

TO: JAMES L. APP, CITY MANAGER
FROM: ED GALLAGHER, COMMUNITY DEVELOPMENT DIRECTOR
SUBJECT: HISTORIC PRESERVATION - MILLS ACT HISTORIC PROPERTY INCENTIVE PROGRAM
DATE: FEBRUARY 7, 2012

Needs: For the City Council to establish a Mills Act Historic Property Incentive Program.

- Facts:
1. The City Council adopted an Historic Preservation Ordinance and Historic Resources Survey in March 2011.
 2. The Historic Preservation Ordinance includes preservation incentives, including the ability of owners of qualified historic property (either a designated Historic Landmark or Contributor to an Historic District) to enter into a Mills Act Historic Property Contract, in accordance with State law (Government Code Sections 50280-50289).
 3. The Mills Act is a voluntary program that offers property tax savings in exchange for investing in maintaining and restoring historic property.
 4. In order to make this program available to owners of qualified historic property, the City needs to formally establish a Mills Act preservation program.
 5. This program is not a "project" per the California Environmental Quality Act (CEQA), and is not subject to CEQA regulations.

Analysis
and
Conclusions:

The Mills Act is an economic incentive program intended to encourage the restoration and preservation of qualified historic buildings by private property owners. The Act grants local agencies the authority to enter into contracts with owners of historic property who actively participate in the rehabilitation, restoration, preservation, and maintenance of their historic properties. Since the costs of preserving historic property can be prohibitive, property tax relief can offset these costs.

The benefit of this program to the City is that it helps preserve historic properties and enhance the quality of the community. While the City would receive less tax return on individual historic properties, the overall result of maintaining historic properties would provide a net economic benefit to the community.

The City's Historic Preservation Ordinance specifies in Section 21.50.170, Preservation Incentives, that the Mills Act incentive program applies to Historic Landmarks and Contributors to Historic Districts, and implements Government Code Sections 50280-50290, which further defines that property listed in any official local survey listings of historical properties would be considered qualified historic resources and may apply for Mills Act incentives.

Exhibit 1 consists of two handouts: the first provides general program information, and the second includes "Frequently Asked Questions" to provide a little more background on this program. As with many small cities, the Community Development Department would

administer this program. Department staff would be available to assist interested property owners in providing program information, determining potential property tax savings, and taking Mills Act applications through the City Council approval process. The process would also include working with parties to identify improvement projects (if requested), preparing the Mills Act Contract Agreement for recordation.

Staff assistance for an individual property may require up to 20 hours of time (which equates to \$2860). Some jurisdictions offer a reduced or waived fee for processing this type of application as an incentive for participation, since the goal is to encourage reinvestment in historic properties. The Council may want to consider whether it is interested in reducing or waiving a processing fee.

How It Works:

The Act provides the method of calculation to help determine whether the program will benefit property owners and, if so to what degree. Under the Mills Act, the Assessor is obligated to base the property tax levy on the lowest of three calculations. The Assessor sends a "Mills Act Valuation Notice" annually to the property owner and the City. The notice provides an analysis of three current components of the property: a) the Base Year Value which is the purchase price under Proposition 13 (trended upward at 2% per year); b) the Fair Market Value (what the property is worth at the time of assessment); and c) the Mills Act Value.

A Mills Act property tax value calculation is based on its ability (or potential ability) to produce income. The Assessor values the property according to the capitalization of income method, whereby the property's potential income is divided by a pre-determined capitalization rate (set by the Federal Housing Finance Board), to establish a new assessed property value to be taxed. For owner occupied homes, this approach is based on it's the property's potential rental value. Commercial, industrial, or multi-family properties would have an actual income that is used for the calculation.

A Property Tax Adjustment Worksheet Guide and a Property Tax Adjustment Calculation Worksheet is provided in Exhibit 2. These can be used with interested property owners to help determine the potential property tax benefit of entering into this program. As all properties are assessed annually, Mills Act properties may realize increases or decreases in property taxes each year as market conditions change.

