GENERAL INFORMATION ABOUT THE CONTENTS OF THIS FILE

Submissions by the public in compliance with the Commission Rules and Operating Procedures (ROPs), Rule 4.3, are distributed to the Commission and uploaded online. Please note that "compliance" means that the submission complies with deadline, delivery method (hard copy and/or electronic) AND the number of copies. Please review the Commission ROPs to ensure that you meet the submission requirements. The ROPs can be accessed at **http://planning.lacity.org**, by selecting "Commissions & Hearings" and selecting the specific Commission.

All compliant submissions may be accessed as follows:

- **"Initial Submissions"**: Compliant submissions received no later than by 4:00 p.m. Thursday of the week prior to the meeting, which are not integrated by reference or exhibit in the Staff Report.

- **"Secondary Submissions"**: Compliant submissions received after the Initial Submission deadline up to 24-hours prior to the Commission meeting are contained in this file and bookmarked by the case number.

- **"Day of Hearing Submissions"**: Compliant submissions after the Secondary Submission deadline up to and including the day of the Commission meeting will be uploaded to this file within two business days after the Commission meeting.

Material which does not comply with the submission rules is not distributed to the Commission.

ENABLE BOOKMARKS ONLINE:

**If you are using Explorer, you will need to enable the Acrobat toolbar to see the bookmarks on the left side of the screen.

If you are using Chrome, the bookmarks are on the upper right-side of the screen. If you do not want to use the bookmarks, simply scroll through the file.

If you have any questions, please contact the Commission Office at (213) 978-1300.

INITIAL SUBMISSIONS

The following submissions by the public are in compliance with the Commission Rules and Operating Procedures (ROPs), Rule 4.3a. Please note that "compliance" means that the submission complies with deadline, delivery method (hard copy and/or electronic) AND the number of copies. The Commission's ROPs can be accessed at **http://planning.lacity.org**, by selecting "Commissions & Hearings" and selecting the specific Commission.

The following submissions are not integrated or addressed in the Staff Report but have been distributed to the Commission.

Material which does not comply with the submission rules is not distributed to the Commission.

ENABLE BOOKMARKS ONLINE:

**If you are using Explorer, you will need to enable the Acrobat toolbar to see the bookmarks on the left side of the screen.

If you are using Chrome, the bookmarks are on the upper right-side of the screen. If you do not want to use the bookmarks, simply scroll through the file.

If you have any questions, please contact the Commission Office at (213) 978-1300.

NEWMEYER DILLION

Newmeyer & Dillion LLP
895 Dove Street
Second Floor
Newport Beach, CA 92660
(949) 854-7000

April 17, 2025

Jason Moberly Caruso
Jason.Caruso@ndlf.com

VIA EMAIL ONLY

Attn: Denise Otero
Cultural Heritage Commission
Los Angeles City Hall
200 North Spring Street
Los Angeles, CA 90012
Email: chc@lacity.org

Re: Public Comment Regarding the Commission's Consideration of Amendments to the City's Mills Act Historical Property Contract Program – April 24, 2025

Dear President Milofsky and Members of the Cultural Heritage Commission:

Our office writes on behalf of the Biscuit Company Lofts' Homeowners' Association ("Association"), located at 1850 Industrial Street, Los Angeles, CA 90021. The Association submits this comment in connection with the Commission's consideration of changes to the City's Mills Act Historical Property Contract Program.

The Association has serious concerns regarding the proposed changes, as they may significantly impact the 104 households composing the Association's membership. The Association therefore respectfully requests the Commission review and consider its concerns detailed in the attached previously-issued correspondence regarding the proposed changes, which are representative of similarly-situated constituencies throughout the City.

The Association thanks the Commission for its time and consideration of the Association's concerns regarding this important matter.

Respectfully,

Jason Moberly Caruso

JMC:JMC
Enclosure

5411.001 / 16256310.1

BISCUIT
COMPANY
LOFTS

November 22, 2022

Sent via email to: planning.millsact@lacity.org
Mr. Lambert Giessinger
Historic Preservation Architect
Office of City Planning
Office of Historic Resources
221 N. Figueroa Street, Suite 1350
Los Angeles, CA 90012

RE: Comments on City of Los Angeles Mills Act Program Assessment and Equity Analysis, June 2022

Dear Mr. Giessinger,

The Biscuit Company Lofts Board of Directors respectfully submits this comment letter on behalf of the 105 residential and commercial owners of the National Biscuit Company historic building located in the Arts District, downtown Los Angeles.

