



Agenda Item

City Council

Item #: 3.8.

11/14/2023

File #: 23-0721

TO: Honorable Mayor and Members of the City Council

THRU: Tom Kisela, City Manager

FROM: Russell Bunim, Community Development Director

1. SUBJECT

Historic Property Preservation Agreements (Mills Act Contracts) for 19 qualified historic properties.

2. SUMMARY

The Community Development Department Historic Preservation Program received 19 applications for new Mills Act Contracts in the Old Towne and Eichler Historic Districts for the Spring and Fall 2023 application period. Staff recommends approval and execution of the contracts.

3. RECOMMENDED ACTION

Approve 19 Mills Act Contracts between the City of Orange and the identified property owners for the preservation and rehabilitation of qualified historic properties; and authorize the Mayor and City Clerk to execute on behalf of the City.

4. FISCAL IMPACT

The purpose of the Mills Act Program is to leverage property tax savings to support private investment in the preservation of historic properties.

For the 19 Mills Act application received in Spring and Fall 2023, the City may incur a total reduction of property tax of approximately \$18,617 per year. The actual amount of the property tax reduction under the Mills Act Contract will be determined by the Orange County Office of the Assessor, using a predetermined income-based approach to assessment, considering area rental rates and maintenance costs.

The Mills Act Program requires reinvestment of this property tax reduction in preservation of the historic property through the Rehabilitation Plan attached to each contract. The Rehabilitation Plan will generate additional revenues from building permit fees, and the local economy will benefit from specialized work in historic preservation by local building contractors and material suppliers. The investment by property owners in these 19 historic properties totals \$1,966,084.46 over ten years.

The \$1,050 application fee for each contract offsets the cost of staff review, property inspection, and this public meeting. The \$100 annual fee offsets ongoing costs of administration of the contracts.

5. STRATEGIC PLAN GOALS

Goal 5: Recognize, promote and preserve Orange's rich heritage.

- b. Expand and strengthen processes and practices related to the protection of cultural resources.

6. DISCUSSION AND BACKGROUND

Mills Act applications for 19 qualified historic properties were received prior to the March 2, 2023 and August 3, 2023 application deadlines. Eight properties are within the Old Towne Historic District, ten properties are in the Eichler Historic Districts, and one property is individually listed on the local Historic Resources Inventory.

Staff reviewed the applications and met with each property owner at the historic property to review the proposed Rehabilitation Plan attached to the Mills Act contract (Exhibit D of contract). Each Rehabilitation Plan has been tailored to the preservation needs of the specific historic property and has been determined to meet the Mills Act Program requirements and to be in conformance with the relevant design standards for the historic districts.

Each Mills Act property owner agrees to complete the work described in the Rehabilitation Plan. Additional contract conditions include:

- 1 Preserve and rehabilitate the historic property and its character-defining features in conformance with adopted rules and regulations.
- 2 Meet City of Orange Historic Property Maintenance Standards for all buildings, structures, yards, and other improvements on the property.
- 3 Agree to property inspections once every five years of the contract term and/or when work is completed to determine compliance with terms of the contract.
- 4 File annual status reports on progress of improvements and repairs and/or any changed conditions of the property.
- 5 Provide a ten-year update of proposed rehabilitation and repair items, 90 days prior to the tenth contract anniversary.
- 6 Meet all other contract terms and conditions as specified in the Historic Property Preservation Agreement.

A summary of each application is provided in Attachment 1 to the Staff Report

7. ATTACHMENTS

1. Table Summary of 19 Mills Act Applications
2. Mills Act Contract MAC-421.0-22 with photograph
3. Mills Act Contract MAC-428.0-23 with photograph
4. Mills Act Contract MAC-429.0-23 with photograph
5. Mills Act Contract MAC-430.0-23 with photograph
6. Mills Act Contract MAC-431.0-23 with photograph
7. Mills Act Contract MAC-432.0-23 with photograph
8. Mills Act Contract MAC-433.0-23 with photograph

- 9. Mills Act Contract MAC-434.0-23 with photograph
- 10. Mills Act Contract MAC-435.0-23 with photograph
- 11. Mills Act Contract MAC-436.0-23 with photograph
- 12. Mills Act Contract MAC-437.0-23 with photograph
- 13. Mills Act Contract MAC-438.0-23 with photograph
- 14. Mills Act Contract MAC-439.0-23 with photograph
- 15. Mills Act Contract MAC-440.0-23 with photograph
- 16. Mills Act Contract MAC-441.0-23 with photograph
- 17. Mills Act Contract MAC-442.0-23 with photograph
- 18. Mills Act Contract MAC-443.0-23 with photograph
- 19. Mills Act Contract MAC-444.0-23 with photograph
- 20. Mills Act Contract MAC-445.0-23 with photograph