A few examples of potential fiscal impacts of approving a Mills Act Agreement on an individual property as well as tax reduction benefit to property owners are provided below:

- Property valued at \$300,000:
 - Property tax paid by homeowner: \$3,000; property tax received by City: \$428
 - Property tax paid by homeowner: \$930; property tax received by City with Mills Act incentive: \$132

- Property valued at \$500,000:
 - Property tax paid by homeowner: \$5,000; property tax received by City: \$714
 - Property tax paid by homeowner: \$1,500; property tax received by City with Mills Act incentive: \$214

- Property valued at \$750,000:
 - Property tax paid by homeowner: \$7,500; property tax received by City: \$1,070
 - Property tax paid by homeowner: \$1,880; property tax received by City with Mills Act incentive: \$268

Since this program may result in fiscal impacts, some cities limit the number of Mills Act applications that can be approved per year. For instance, San Luis Obispo limits them to 10 per year; San Clemente keeps it to 5 per quarter. For perspective on the loss of revenue, if the City approved 10 Mills Act contracts per year with an average home value of \$500,000 the City would lose approximately \$5,000 of property tax per year. However, the City collected over \$8.1 million in 2012, thus loss of \$5,000 would be less than 6/10 of a percent. Additionally, if staff were to process 10 applications per year it would result in use of approximately 200 hours per year of staff time. The Council may want to consider limiting the number of agreements approved per year.

A Mills Act contract runs for 10 years and is automatically renewed annually for an additional year unless a notice of non-renewal is filed by the owner or the City. If a contract is terminated, the property owners taxes increase over a 10-year period to the standard rate based on the current assessed value of the property. While a property is under a contract, tax savings stay with the property and is transferred to new owners if the property is sold.

The Mills Act Agreement program does not guarantee a reduction amount for any property. Properties that have more recently sold (e.g. within the last 10 years) are likely to experience greater tax reductions. Property purchased after 2000 is most likely to receive the highest reduction, and property purchased prior to 2000 will likely receive a minimal reduction. Property purchased prior to the passage of Proposition 13 in 1978 is unlikely to receive a tax reduction.

The Mills Act is an incentive program for properties needing rehabilitation work, and part of a contract includes an agreement by the property owner to make specific improvements that they identify, which are recorded with their agreement. A sample of typical improvement projects and an improvement list form is provided in Exhibit 3, however the actual list used in an agreement would be tailored to a specific property prepared by the owner. In some cases the cost of rehabilitation may be higher than the amount of property tax saved. Owners are nonetheless obligated to rehabilitate and maintain the property. The City has also prepared a handout on how to apply for a Mills Act agreement and an application form, which are both provided in Exhibit 4.

If a property is not maintained under the terms of the contract, is improperly altered, or if rehabilitation work is not performed, the owner could be found in breach of contract. If the breach of contract cannot be resolved to satisfy the contract, the contract may be cancelled by the City, and in accordance with State law, the owner will be assessed a 12.5% penalty based on the current fair market value of the property.

References:

This program is consistent with policies of the City's Economic Strategy, General Plan and Historic Preservation Ordinance, including:

Economic Strategy:

- Improve quality of place to attract investment and knowledge workers, stimulate investment by establishing distinctive, quality, stable, safe and sustainable physical improvements, and attractions that welcome industry, commerce, tourism, employment, and wealth necessary to maintain and enhance quality of life.
- Develop distinctive design standards and invest in design excellence to:
 - Create inspiring and memorable places;
 - Emphasize the appearance and qualities of the public realm;
 - Encourage adaptive reuse of historic buildings.

General Plan:

- GOAL LU-2: Image/Identity. Maintain/enhance the City's image/ identity.
- POLICY LU-2B: Visual Identity. Promote architectural and design excellence by imposing stringent design and construction standards for commercial, industrial, mixed-use, and multi-family projects.
- POLICY LU-2C: Local Heritage. Preserve/enhance downtown and the historic Vine Street neighborhood through adherence to established guidelines.

Historic Preservation Ordinance

- The purpose of the Historic Preservation Ordinance is to provide for the recognition, preservation, protection, and use of Historic Resources in the City by establishing procedures and regulations that are necessary to:
 - 1) Assist the City in identifying and protecting its Historic Resources;
 - 2) Ensure that new development maintains continuity with the City's historic character and scale;
 - 3) Maintain Historic Resources as community assets

Fiscal

Impact:

The City may collect less property taxes on property participating in a Mills Act Agreement, however, the City will also experience secondary fiscal benefits community wide through improved and maintained property values through preservation of historic properties.

Options:

After discussing this item the City Council is requested to take one of the actions listed below:

- a. Adopt Resolution No. ____, establishing a Mills Act Historic Preservation Incentive Program;
or
- b. Amend, modify, or reject the above-listed action.