We request these comments be made part of the official record and considered in any actions undertaken by the City with regard to the Mills Act program, including additional studies and reports, City Commission actions, and City Council actions. We also request to be notified and included in stakeholder discussions and afforded the opportunity to meaningfully participate in program changes concerning the Mills Act in the City of Los Angeles, as they will affect our cultural, economic and landowner interests.

As you know, the National Biscuit Company is a landmark building, constructed in 1925, and restored and adapted in 2006 offering 104 authentic live/work units and a commercial restaurant on the ground floor. The Biscuit is on the State Register of Historic places, eligible for the National Register, and declared by the City of Los Angeles as Historic Cultural Monument No. 888.

The history of the National Biscuit Company is iconic and immense, rising to National import. Conceived as the west coast headquarters of what is now known as Nabisco Food

Company, the National Biscuit Company building was designed by Edmond Jacques Eckel, the Dean of American Institute of Architects and founder of the distinguished firm of Eckel & Aldrich. Constructed at the then astounding cost of $2,000,000, this celebrated 7 story, skyscraper factory quickly became an architectural sensation standing apart in its design and detail. It is a prime example of the fine architecture and design of its era.

In addition to its architectural uniqueness, the National Biscuit Company is a crucial part of Los Angeles history as its time period and physical location represents a key piece of Los Angeles history and human geography concerning population and evolution of our City from the Los Angeles River to the downtown historic core and further west to the modern-day skyscrapers of downtown. Once those physical cultural markers are lost this distinctive sense of place is forever adversely impacted.

The Biscuit HOA entered into its Mills Act contract in 2007 shortly after the formation of the homeowners association because the homeowners understood the cost and dedication in preserving and protecting its historic building. Since that time our HOA has continually prioritized the historic preservation of the building as a key goal for our community, not only because of the value of property ownership in a unique historic structure, but also because of its commitment to retaining and fostering key community cultural icons for the entire City.

Because the importance and rapid growth in popularity of the Mills Act (MA) Program, the Biscuit Board of Directors understands and agrees with the need to review our City's Program to assist in managing and weighing the best use of resources. However, the Planning Department's initial June 2022 Analysis by Chattel and AECOM ("Analysis") is by no means a complete snapshot of needs, expenditures and benefits. It generally identified additional issues and factors for further analysis and goal setting. Surprisingly, it excluded historic preservation objectives and benefits to the City from much of the Analysis, and seemed to focus primarily on monetary feasibility. The Analysis will need additional supplemental work for it to be a reliable basis for future City actions. However, there are pieces of the Analysis that offer demonstrable goals and insights into prudent first steps for the City to engage.

The Analysis reports that the City's management and administration of our Mills Act Program is and has been miserably understaffed and underfunded since its inception, yet the City has allowed the MA Program to reach a record number of 948 contracts enrolled in the program. Program sustainability must be an immediate goal. We support recommendations to bring the City's program up to date with the 2012 legislative amendments so fair and proper fees may be collected on applications, contractual and valuation issues, inspections, compliance and enforcement. Immediate expansion of program staffing and implementation of policies concerning compliance and enforcement is also appropriate. In fact, it will be crucial to evaluate MA Program compliance as a first step to understanding the true number of contracts that are eligible to continue. We can't emphasize this point enough. Because of the lack of full administration of the MA Program there are many unknowns in terms of actual capacity for new applications, as noncompliant or nonparticipating contracts may free up resources and spaces for new applications. Discussions about non-renewal or termination of contracts in good standing should not be the first or foremost juncture at which to begin establishing program sustainability.

