

**COUNCIL POLICY
CITY OF CHULA VISTA**

SUBJECT: MILLS ACT PROPERTY TAX ABATEMENT PROGRAM	POLICY NUMBER	EFFECTIVE DATE	PAGE
	454-01	05/29/01	1 OF 2

ADOPTED BY: 2001-161

DATED: 05/29/01

AMENDED BY:

BACKGROUND

In November 1999, Councilperson Salas was contacted by a group of historic homeowners who were interested in pursuing the Mills Act in the City of Chula Vista. The item was referred to City staff who reported to the City Council on December 7, 1999 and noted several potential issues with enactment of the Mills Act in the City.. The item was then referred to the Planning Department who reported to City Council on January 23, 2001 regarding comments on the noted issues. At that meeting, Council directed staff to return to them with a liberal policy, which would encourage participation in this tax abatement program by the historic homeowners.

PURPOSE

To provide financial assistance in the form of property tax relief to owners of qualifying historic properties through the Mills Act Tax Abatement Program. After a Mills Act contract has been executed, the county 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 to determine the new assessed property value. The program encourages preservation and maintenance of the City's limited historic resources.

POLICY

1. It is the policy of the City of Chula Vista to foster and encourage the preservation, maintenance, rehabilitation and restoration of historically designated properties through the Mills Act program.
2. All qualifying historic sites shall be eligible for Mills Act Agreements, in conformance with this City Council Policy and State law requirements, and shall be evaluated on a case by case basis.
3. Contracts shall be voluntary and flexible.
4. Contracts shall contain at a minimum, the mandatory conditions required by state law.
5. Contracts shall be reviewed by the Resource Conservation Commission and recommended for approval. by the City Council.

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6. Contracts shall include a program for potential improvements over the life of the contract and shall be reviewed periodically for compliance. All improvements shall be in conformance with the Secretary of the Interior Standards for Rehabilitation.
7. No permit for the demolition, substantial alteration or removal of any building, structure or site shall be issued without first referring the matter to the Resource Conservation Commission.
8. Minimum maintenance guidelines as provided for in the contract should be maintained at all times during the term of the agreement. Minimum maintenance guidelines are suggested as follows:
 - A. Owner should make every attempt to preserve and maintain the regulated characteristics of historical significance of the Historic Site, and, where necessary, restore and rehabilitate the property, in accordance with the rules and regulations published by the Secretary of the Interior.
 - B. Owner should maintain all buildings, structures, yards and other improvements in a manner, which does not detract from the appearance of the immediate neighborhood. The following conditions are highly discouraged:
 1. Dilapidated, deteriorating, or unrepaired structures, such as: fences, roofs, doors, walls and windows;
 2. Scrap lumber, junk, trash or debris;
 3. Abandoned, discarded or unused objects or equipment, such as automobiles, automobile parts, furniture, stoves, refrigerators, cans, containers, or similar items;
 4. Any device, decoration, design, structure or vegetation, which is unsightly by reason of its height, condition, or its inappropriate location.
9. Contracts shall be drafted in a form approved by the City Attorney.
10. The Community Development Department shall be provided the opportunity to review and comment on all Mills Act applications for commercial properties located within Redevelopment Areas. These proposed contracts shall be reviewed for potential negative financial consequences to the Redevelopment Area.