exterior of the premises, if a request is made by representatives of the County Assessor, State Office of Historic Preservation Department of Parks and Recreation, the State Board of Equalization, and/or the City's Community Development Director or his or her designee to determine the owner's compliance with the Preservation Agreement. No Preservation Agreement may be cancelled without compliance with Government Code Section 50280 et seq., which requires notice and a public hearing by the City Council.

Section 18. The record of proceedings for a three year extension of the Mills Act Pilot Program is maintained by the City as part of the official records of the Community Development Department at 455 North Rexford Drive, Beverly Hills, California, 90210.

Section 19. The City of Beverly Hills' Mills Act Pilot Program is hereby extended based on the parameters included in this resolution to implement the State of California Mills Act in the City of Beverly Hills on a trial basis.

Section 20. The City Clerk shall certify to the adoption of the Resolution and shall cause the Resolution and his certification to be entered in the Book of Resolutions of the Council of the City.

Adopted:

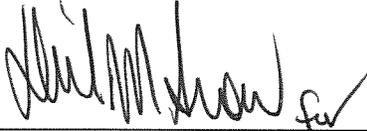
JOHN A. MIRISCH
Mayor of the City of Beverly Hills,
California

ATTEST:

_____ (SEAL)

BYRON POPE
City Clerk

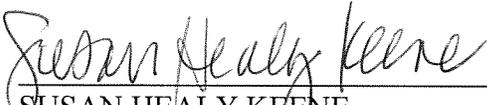
APPROVED AS TO FORM



LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT

MAHDI ALUZRI
City Manager



SUSAN HEALY KEENE
Director of Community Development



City Council Agenda Report

December 20, 2016

Mills Act Pilot Program Extension

Attachment 2

Current Program Authorization
(City Council Resolution 14-R-12973)

RESOLUTION NO. 14-R-12973

A RESOLUTION OF THE COUNCIL OF THE CITY OF
BEVERLY HILLS AMENDING THE MILLS ACT PILOT
PROGRAM AND APPROVING A THREE YEAR EXTENSION
OF THE PILOT PROGRAM

Section 1. On April 21, 2011 the City Council directed City Staff to develop a Mills Act Program for the City of Beverly Hills to incentivize the preservation, maintenance, and rehabilitation of historic properties.

Section 2. On October 18, 2011 the City Council approved the establishment of a two year Pilot Mills Act Program in the City of Beverly Hills from January 1, 2012 until December 31, 2013.

Section 3. The City's Pilot Mills Act Program provides property tax reductions to property owners of qualified properties who agree to invest in the preservation and rehabilitation of qualifying historic properties. Pursuant to Government Code Section 50280 et seq. ("the Mills Act"), the City Council may establish a program pursuant to which the City may enter a historical property preservation agreement ("Preservation Agreement") with an owner of a historic property for the purposes of preservation, rehabilitation, and maintenance of a designated historic resource in accordance with the United States Secretary of the Interior's Standards for Rehabilitation, the State Historical Building Code, and applicable City codes ("Mills Act Program"). The Preservation Agreement allows the owner to receive a reduction in property taxes in exchange for the property owner's commitment to repair, restore, rehabilitate, and/or maintain the historic property.

Section 4. The preservation and rehabilitation of historic properties enhances the character of Beverly Hills by retaining the City's sense of place and continuity with the community's past. As a matter of public policy, the identification, designation, preservation, enhancement, perpetuation and use of improvements, buildings and structures within the City that reflect special elements of the City's cultural, historical, agricultural, architectural, artistic, educational, or economic heritage is in the interest of the health, economic prosperity, cultural enrichment and general welfare of the people. Preservation of historic resources is an important aspect of tourism. By encouraging property owners to maintain and restore historic buildings and landscapes, the City is preserving its history and supporting the local economy.

Section 5. The City's General Plan Historic Preservation Element includes policies related to preserving resources that represent the City's history and culture or contribute to the City's special character and unique identity. Specifically, General Plan Policies HP 1.4 and 1.4a, and Program 2.3, focus on the development of financial and regulatory incentives, such as the Mills Act Program, to protect significant historic resources.