Turning towards MA program capacity, the Biscuit HOA understands that many municipalities and local governments put a cap on the number of contracts allowed per year, and that with the large number of historic structures in our metropolis, this may be necessary. We caution, however, that if a 1,500-contract cap is pursued by the City that it be accompanied by a transparent and fair process for contract engagement and renewal. Although the Analysis identified factors that the City takes into consideration when deciding to engage a contract, these factors must be clearly spelled out in terms of consideration and weight given to each of the factors. The Biscuit HOA is not opposed to attempting to align MA contracts with other meritorious goals such as affordable housing and equity of benefits across the City, however these factors and weight given to these factors must be transparent and clearly spelled out in City policy or code. The City of Pasadena, for example, has a point system to evaluate properties for new contracts and renewals based upon the following considerations: threatened properties, financial need, significance of property, condition of property, location of property, affordable housing. This sort of model could be used to establish an agreed upon system for new contracts. The system may also include a different structure for renewals that could award scaled benefits depending upon the factors. The point is the structure for the MA Program should be flexible enough to accommodate the highest number of historic structures, and rooted in demonstrable City priorities that include historic preservation as the key goal and component. In addition, the City must factor in potential inadvertent outcomes, such as gentrification, that often beseech incentives to rehabilitate and develop historic structures in particular areas of the City. We are sure the City does not intend to create displacement or "cost out" populations simply to benefit a few. Lastly here, City departments, including especially the Department of Cultural Affairs, need to communicate and coordinate in terms of historic preservation, zoning, code compliance, and planning to ensure that the underlying and core intentions of historic preservation are not inadvertently forfeited or lost among equally important goals.

Turning again towards this 2022 Analysis, we would like to note that the tasks and scope of work provided to Chattel and AECOM were heavily inclined towards questions of feasibility and not historic preservation benefits. A vast amount of the critiques the City is receiving from downtown homeowners associations in historic buildings is rooted in this core perception that the City is attempting to shift the Mills Act policy goal of historic preservation towards different goals that are not the primary focus of the State law, especially in the area of downtown Los Angeles where a vast number of crucially significant historic structures reside. The revitalization of the downtown historic corridor provided vast benefits and revenue to the City it had not yielded prior to focusing on and incentivizing rehabilitation of this area. Yet a robust discussion of this was lacking in the Analysis. At this point the Biscuit HOA believes it imprudent to remove current MA Program contracts from the downtown area if they are in good standing. The pandemic negatively affected the economy of downtown Los Angeles area exponentially greater than other areas of our City. This area continues to demonstrate the need for MA program benefits that result in value and worth far beyond the tax benefits to individual homeowners in this area.

In our particular case, the Biscuit HOA complies with the City's requirements for the Mills Act and has met the goal of dedicating resources to the restoration and maintenance of the building equal to or greater than the total expected tax savings. Costs for maintaining a historic structure in downtown Los Angeles have continued to rise, especially post closures due to the pandemic. As our building ages and environmental factors weigh heavily on its deterioration these costs will continue to increase, not decrease, or disappear. In addition, separate and apart from historic maintenance costs, the resources that need to be dedicated to maintaining a building of this size, age, and composition in downtown Los Angeles is high. The HOA has seen continual increases in its annual dues as well as special assessments to account for increases in costs of living in Los Angeles and projects such as maintenance of the buildings historic original maple floors, terracotta cleaning, and continual graffiti removal.

As you know, the Mills Act, signed into law by Governor Reagan in 1972, represents the State's commitment to its history, heritage and culture. This is not only important for purposes of honoring the distinctive brick and mortar structures themselves, but also because community knowledge of its history and sense of place is crucial to understanding present day society and culture. As Senator James Mills, the sponsor of the Mills Act stated, "The purpose of my bill is to provide an incentive to restoring and maintaining points of historical interest in California. My legislation will provide an incentive to preserve historically significant landmarks so that future generations will be able to appreciate California's cultural diversity."

As the Analysis stated, the Mills Act is the single most important economic incentive program in California for the restoration *and preservation* of qualified historic buildings by private property owners. We respectfully request the City honors the intentions of this landmark legislation and continues to bring the City's MA program up to capacity taking the required time for transparency and well thought out coordinated policies.