Staff Report Prepared By: Susan DeCarli, AICP

Exhibits:

1. Historic Preservation Mills Act Program Information Handout and "Frequently Asked Questions"
2. Historic Preservation Mills Act Program Property Tax Adjustment Worksheet Guide and Calculation Guide
3. Sample Improvement Project List and Improvement List Form
4. Handout on how to apply for a Mills Act Agreement
5. Resolution to adopt the Mills Act Program



City of El Paso de Robles

Historic Preservation Mills Act Program

Frequently Asked Questions

1. **If I own an historic property, am I obligated to participate in the program?**

No. Participation is voluntary. The contracts are intended for property owners who have a strong commitment to historic preservation, and to assist property owners who plan to rehabilitate their property.

2. **What is the term of Mills Act Agreement?**

The contract is written for an initial term of 10 years. However, the contract automatically renews each year on its anniversary date for a new 10-year term. The contract, in effect runs in perpetuity with the land. The initial 10-year term is the period of time in which major rehabilitation projects should be substantially completed. If an owner desires to be released from the contract, a letter of non-renewal is submitted to the City. The owner is released from the contract 10 years after the notice of non-renewal is submitted.

3. **How are my property taxes reduced?**

Instead of basing your property tax on the purchase price of your property (Proposition 13, Base Year Value), the County Assessor reassess your property on its ability (or potential ability) to produce income (Income Approach). Using the Income Approach, the Assessor values the property according to the capitalization of income, whereby the property's potential income is divided by a pre-determined capitalization rate to establish a new assessed property value to be taxed. The Income Approach for an owner-occupied property is based on its potential rental value. Commercial, industrial, or multi-family properties would have an actual income that is used for the calculation. A Mills Act Valuation Notice is sent annually to the property owner and the City. The notice will analyze three current components of the property: a) the Base Year Value which is the purchase price under Prop 13 (trended upward at 2% per year), b) the Fair Market Value (what the property is worth at the time of assessment) and c) the Mills Act Value. The Assessor is obligated to base the property tax levy on the lowest of the three components.

4. **What type of property is likely to benefit?**

Property purchased after 2000 is most likely to receive the highest reduction. Property purchased prior to 2000 will likely receive a minimal reduction. Property purchased prior to 1978 (Prop 13) is unlikely to receive a tax reduction. The Mills Act Agreement program does not guarantee a reduction amount for any property. Properties that have more recently sold (e.g. within the last 10 years) are likely to see greater tax reductions.

5. **How much reduction will I receive?**

The application Tax Adjustment Worksheet is provided to assist you in calculating the potential reduction on your property. Calculated accurately, it will provide you with an idea of your

potential reduction. It is not a guarantee. Remember that a reduction is based only on the General Tax Levy portion of your bill and DOES NOT reduce other district assessments of your tax bill.

6. What happens if I want to sell my property after I have a Mills Act Contract?

The contract will always remain with the property, and the new owner is obligated to meet the contract requirements. This can enhance the marketability of the property because it is not reassessed at its new market value when it is sold. Rather, new owners will likely pay property taxes based on the existing or proximate Mills Act Valuation notice. The new owner would be required to complete an outstanding rehabilitation or restoration work within the time remaining under the first 10-year term of the contract. It is always important for sellers and realtors to fully disclose the contract to potential buyers – both as an incentive to the property’s rehabilitation, restoration and maintenance and to apprise them of their responsibility to perform under the terms and conditions of the agreement.

7. Are there potential penalties for property owners with a Mills Act Contract?

Yes. If a property is not maintained under the terms of the contract, is improperly altered, or if rehabilitation work is not performed, the owner could be found in breach of contract. If the breach of contract cannot be resolved to satisfy the contract, the Contract is cancelled and the owner is assessed a 12.5% penalty based on the current Fair Market Value of the property.

8. How long does it take to get a Contract?

Contracts are approved and recorded by the end of the application calendar year. Reassessments start after January 1 of the year following the contract recordation.

9. What portion of my property is obligated under a Contract?

The entire property is covered under a Mills Act Contract. The structure(s) both interior and/or exterior and grounds are required to be rehabilitated and maintained. Any work performed to the property must conform to the Secretary of the Interior’s Standards for Rehabilitation and the California Historic Building Code.

10. How can I terminate a Contract?

The owner may terminate the contract by notifying the City at least 90 day prior to the annual renewal date. (The City may terminate a contract (with cause) by notifying the owner at least 60 days prior to renewal date. The owner may make a written protest about termination by the City. The contract remains in effect for the balance of the 10-year term of the contract beyond the notice of non-renewal.