Section 6. The City of Beverly Hills Municipal Code has established procedures for identifying and designating historic resources. The Historic Preservation Code (City of Beverly Hills Municipal Code, Title 10, Chapter 3, Article 32. Historic Preservation) is intended to protect buildings, structures, and sites that are of particular historic or cultural significance and define the City's heritage and historic development. The City's Cultural Heritage Commission is designated to serve in an advisory capacity to the City Council on the preservation of historic and cultural landmarks. In this capacity, the Cultural Heritage Commission and the Community Development Department, which is the department that

supports the Cultural Heritage Commission, are positioned to administer programs the City establishes for rehabilitating, restoring, maintaining and preserving historic structures, including a Mills Act Program.

Section 7. On December 4, 2012, City Council requested the Planning and Cultural Heritage Commissions to review the goals and policies of the City's Pilot Mills Act Program and report back to City Council regarding the Pilot Program and its possible extension beyond 2013.

Section 8. At its meeting on September 12, 2013 the Planning Commission received the recommendations of the joint sub-committee and the Cultural Heritage Commission and reviewed and re-evaluated the goals and policies shaping the City's Pilot Mills Act Program. To further reinforce the program goals, the Planning Commission recommended the following clarifications and adjustments to the City's Pilot Mills Act Program goals and policies:

1. Require local landmark application by applicants independently of and before any Mills Act application whether or not a Mills Act application would eventually be successful. The Mills Act Program is a historic preservation incentive and participation in the program should be limited to owners of local landmark properties.
2. Consider giving individual properties or districts listed on the National Register automatic listing onto the Local Register just as the State currently automatically lists any National Registrations. This provision would apply prospectively to any future National Register properties in the City of Beverly Hills not currently on the National Register and will make the Mills Act incentive automatically available to these properties.

3. Introduce a cap on the tax assessed value of participating properties of \$10.0M for any Single-Family Dwellings, Multi-Family Dwellings or Commercial Properties (no longer limited only to commercial properties constructed as a public theater as a primary use), with the possible exemption from these property value limitations in exceptional circumstances for properties with cultural-historic and/or architectural value to the community. The \$10.0M cap on the tax assessed value of participating properties is an amount that would embrace most properties in the City and the provision of a possible exemption to this rule for outstanding properties of greater value seems prudent and fair to all property owners.

To be considered for possible exemption from the cap on the tax assessed value for participating properties, the following criteria will be used to establish exceptional circumstances:

- a) The structure has cultural-historic and/or architectural value to the community.
- b) Granting an exemption will assist in the preservation of a structure (including unusual and/or excessive maintenance requirements) that would otherwise be in danger of demolition, substantial alteration affecting the integrity of the structure, or relocation.

- c) Properties applying for a valuation exemption should be required to provide (as a part of the application) a Historic Structures Report (HSR) to substantiate the exceptional circumstances for granting the exemption. The HSR shall conform to the requirements outlined in National Parks Service, Preservation Brief 43 – The Preparation and Use of Historic Structures Reports. The City of Los Angeles currently requires a HSR be supplied for all properties valued above \$1.5M.

 - d) Granting of any exception will not cause the maximum annual cumulative loss of property tax revenue to the City to be exceeded.
4. Incorporate into the Mills Act contract, an acceptable mediation process to assist in the remedy of any breach under an approved Mills Act contract. In addition, provide an opportunity for a property owner to agree to reimburse the Beverly Hills Unified School District (BHUSD) each year for the BHUSD loss of tax revenue associated with the Mills Act Contract, and in exchange the City Council would agree as part of the Mills Act contract to pursue litigation to remedy any breach and not to cancel the Mills Act Contract and impose the associated cancelation penalty costs of 12.5% of the property value against the owner.
5. Provide a three year extension of a Pilot Mills Act Program beyond the initial two year Pilot Program from January 1, 2014 to December 31, 2016, with an increased annual cap on lost property tax to the City not to exceed \$100,000.00 in a single year, and not exceeding \$1Million projected over the ten year term for Mills Act contracts with the

City. The corresponding impact on Beverly Hills Unified School District (BHUSD) funding through lost property tax revenue would be up to \$80,000.00 per annum and not exceeding \$800,000 when projected over ten years.