Sincerely,

Laura Miranda, President
Biscuit Company Lofts HOA

Cc: Councilman Kevin de León
Assemblymember Miguel Santiago
Julianne Polanco, State Historic Preservation Officer
Vincent Bertoni, Planning Director, City of Los Angeles
Richard Barron, President, Cultural Heritage Commission, City of Los Angeles
Los Angeles River Artists and Business Association (LARABA)

April 21, 2025

Cultural Heritage Commission
City of Los Angeles
200 North Spring Street
Los Angeles, California 90012

Cultural Heritage Commission,
The revised version of the Mills Act is critical to insure this program's long-term sustainability and also to promote equity in preserving Los Angeles City's wide range of historic properties.
I support the following Mills Act revisions:

1. Include historic sites in underrepresented communities and those on the state and federal registers.

2. Establish proposed time limitations for historic sites to be included in the revised Mills Act.

3. Hire a three-member staff in order to monitor and advance the preservation of Mills Act properties.

In addition, I recommend the following be included in the Mills Act revised version that goes beyond its current requirements:

Mills Act property owners are to follow the Secretary of Interior Standards for Historic Properties, Secretary of Interior Standards for Qualified Professionals, and the Secretary of Interior Standards for Preservation Planning.
These standards will provide a professional framework for Mills Act property owners to properly manage their historic sites. In addition, these standards will produce detailed documentation that is necessary for Mills Act property owners to attract other funding sources, such as those related to disaster recovery and climate change mitigations.

The remaining document contains my preservation background relating to the Mills Act and as well as further explanations of the above recommendations.
I thank you for your consideration.

Dorothy Fue Wong, PhD

I make the above recommendations based on almost four decades of experience in historic preservation. A large portion of my work involved the preservation and certification of seven related National Historic Landmark garden cities under the sponsorship of Cornell University's Clarence Stein Institute. These seminal communities are described in *Toward New Towns for America* (1956) by Clarence Stein.

Beginning in 2008, I was awarded four fellowships from Cornell to study preservation strategies for these NHL garden cities (located in different parts of the United States). The first fellowship dealt with preservation standards applicable to the Village Green's future Mills Act, and also to help this community permanently maintain its NHL status.

The three other remaining fellowships dealt with preservation standards and practices that would help the Village Green and other NHL garden cities to increase their ability to meet the challenges of increased disasters and climate change that they face.

My first project actually involved the certification process. It began in 1990 with my preparation of the National Register nomination for the Village Green (historically known as Baldwin Hills Village) where I lived for thirty years. It was the first Los Angeles garden city to be listed (1992) on the National Register.

Later (1993 to 2000), I prepared the Village Green NHL nomination with Cornell University's assistance. The Village Green was listed as a NHL in 2001. After a quarter of a century, it still is the largest of the current twenty-three NHLs in Los Angeles County. In 2002, the Los Angeles City Council gave me a special award for this achievement. I largely self-funded this project.

My final certification garden city project involves the NHL certification for Sunnyside Gardens in Queens, New York (built in 1928)—the first and most important of the early American garden cities. I completed the preliminary work for the National Park Service in 2018, but no funding is currently available to undertake this lengthy and complex application.

My involvement with the Mills Act began in 1993 when our City Council member (Mark Ridley Thomas) was drafting the Mills Act ordinance for Los Angeles City. At that time, a meeting with the Councilman concluded that the Village Green would need to achieve NHL status and have a ten year preservation plan in order to be part of the Mills Act.

In 2000 (before NHL status), I began to establish the foundation for the Mills Act's ten year preservation plan. I organized a year-long program for the community featuring leading preservation professionals to begin this plan.

However, the Village Green Board declined to enter into a Mills Act contract when the site became a NHL in 2001. Finally in 2010, the Village Green Board adopted the Mills Act. As a result, this site has gained over ten million dollars funding from this program to preserve its buildings and extensive landscape.

During the last 15 years, I have also been involved in preservation projects with Little Tokyo and LA Chinatown (where I now live) as these communities face intensive gentrification and the potential loss of their historic and cultural resources. I am on the Board of the Little Tokyo Historical Society, and a member of the Chinese Historical Society of Southern California

To: April 15, 2025

The Los Angeles Cultural Heritage Commission, chc@lacity.org

Ken Bernstein, Principal City Planner, ken.bernstein@lacity.org

From:

The Board of Directors, Village Green Owners Association

Re:

Response to Mills Act Draft Policy

To the CHC and Mr. Bernstein,

I am writing on behalf of the residents, management and Board of Directors for Village Green Owners Association to voice strong opposition to the Mills Act Assessment consideration not to renew existing Mills Act contracts as outlined in the March 2025 Draft Policy.