11. What if I cannot afford to rehabilitate my property?

The Mills Act is an incentive program for properties needing rehabilitation work. The purpose of the Mills Act Contract is to assist owners in the rehabilitation of property. In many cases the cost of rehabilitation may be significantly higher than the amount of property tax saved. Owners are nonetheless obligated to rehabilitate and maintain the property. Failure to do so can lead to breach of contract and cancellation by the City.



City of El Paso de Robles

Historic Preservation Mills Act Program

Property Tax Adjustment Worksheet Guide

The following is an example showing the possible tax benefits to the historical property owner of an owner occupied single family dwelling. *This form is a Guideline only.* Your reduced property tax under a Mills Act Historic Preservation Agreement is not guaranteed to match this calculation.

EXAMPLE: Single Family Dwelling
Current Assessed Value (General Levy Taxes Only*) = \$100,000
Estimated Monthly Rent **= (See Property Tax Calculation Worksheet)

A. DETERMINE ANNUAL INCOME AND ANNUAL OPERATING EXPENSES

[\$800 per month income minus approximately \$100 per month expenses for maintenance, repairs, insurance, utilities, and gardener equals a net income of \$700 per month. Multiply by 12 months for an annual net income of \$8,400. (*Mortgage payments and property taxes are not considered expenses.*)

B. DETERMINE CAPITALIZATION RATE

Add the following together to determine the Capitalization Rate:

The Interest Component is determined by the Federal Housing Finance Board and is based on conventional mortgages. While this component will vary from year to year, the State Board of Equalization has set this at 5.0% for 2011.

The Historical Property Risk Component of 4% (as prescribed in Sec. 439.2 of the State Revenue and Tax Code) applies to owner-occupied single family dwellings. A 2% risk component applies to all other properties.

The Property Tax Component (Post-Prop 13) of .01 times the assessment ratio of 100% (1%).

The Amortization Component is a percentage equal to the reciprocal of the remaining life of the structure and is set at the discretion of the County Assessor for each individual property. In this example the remaining life of a wood frame building is typically 20 years. The amortization component is calculated thus: $100\% \times 1/20 = 5\%$. Use 5% for your calculation.

Now add the following: $5.00\% + 4.0\% + 1.0\% = 15\%$ Capitalization Rate (Single family dwelling)

C. CALCULATED NEW ASSESSED VALUE AND ESTIMATED TAX REDUCTION

The new assessed value is determined by dividing the annual net income (\$8,400) by the capitalization rate .1500 (15.00%) to arrive at the new assessed value of \$56,000.

Lastly, determine the amount of taxes to be paid by taking .01 (1%) of the assessed value \$56,000. Compare with the current property tax rate for land and improvements only (be sure not to include voter indebtedness, direct assessments, tax rate areas and special district items on your tax bill):

- **Current general levy property tax: 1% of original assessed valuation of \$100,000 (\$100,000 x .01 = \$1,000)**
- **Mills Act property tax: 1% of new assessed value of \$56,000 is \$650**

Annual property taxes have been reduced by \$440 (\$1,000 minus \$560), and approximately 44% property tax reduction.

*The Mills Act applies ONLY to general levy property taxes. Be sure to DEUCT the portions of your tax bill that include sewer assessment, bond issues, etc. when calculating what portion of your property tax will be reduced by the Mills Act.

**Single family applicants may find that a realtor can assist in determining a monthly rental figure.

***SEE PROPERTY TAX ADJUSTMENT CALCULATION WORKSHEET GUIDE TO HELP CALCULATE INDIVIDUAL PROPERTY TAX REDUCTION.**



City of El Paso de Robles

**Historic Preservation
Mills Act Program**

Property Tax Adjustment Calculation Worksheet Guide

Property Address: _____

STEP 1: DETERMINE ANNUAL INCOME OF PROPERTY

ANNUAL PROPERTY INCOME	AMOUNT	EXPLANATION
1. Monthly Rental Income		Even if property is owner-occupied, an estimated monthly rental income is needed as a basis for this formula.
2. Annual Rental Income	0.00	Multiply line 1 by 12