Section 9. At the meeting of December 5, 2013 City Council reviewed a staff report regarding the goals and policies of the City's Pilot Mills Act Program and the proposed three (3) year extension of a revised Mills Act Pilot Program from January 1, 2014 to December 31, 2016. At that time City Council directed staff to reach out to the Beverly Hills Unified School District Board to review the current program and the fiscal implications of a possible extension of an amended Mills Act Pilot Program beyond the initial two year Pilot Program to December 31, 2016 and with an increased cap on lost property tax to the City not to exceed \$100,000 in a single year, and not exceeding \$1,000,000 projected over the ten year term for Mills Act contracts with the City. The corresponding fiscal impact on Beverly Hills Unified School District (BHUSD) funding through lost property tax revenue would be up to \$80,000.00 per annum and not exceeding \$800,000 when projected over ten years.

Section 10. On January 7, 2014 City staff was pleased to make a presentation to the Beverly Hills Unified School District Board and to discuss the fiscal implications of the proposed three (3) year extension of a revised Mills Act Pilot Program from January 1, 2014 to December 31, 2016. On that occasion the School Board offered its support for the three year extension of the revised Mills Act Program and requested the City and the School Board look for ways to partner in providing educational opportunities for students to increase awareness of local

history and our architectural heritage. The Cultural Heritage Commission has also expressed their willingness to assist in this worthwhile endeavor.

Section 11. On March 4, 2014, the City Council adopted this resolution extending the City's Pilot Mills Act Program by three years, from January 1, 2014, expiring on December 31, 2016 and adopted the amendments to the Mills Act Pilot Program as recommended by the Planning Commission and as modified by Staff, and as set forth herein.

Section 12. Staff agrees with the actions of the Planning Commission, supported also by the Cultural Heritage Commission to recommend a three (3) year extension of an amended Pilot Mills Act Program from January 1, 2014 to December 31, 2016 but recommended the cap on the tax assessed value of participating properties be reduced from \$10.0M to \$7.5M for any Single-Family Dwellings, Multi-Family Dwellings or Commercial Properties. This would restrict participation in the revised Pilot Mills Act Program for properties valued above \$7.5M unless a subject property satisfies the requirements for exemption from the cap on the tax assessed value limitations including significant cultural-historic and/or architectural value to the community. Staff also supported the proposed incremental increase to the annual cap on lost property tax to the City from \$50,000.00 to \$100,000.00 per annum, (with a corresponding maximum annual loss to BHUSD of up to approximately \$80,000.00 per annum) to allow for additional properties to participate in the extended Pilot Program.

Staff also agreed with the proposal to give property owners of individual properties listed on the National Register automatic listing onto the Local Register just as the State currently automatically lists any National Registrations provided that automatic listing onto

the Local Register is optional on the part of property owners wanting to participate. This provision would allow property owners wanting to participate to have their National Register properties automatically listed onto the Local Register, thereby making the Mills Act incentive immediately available for qualifying properties.

Section 13. Pursuant to the requirements of the California Environmental Quality Act (CEQA), the City evaluated the action of approving an extension of an amended Mills Act Pilot Program from January 1, 2014 to December 31, 2016. The extension of an amended Mills Act Pilot Program establishes a property tax reduction for property owners that rehabilitate, restore, maintain, and preserve properties that are determined to be of historic significance. The extension of an amended Mills Act Pilot Program does not authorize any new development or construction of buildings, nor does it authorize any new land uses. The extended program encourages the continued use of existing structures and the continuance of existing land uses. For these reasons it can be seen with certainty that the three year extension of an amended Mills Act Pilot Program will not result in any significant adverse impact on the environment. Thus, the extension of an amended Mills Act Pilot Program to December 31, 2016, is exempt from the CEQA environmental review requirements pursuant to Section 15061(b)(3) of Title 14 of the California Code of Regulations. Further, the extension of an amended Mills Act Pilot Program to December 31, 2016, would be categorically exempt from environmental review pursuant to section 15331 of the CEQA Guidelines, which exempts projects limited to maintenance, repair, stabilization, rehabilitation, restoration, preservation, conservation or reconstruction of historical resources in a manner consistent with the Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving,