Non-renewal of Village Green's contract would work against the intent of the 1994 City Council Motion to create the Mills Act in Los Angeles. Village Green embodies the Council's mission to preserve older, affordable housing stock in residential structures of real historic significance. Village Green is the only National Historic Landmark in the City of Los Angeles that actually provides housing, with homes open to buyers and renters; all others are house museums. Ownership at VG is affordable within the Los Angeles market; our townhomes fall more than $150,000 below the median price in the city.

Non-renewal also goes against the goals of the 2025 Mills Act Draft Policy, which prioritizes affordable multi-family housing like Village Green, with an added goal of equity. Village Green and the surrounding community are among the most racially and culturally diverse areas in Los Angeles. We are centered in South LA and Baldwin Hills-Crenshaw, an African American cultural stronghold for the city. Our economically, culturally, and racially diverse owners and renters are equity personified. Considering the scale of Village Green - by far the single largest Mills Act contract by ownership with 629 units - non-renewal of the VG contract would lessen equity of the current roster of participants, with profound ripple effects in the future.

For Village Green, the Mills Act is a lifeline for preservation and a tool to fund critical infrastructure improvements in service of a diverse community. For some owners/renters, the Mills Act makes these historic units affordable. The Mills Act has been crucial not only in helping to pay for needed sewers, piping, and paint, but also has become the foundation of our preservation ethos. Our California Preservation Foundation and LA Conservancy Preservation Award winning Historic Structures Report serve as the guiding principles of our work efforts to honor our commitment to the Mills Act. To cut this incentive would decimate our preservation efforts, hurt our community and the city, and negate the mission of the Mills Act.

Thank you,

The Board of Directors, Village Green Owners Association

Gila Brown

Gila Brown, President

SECONDARY SUBMISSIONS

UNITED
NEIGHBORHOODS
NEIGHBORHOOD
COUNCIL

United Neighborhoods of the Historic
Arlington Heights, West Adams,
and Jefferson Park Communities
Neighborhood Council

April 20, 2025

Barry Milofsky, President, Cultural Heritage Commission
Vince Bertoni, Director, Los Angeles Department of City Planning
200 N. Spring Street, Room 272
Los Angeles, CA 90012

Attn: Denise Otero via Email: chc@lacity.org

Re: Amendments to the City's Mills Act Historical Property Contract Program – April 24, 2025

Dear President Milofsky and Members of the Cultural Heritage Commission:

UNNC supports City programs that encourage historic preservation, as a part of our enabling mission and broader purpose of advising the City on "governance, the needs of this Council, the delivery of City services to this Council, and on matters of a Citywide nature," as stated in our Bylaws. We previously commented in 2022 on the first version of the proposed Update to the City's Mills Act Ordinance (original Letter and Resolution is appended to this new 2025 Letter and Resolution). At the time, UNNC noted that our neighborhood council has a strong stake in the outcome of your actions, as we currently represent approximately 10% of the existing Mills Act contracts (an estimated 102 contracts).

UNNC requested that Staff, first and foremost, engage in far more robust outreach, conversation and collaboration with the City's neighborhood councils generally, and our own stakeholders specifically, so that they (and we) could participate meaningfully with the City as you work to reshape the Mills Act Program. Despite that request, the City's neighborhood councils were still not included in any outreach efforts you may have made between 2022 and now; UNNC itself was not contacted even though we had submitted the prior Letter to the record.

In our previous Letter and Resolution, we also noted that UNNC does NOT SUPPORT the cancellation of older contracts, and does NOT SUPPORT capping the program at 1,500 contracts. UNNC does SUPPORT the goal of making the program more "equitable" but also asked that through this revision the Mills Act program become TRANSPARENT. We had requested that the City also consider adding additional historic preservation incentive programs to its "toolbox." We asked that the City make the inspection process less onerous for all parties, and to stop using punitive or threatening language in its communications with Mills Act contract holders.

UNITED
NEIGHBORHOODS
NEIGHBORHOOD
COUNCIL

United Neighborhoods of the Historic
Arlington Heights, West Adams,
and Jefferson Park Communities
Neighborhood Council

Although UNNC understands the City's desires, and particularly staff's desire, to build in some structural changes that would allow for "better" administration of the program, it appears that the word "better" is only applying to a program that is better to administer for staff, versus a program that is better for its contract holders or better for the community in terms of implementing historic preservation policy. Remarkably, the updated proposal and analysis still excludes discussion of historic preservation objectives and/or benefits.