STEP 2: CALCULATE ANNUAL OPERATING EXPENSES

ANNUAL OPERATING EXPENSES	AMOUNT	EXPLANATION
3. Insurance		Fire, liability, etc.
4. Utilities		Water, Gas, Electric
5. Maintenance*		Maintenance includes: painting, plumbing, electrical, gardening, cleaning, mechanical, heating repairs, and structural repairs.
6. Management*		
7. Other Operating Expenses		Security services, etc. Provide a breakdown on separate sheet as necessary.
8. Total Expenses**	0.00	Add lines 3 through 7

STEP 3: DETERMINE ANNUAL NET INCOME

NET OPERATING INCOME	AMOUNT	EXPLANATION
9. NET TOTAL	0	Line 2 minus line 8

*If you are calculating for commercial property, remember to provide the following documentation where applicable:

- Rent Roll (include rent for on-site manager’s unit as income, if applicable)
- Maintenance Records (provide detailed break-down – all costs should be recurring annually)
- Management Expenses (include expense of on-site manager’s unit and 5% off-site management fee; and describe other management costs – provide breakdown on separate sheet).

**Annual operating expenses do not include mortgage payments, property taxes, depletion charges, corporate income taxes or interest on funds invested in the property.

STEP 4: DETERMINE CAPITALIZATION RATE

CAPITALIZATION RATE	AMOUNT	EXPLANATION
10. Interest Component	5.00%	As determined by the State Board of Equalization for 2011
11. Historic Property Risk Component	0.00%	Single family home = 4% (SFD)
12. Property Tax Component	1%	.01 times the assessment ratio of 100%
13. Amortization Component (Reciprocal of life of property)	0.00%	If the life of the improvements is 20 years use $100\% \times 1/20 = 5\%$
14. TOTAL = CAPITALIZATION RATE	6.00%	Add lines 10 through 13

STEP 5: CALCULATE NEW ASSESED VALUE

NEW ASSESS VALUE	AMOUNT	EXPLANATION
15. Mills Act Assessed Value	0.00	Line 9 divided by line 14 Example: $\text{Line 9} \div 0.1500$ (15.00) SFD
16. Current Assessed Value	0.00	

STEP 6: DETERMINE ESTIMATED TAX REDUCTION

NEW TAX ASSESSMENT	AMOUNT	EXPLANATION
17. Current Tax (1% of line 16)	0.00	General tax levy only
18. Tax under Mills Act	0.00	Line 15 x .01
19. ESTIMATED TAX REDUCTION	0.00	Line 17 minus line 18



City of El Paso de Robles

**Historic Preservation
Mills Act Program**

Sample Improvement Projects

The following are sample historic preservation improvement ideas that property owners may want to consider. This list is illustrative, and not inclusive of all potential improvements that property owners may be interested in completing under their Mills Act Agreement. All improvements shall be completed with the intention of maintaining the structural and site historic character.

Balcony – repair upgrade, repaint, install	Patio – repair, replace, rebuild in-kind, repaint
Barn – repair, upgrade, repaint, convert	Porch – repair, replace, rebuild in-kind
Basement - repair, upgrade, repaint, convert	Porch railings – repair, replace, rebuild, repaint
Cabinets – repair, replace, install (kitchen, bathroom, etc.)	Plumbing – repair, upgrade, replace
Carpet – replace, install	Remove existing un-historic features
Ceilings – restore	Roof – repair, re-roof, repaint, replace (house, garage, barn, shed, etc.)
Deterioration – remove, repair, restore	Seismic retrofit
Driveway – replace, repave, upgrade	Siding – repair, restore, repaint
Dry rot – remove, repair	Skylight – install, replace
Doors – repair, replace, upgrade, rescreen	Stairs – repair, replace, repaint
Eaves – repair, repaint	Stairway – repair, replace, repaint
Electrical – install, rewire, new outlets	Stucco – repair, replace
Exterior trim – repair, repaint	Tenant Improvements – commercial
Fencing – repair, install, repaint, upgrade	Termites – remove, treat damage
Fireplace – repair, restore	Tile – repair, replace
Fixtures – repair, replace in kind, restore	Trellis – install, repair, repaint
Flooring – remove & restore, refinish repair, carpet	Ventilation – repair, replace (interior / exterior)
Foundation – repair, install	Walkways – install, repair
Garage door – repair, replace, upgrade, install	Walls – restore, repaint, wallpaper
Insulation – install	Water seal
Irrigation – install, repair	Windows – repair, replace with conforming, re-screen
Landscape – plant, re-plant, remove overgrowth (front, back, side yards)	Window frame – repair, replace with conforming
Lighting – install, upgrade	Window transoms – repair, restore
Paint – interior, exterior, eaves	



City of El Paso de Robles

Historic Preservation Mills Act Program

Improvement List

The following improvements are intended to be completed over the next 10 years.