Rehabilitating, Restoring, and Reconstructing Historic Buildings (Weeks and Grimmer, 1995) in that it is an incentive program the results in the preservation and maintenance of historic resources in exchange for property tax reductions. In addition, the extension of an amended Mills Act Pilot Program to December 31, 2016, is categorically exempt from CEQA, pursuant to CEQA Guidelines Section 15308 because it is an action by a regulatory agency (the City) to maintain, restore and protect the environment through protection of historical resources in the community.

Section 14. The three year extension of the amended City of Beverly Hills Mills Act Pilot Program (Mills Act Program) from January 1, 2014 to December 31, 2016, shall go into effect at midnight on March 4, 2014, and shall continue in effect, until midnight on December 31, 2016. To allow adequate processing time, new applications for preservation agreements shall be accepted at any time between January 1 and May 31 of each calendar year the Pilot Program is in effect. No new applications will be accepted into the program after May 31, 2016, unless a permanent Mills Act Program is established to supersede the Mills Act Pilot Program. If a permanent Mills Act Program is not established, preservation agreements recorded prior to January 1, 2017, shall continue in effect, unless terminated or cancelled in accordance with the Mills Act.

Section 15. A “qualified historic property” for the purposes of the Beverly Hills Mills Act Pilot Program shall be defined as:

- a. A single-family residential property, a multi-family residential property or a commercial property with a tax assessed value not exceeding \$7.5 million dollars, unless exempted from the maximum tax assessed value through exceptional circumstances;

- b. Located entirely within the City of Beverly Hills;
- c. Privately owned;
- d. Not exempt from property taxation; and
- e. Individually listed in the City of Beverly Hills' official landmark register.

Section 16. To limit any fiscal impact of the Mills Act Pilot Program, the City of Beverly Hills shall limit annual revenue loss from property tax revenues to \$100,000 each year. To further limit any fiscal impact, the City of Beverly Hills shall not enter into or execute more than three (3) preservation agreements per calendar year during the term of the Mills Act Pilot Program.

Section 17. The City Council hereby delegates to the Director of Community Development or his or her designee, with review by the City Attorney, the authority and responsibility to develop, maintain, and amend, as necessary, an application, administrative guidelines, and forms of Preservation Agreements for properties seeking qualification and participation in the Mills Act Pilot Program. The Director of Community Development or his or her designee shall, as necessary, establish priority consideration criteria whereby such criteria shall be used to rank applications in terms of the preservation and rehabilitation needs of each property and prioritize selection of applications. The Director of Community Development or his or her designee shall also report on an annual basis to the City Council the number of Mills Act preservation agreements executed and the effectiveness of the Mills Act Pilot Program. The terms of the Preservation Agreement shall comply with Government Code Section 50280 et seq. The maintenance, repair, rehabilitation, and/or restoration standards applicable to the subject property shall be set forth in the Preservation Agreement. In consideration of abiding with the

terms of the Preservation Agreement, the owner of the subject property shall be entitled to qualify for a reassessment of the historic property pursuant to State Revenue and Taxation Code Section 439 et seq.

Section 18. The City Council hereby delegates to the Cultural Heritage Commission the authority and responsibility to review and make recommendations to the City Council on applications submitted pursuant to the Mills Act Program. The City Council shall be the final authority on the authorization and approval of Preservation Agreements pursuant to the Mills Act Pilot Program.

