

RESOLUTION NUMBER R- 304532
DATE OF FINAL PASSAGE DEC 15 2008

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE AMENDMENTS TO COUNCIL POLICY 700-46 PERTAINING TO MILLS ACT AGREEMENTS FOR PRESERVATION OF HISTORIC PROPERTY.

WHEREAS, the Mills Act was enacted in 1972 by the State of California to enable local jurisdictions “to enter into contracts with property owners of qualified historic properties who actively participate in the restoration and maintenance of their historic properties while receiving property tax relief;” and

WHEREAS, the Council of the City of San Diego adopted Council Policy 700-46 in 1995 “to provide a monetary incentive to the owners of historically designated in the form of a property tax reduction for the maintenance, restoration and rehabilitation of historic properties within the City of San Diego;” and

WHEREAS, when the Mills Act Program was set up in 1995, a monitoring system was not established and a program agreement was entered into for a period of ten years, with automatic renewal each year unless one of the parties proposed to end it; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that Council Policy No. 700-46 titled “Mills Act Agreements for Preservation of Historic Property” is hereby approved with the following amendments listed below:

- Establish a fiscal threshold for voluntary historical resource designations, of \$200,000 reduction in new tax revenue per fiscal year to the general fund;

- Staff to provide an annual report to Council as part of budget discussions on the status of whether the \$200,000 fiscal year threshold has been or is anticipated to be exceeded or not in the current fiscal year based on current program activity; such report shall include the underlying applications for voluntary historic designation;
- Authorize exceeding the \$200,000 fiscal year threshold as part of the annual budget process, based on findings made by the City Council that the fiscal health of the City is such that additional reduction in tax revenue can be supported;
- When Council fails to approve exceeding the \$200,000 fiscal year threshold, pending voluntary applications for historical designation shall be rolled over in succession to the following fiscal year;
- Require a formal application process with a deadline of March 31st of each year for properties designated by December 31st of previous year;
- Require the property owner to demonstrate investment of the tax savings into the designated historic property through a 10-year tailored work plan which may include costs of rehabilitation or restoration of the historic property necessary to achieve historic designation; and
- Establish an inspection schedule for monitoring of Mills Act Program properties prior to a new agreement and every 5 years thereafter prior to the renewal date to assure compliance with contract requirements.

BE IT FURTHER RESOLVED, that the City Clerk is instructed to add the aforesaid to the Council Policy Manual.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By Marianne Greene
Marianne Greene
Deputy City Attorney

MG:als
11/18/08
11/20/08 Cor.Copy
11/26/08 Rev.Copy
12/04/08 Rev.Copy.1
Or.Dept:Planning
R-2009-681

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of DEC 02 2008.

ELIZABETH S. MALAND
City Clerk

By Mary Zumaya
Deputy City Clerk

Approved: 12-15-08
(date)

JSL
JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor

R-304532