Year	Improvement

Owner Certification

I certify that I am presently the legal owner of the subject property. Further I acknowledge the supplemental information on this form will be used as an exhibit attached to the Mills Act Agreement that applies to my property.

Date: _____ Signature: _____



City of El Paso de Robles

Historic Preservation Mills Act Program

How to Apply and the Approval Process

How to Apply for a Mills Act Agreement

- Confirm that your property is an eligible, historic property on the City's Historic Inventory List.
- Calculate the potential Property Tax Adjustment that may apply to your property, to determine if it would be a beneficial incentive for your property. (see separate Property Tax Adjustment Calculation Worksheet handout)
- Prepare a list of improvements that would be completed over the 10 year period of the agreement to submit with application.
- Submit a General and a Supplemental Applications with all application materials listed, including:
 - Property information
 - Description of the condition of the property
 - Description of alterations (if any) made to original property
 - Photographs of property & structure
 - Description of architectural theme
 - Description of architectural importance
 - Location Map
 - Plot Plan of Site
 - Processing fee
- Submit all materials to the Community Development Department, Planning Division.
- For questions call, (805) 237-3970.

Approval Process

- Once an application is submitted, the City will review the materials and determine if all the information required is complete and accurate. This will include a site visit. If the City needs to enter the site an appointment will be set up in advance with the applicant.
- When the application is determined to be complete, it will be scheduled for consideration by the Planning Commission.
- The Planning Commission will review the information on the existing condition of the property and the proposed list of improvements and make a recommendation to the City Council on whether to approve a Mills Act Agreement.
- The City Council will either approve or deny a proposal to enter into a Mills Act Agreement for the property.
- If the City Council approves a property owner to enter into a Mills Act Agreement, the City will prepare a Mills Act Agreement for approval by City and San Luis Obispo County.
- The Mills Act Agreement shall be recorded with the San Luis Obispo County Clerk Recorder's Office.
- The approval process should be complete within 8 to 10 weeks.

RESOLUTION NO. 12-xxx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES
ESTABLISHING THE "MILLS ACT HISTORIC PROPERTY TAX INCENTIVE PROGRAM"

WHEREAS, on March 15, 2011, the City Council adopted Ordinance No. 972 N.S., adding Chapter 21.50 to the Paso Robles Municipal Code regarding Historic Preservation; and

WHEREAS, Section 21.50.170 specifically allows owners of properties designated as Historic Landmarks or Contributors to Historic Districts, as defined in Chapter 21.50, to participate in certain incentive programs to preserve such properties; and

WHEREAS, Government Code section 50280 et seq. (the "Mills Act") allows a city and the owner of a qualified historic property to enter into a contract pursuant to which the property owner agrees to make certain specified improvements to the property and to preserve and maintain such property, all in accordance with specified standards, in exchange for a reduction in property tax assessment on the property; and

WHEREAS, a property owner who agrees to rehabilitate, preserve and maintain an historic property benefits from seeing the property value increase and realizes property tax savings, while the community benefits from having an historic resource preserved; and

WHEREAS, maintaining historic resources adds to the quality and character of the City; and

WHEREAS, the City Council of the City of El Paso de Robles considered the recommendation of the Planning Commission and public testimony regarding the Mills Act Program, and makes the following findings:

1. The City of Paso Robles recognizes that preservation, protection and use of historic resources is necessary to maintain community assets.
2. Preservation of historic resources is a key component of the Community's sense of place and quality of life.
3. The General Plan contains policies and programs to promote the preservation, maintenance and rehabilitation of historic resources. The Mills Act Program promotes the General Plan goals by providing financial incentives to encourage property owners to preserve, maintain and rehabilitate their property through property tax savings.
4. The City Council adopted the City's Historic Preservation Ordinance in February 2011 which includes historic preservation incentives, including the Mills Act Historic Property Contracts.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of El Paso de Robles does hereby establish the Mills Act Historic Preservation Incentive Program and approves the form of agreement

between the City and property owner to implement the program, attached hereto as Exhibit A and incorporated herein by reference.

PASSED AND ADOPTED THIS ___day of _____ by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Duane Picanco, Mayor

ATTEST:

Caryn Jackson, Deputy City Clerk