Section 19. Preservation Agreements will have a minimum contract term of ten (10) years, with automatic renewal on an annual basis, shall be recorded against title to the property and run with the land. Owners shall maintain the regulated characteristics of historical significance of the historic property in accordance with the rules and regulations of the State Office of Historic Preservation of the Department of Parks and Recreation, the United States Secretary of the Interior's Standards for Rehabilitation, the State Historical Building Code, and any applicable local codes and policies. Owners must allow reasonable periodic examination of the interior and exterior of the premises, if a request is made by representatives of the County Assessor, State Office of Historic Preservation Department of Parks and Recreation, the State Board of Equalization, and/or the City's Community Development Director or his or her designee to determine the owner's compliance with the Preservation Agreement. No Preservation Agreement may be cancelled without compliance with Government Code Section 50280 et seq., which requires notice and a public hearing by the City Council.

Section 20. The City Council shall establish fees for the processing of applications for Preservation Agreements and other matters required by the Mills Act Pilot Program, as legally permissible by State and local law.

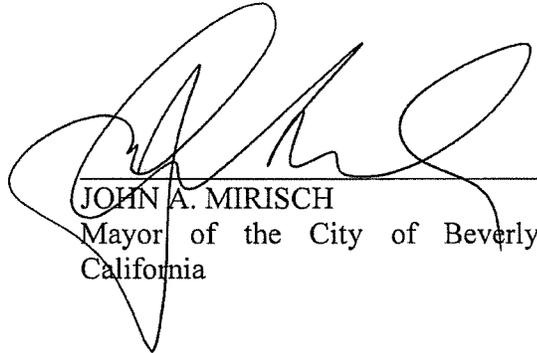
Section 21. The record of proceedings for a three year extension of an amended Mills Act Pilot Program is maintained by the City as part of the official records of the Community Development Department at 455 North Rexford Drive, Beverly Hills, California, 90210.

Section 22. An amended Mills Act Pilot Program is hereby established based on the parameters included in this resolution to implement the State of California Mills Act in the City of Beverly Hills on a trial basis.

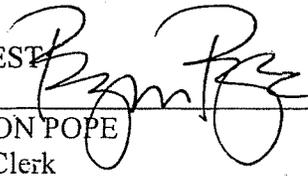
Section 23. The City Clerk shall certify to the adoption of the Resolution and shall cause the Resolution and his certification to be entered in the Book of Resolutions of the Council of the City.

Section 24. This Resolution shall go into effect on March 4, 2014.

Adopted: March 4, 2014

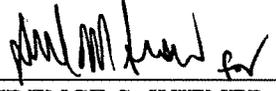


JOHN A. MIRISCH
Mayor of the City of Beverly Hills,
California

ATTEST  (SEAL)

BYRON POPE
City Clerk

APPROVED AS TO FORM:



LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:



JEFFREY KOLIN
City Manager



SUSAN HEALY KEENE
Director of Community Development



City Council Agenda Report

December 20, 2016

Mills Act Pilot Program Extension

Attachment 3

Cultural Heritage Commission Recommendation
(Resolution No. CHC 59)

RESOLUTION NO. CHC 59

A RESOLUTION OF THE CULTURAL HERITAGE
COMMISSION OF THE CITY OF BEVERLY HILLS
RECOMMENDING THAT THE CITY COUNCIL APPROVE A
THREE YEAR EXTENSION OF THE MILLS ACT PILOT
PROGRAM

Section 1. On April 21, 2011 the City Council directed City Staff to develop a Mills Act Program for the City of Beverly Hills to incentivize the preservation, maintenance, and rehabilitation of historic properties.

Section 2. On October 18, 2011 the City Council approved the establishment of a two-year Pilot Mills Act Program in the City of Beverly Hills from January 1, 2012 until December 31, 2013.

Section 3. On March 4, 2014, the City Council amended the Mills Act Pilot Program and approved a three-year extension of the pilot program through December 31, 2016.

Section 4. The City's Pilot Mills Act Program provides property tax reductions to owners of qualified historic properties who agree to invest in the preservation, restoration, or rehabilitation of qualifying historic properties. Pursuant to Government Code Section 50280 et seq. ("the Mills Act"), the City Council may establish a program pursuant to which the City may enter a historical property preservation agreement ("Preservation Agreement") with an owner of a historic property for the purposes of preservation, rehabilitation, and maintenance of a designated historic resource in accordance with the United States Secretary of the Interior's Standards for Rehabilitation, the State Historical Building Code, and applicable City codes ("Mills Act Program"). The Preservation Agreement allows the owner to receive a

reduction in property taxes in exchange for the property owner's commitment to repair, restore, rehabilitate, and/or maintain the historic property.

Section 5. The preservation and rehabilitation of historic properties enhances the character of Beverly Hills by retaining the City's sense of place and continuity with the community's past. As a matter of public policy, the identification, designation, preservation, enhancement, perpetuation and use of improvements, buildings and structures within the City that reflect special elements of the City's cultural, historical, agricultural, architectural, artistic, educational, or economic heritage is in the interest of the health, economic prosperity, cultural enrichment and general welfare of the people. Preservation of historic resources is an important aspect of tourism. By encouraging property owners to maintain and restore historic buildings and landscapes, the City is preserving its history and supporting the local economy.

Section 6. The City's General Plan Historic Preservation Element includes policies related to preserving resources that represent the City's history and culture or contribute to the City's special character and unique identity. Specifically, General Plan Policies HP 1.4 and 1.4a, and Program 2.3, focus on the development of financial and regulatory incentives, such as the Mills Act Program, to protect significant historic resources.

Section 7. The City of Beverly Hills Municipal Code has established procedures for identifying and designating historic resources. The Historic Preservation Code (City of Beverly Hills Municipal Code, Title 10, Chapter 3, Article 32. Historic Preservation) is intended to protect buildings, structures, and sites that are of particular historic or cultural significance and define the City's heritage and historic development. The City's Cultural

Heritage Commission is designated to serve in an advisory capacity to the City Council on the preservation of historic and cultural landmarks. In this capacity, the Cultural Heritage Commission and the Community Development Department, which is the department that supports the Cultural Heritage Commission, are positioned to administer programs the City establishes for rehabilitating, restoring, maintaining and preserving historic structures, including a Mills Act Program.

Section 8. At the meeting of December 5, 2013 City Council reviewed a staff report regarding the goals and policies of the City's Pilot Mills Act Program and the proposed three (3) year extension of a revised Mills Act Pilot Program from January 1, 2014 to December 31, 2016. At that time City Council directed staff to reach out to the Beverly Hills Unified School District Board to review the current program and the fiscal implications of a possible extension of an amended Mills Act Pilot Program beyond the initial two year Pilot Program to December 31, 2016 and with an increased cap on lost property tax to the City not to exceed \$100,000 in a single year, and not exceeding \$1,000,000 projected over the ten year term for Mills Act contracts with the City. The corresponding fiscal impact on Beverly Hills Unified School District (BHUSD) funding through lost property tax revenue would be up to \$80,000.00 per annum and not exceeding \$800,000 when projected over ten years.

Section 9. On March 4, 2014, the City Council adopted a resolution extending the City's Pilot Mills Act Program by three years, from January 1, 2014, expiring on December 31, 2016 and adopted the amendments to the Mills Act Pilot Program based on recommendations from Staff, the Cultural Heritage Commission, and the Planning Commission, as set forth herein.

The cap on the tax assessed value of participating properties was set at \$7.5M for any Single-Family Dwellings, Multi-Family Dwellings or Commercial Properties, restricting participation in the revised Pilot Mills Act Program for properties valued above \$7.5M unless a subject property satisfies the requirements for exemption from the cap on the tax assessed value limitations including significant cultural-historic and/or architectural value to the community. The City Council also adopted an incremental increase to the annual cap on lost property tax to the City from \$50,000.00 to \$100,000.00 per annum, (with a corresponding maximum annual loss to BHUSD of up to approximately \$80,000.00 per annum) to allow for additional properties to participate in the extended Pilot Program.

Section 10. On November 17, 2016, the Cultural Heritage Commission reviewed the Mills Act Pilot Program policies and progress and adopted this resolution recommending that the City Council extend the Mills Act Pilot Program as it is currently structured for an additional three year term, beginning January 1, 2017, through December 31, 2019.

Section 11. Pursuant to the requirements of the California Environmental Quality Act (CEQA), the City evaluated the action of approving an extension of an amended Mills Act Pilot Program from January 1, 2017 to December 31, 2019. The extension of an amended Mills Act Pilot Program establishes a property tax reduction for property owners that rehabilitate, restore, maintain, and preserve properties that are determined to be of historic significance. The extension of an amended Mills Act Pilot Program does not authorize any new development or construction of buildings, nor does it authorize any new land uses. The extended

program encourages the continued use of existing structures and the continuance of existing land uses. For these reasons it can be seen with certainty that the three year extension of an amended Mills Act Pilot Program will not result in any significant adverse impact on the environment. Thus, the extension of an amended Mills Act Pilot Program to December 31, 2019, is exempt from the CEQA environmental review requirements pursuant to Section 15061(b)(3) of Title 14 of the California Code of Regulations. Further, the extension of an amended Mills Act Pilot Program to December 31, 2019, would be categorically exempt from environmental review pursuant to section 15331 of the CEQA Guidelines, which exempts projects limited to maintenance, repair, stabilization, rehabilitation, restoration, preservation, conservation or reconstruction of historical resources in a manner consistent with the Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring, and Reconstructing Historic Buildings (Weeks and Grimmer, 1995) in that it is an incentive program the results in the preservation and maintenance of historic resources in exchange for property tax reductions. In addition, the extension of an amended Mills Act Pilot Program to December 31, 2019, is categorically exempt from CEQA, pursuant to CEQA Guidelines Section 15308 because it is an action by a regulatory agency (the City) to maintain, restore and protect the environment through protection of historical resources in the community.

Section 12. The three year extension of the amended City of Beverly Hills Mills Act Pilot Program (Mills Act Program) from January 1, 2017 to December 31, 2019, shall go into effect at midnight on December 31, 2016, and shall continue in effect, until midnight on December 31, 2019. To allow adequate processing time, new applications for preservation agreements shall be accepted at any time between January 1 and May 31 of each calendar year

the Pilot Program is in effect. No new applications will be accepted into the program after May 31, 2019, unless a permanent Mills Act Program is established to supersede the Mills Act Pilot Program. If a permanent Mills Act Program is not established, preservation agreements recorded prior to January 1, 2020, shall continue in effect, unless terminated or cancelled in accordance with the Mills Act.

Section 13. A “qualified historic property” for the purposes of the Beverly Hills Mills Act Pilot Program shall be defined as:

- a. A single-family residential property, a multi-family residential property or a commercial property with a tax assessed value not exceeding \$7.5 million dollars, unless exempted from the maximum tax assessed value through exceptional circumstances;
- b. Located entirely within the City of Beverly Hills;
- c. Privately owned;
- d. Not exempt from property taxation; and
- e. Individually listed in the City of Beverly Hills’ official landmark register.

Section 14. To limit any fiscal impact of the Mills Act Pilot Program, the City of Beverly Hills shall limit annual revenue loss from property tax revenues to \$100,000 each year. To further limit any fiscal impact, the City of Beverly Hills shall not enter into or execute more than three (3) preservation agreements per calendar year during the term of the Mills Act Pilot Program.

Section 15. The City Council hereby delegates to the Director of Community Development or his or her designee, with review by the City Attorney, the authority and

responsibility to develop, maintain, and amend, as necessary, an application, administrative guidelines, and forms of Preservation Agreements for properties seeking qualification and participation in the Mills Act Pilot Program. The Director of Community Development or his or her designee shall, as necessary, establish priority consideration criteria whereby such criteria shall be used to rank applications in terms of the preservation and rehabilitation needs of each property and prioritize selection of applications. The Director of Community Development or his or her designee shall also report on an annual basis to the City Council the number of Mills Act preservation agreements executed and the effectiveness of the Mills Act Pilot Program. The terms of the Preservation Agreement shall comply with Government Code Section 50280 et seq. The maintenance, repair, rehabilitation, and/or restoration standards applicable to the subject property shall be set forth in the Preservation Agreement. In consideration of abiding with the terms of the Preservation Agreement, the owner of the subject property shall be entitled to qualify for a reassessment of the historic property pursuant to State Revenue and Taxation Code Section 439 et seq.

Section 16. The City Council hereby delegates to the Cultural Heritage Commission the authority and responsibility to review and make recommendations to the City Council on applications submitted pursuant to the Mills Act Program. The City Council shall be the final authority on the authorization and approval of Preservation Agreements pursuant to the Mills Act Pilot Program.

Section 17. Preservation Agreements will have a minimum contract term of ten (10) years, with automatic renewal on an annual basis, shall be recorded against title to the property and run with the land. Owners shall maintain the regulated characteristics of historical

significance of the historic property in accordance with the rules and regulations of the State Office of Historic Preservation of the Department of Parks and Recreation, the United States Secretary of the Interior's Standards for Rehabilitation, the State Historical Building Code, and any applicable local codes and policies. Owners must allow reasonable periodic examination of the interior and exterior of the premises, if a request is made by representatives of the County Assessor, State Office of Historic Preservation Department of Parks and Recreation, the State Board of Equalization, and/or the City's Community Development Director or his or her designee to determine the owner's compliance with the Preservation Agreement. No Preservation Agreement may be cancelled without compliance with Government Code Section 50280 et seq., which requires notice and a public hearing by the City Council.

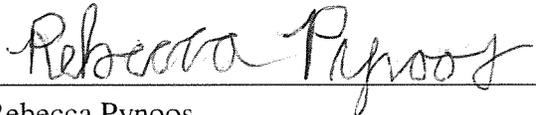
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Section 19. The record of proceedings for a three year extension of an amended Mills Act Pilot Program is maintained by the City as part of the official records of the Community Development Department at 455 North Rexford Drive, Beverly Hills, California, 90210.

Section 20. The City of Beverly Hills' Mills Act Pilot Program is hereby extended based on the parameters included in this resolution to implement the State of California Mills Act in the City of Beverly Hills on a trial basis.

Section 21. The City Clerk shall certify to the adoption of the Resolution and shall cause the Resolution and his certification to be entered in the Book of Resolutions of the Council of the City.

Adopted: November 17, 2016.



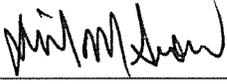
Rebecca Pynoos
Chairperson of the Cultural Heritage
Commission of the City of Beverly Hills

Attest:



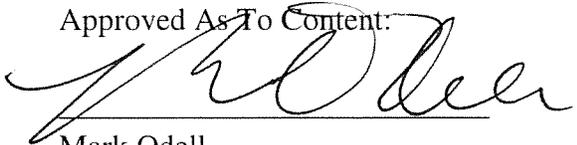
Mark Odell
Secretary of the Cultural Heritage Commission

Approved as to Form:



David M. Snow
Assistant City Attorney

Approved As To Content:



Mark Odell
Urban Designer, Community Development
Department

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS.
CITY OF BEVERLY HILLS)

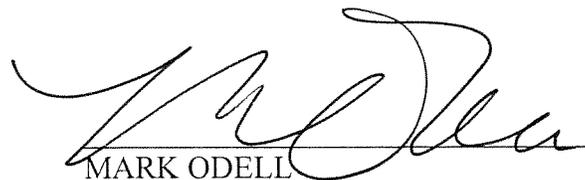
I, MARK ODELL, Secretary of the Cultural Heritage Commission and Urban Designer of the City of Beverly Hills, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. CHC 59 duly passed, approved and adopted by the Cultural Heritage Commission of said City at a meeting of said Commission on November 17, 2016, and thereafter duly signed by the Secretary of the Cultural Heritage Commission, as indicated; and that the Cultural Heritage Commission of the City consists of five (5) members and said Resolution was passed by the following vote of said Commission, to wit:

AYES: Commissioners Greer, Beck, Waldow, Vice Chair Furie, Chair Pynoos.

NOES: None.

ABSTAIN: None.

ABSENT: None.



MARK ODELL
Secretary of the Cultural Heritage
Commission / Urban Designer
City of Beverly Hills, California