In view of this and after a full discussion on the agenda item, the Governing Board of the United Neighborhoods of the Historic Arlington Heights, West Adams and Jefferson Park Communities Neighborhood Council (UNNC), a certified neighborhood council in the City of Los Angeles, on April 3, 2025 at its Brown Act-compliant standing monthly meeting, voted to adopt the following Letter and Resolution in this matter:

LETTER AND RESOLUTION

UNNC Response to Proposed Changes to the City's Mills Act Historical Properties Contracts Program

The PRIMARY PURPOSE for the Mills Act, since its adoption in Los Angeles in 1996, was to provide a “primary financial incentive for historic preservation offering property tax savings for owners who invest in the rehabilitation and restoration of historic buildings," according to the Department of City Planning. This goal matches that of the legislation's original author, CA State Sen. James Mills, writing in 1977 that "*My legislation will provide an incentive to preserve historically significant landmarks so that future generations will be able to appreciate California's cultural diversity.*" Both the State enabling law and the City's enabling ordinance recognize that historic preservation requires a long-term commitment and resources, thus it incentivizes historic preservation in perpetuity by reducing the property tax of the property owner and mandating that the contract awarded to the applicant stay with the property when ownership changes. The law provides a continuing (prospective) property tax savings to any and all owners along the way, to invest in preservation of the historic property through appropriate restoration, rehabilitation, and maintenance of the property consistent with the Secretary of the Interior's Standards for Rehabilitation.

Unfortunately, UNNC believes the current proposal completely undermines these specific, original stated goals.

UNITED
NEIGHBORHOODS
NEIGHBORHOOD
COUNCIL

United Neighborhoods of the Historic
Arlington Heights, West Adams,
and Jefferson Park Communities
Neighborhood Council

The City proposes a fundamental conceptual change to the cornerstone principle of the Mills Act Program: Eliminating the foundation of the State and City laws which is Historic PRESERVATION of the property. Planning staff seeks to redefine the program from long-term historic preservation, to SOLELY "…incentivize a scope of historic rehabilitation work to be completed over an initial 10-year period." This will result in the erasure of the City Council's goal of long-term historic preservation of historic properties which it indicated in the ordinance as "a cultural benefit to the citizens of Los Angeles."

But, dropping contracts at any time (after ten years, with or without a second "wind-down" period) eliminates the long-term historic preservation of historic properties which as indicated in the ordinance is "a cultural benefit to the citizens of Los Angeles."

UNNC is also quite concerned the imposition of substantial and increasing fees for "Contract Maintenance" (that is, the consulting fees paid to outside contractors to conduct the aforementioned overly-onerous inspections), showing in the report as $2,924 every five years ($584/year) -- a large bite out of individual Mills Act contract holders' tax savings benefits. The related proposal to ask the City Attorney to evaluate ways to revise prior-to-2014 contracts (on a one-sided basis) to allow the imposition of fees for the longer-term contracts, i.e. the contracts that may not currently have tax benefits, seems improper (a contract is a contract) and unfair (since the older contracts, many in UNNC's boundaries, are likely the same properties that no longer have current tax benefits/savings, yet these contract holders are being asked to pay nearly $600 a year to the City.) These fees substantially reduce, if not eliminate, the incentive intended to be used for initial and on-going historic preservation of the property. Essentially, this program revision will give a financial incentive to property owners with one hand and take it back, in whole or in part, with the other hand.

UNNC has an alternative proposal: Modify existing procedures to create efficiencies that reduce or focus staff administrative time. Staff should develop an annual required "report in" questionnaire for every Mills Act property owner to complete and return (and/or on-line), reporting on the work to date and also the expenses incurred, in the prior year. Efficiency: Annual updates inform 5-year inspections. The City should also share the completed form with the Los Angeles County Assessor.

Make the 5-year inspections less onerous on staff and owners. Currently, inspections are overly detailed, overly punitive, and not kept current, resulting in inefficient use of staff time and resources. Staff should update the inspection process by including the option of virtual inspections to increase efficiency and reduce costs. To address concerns about transparency, the City should publish objective standards on its website and distribute to stakeholders, including Mills Act property owners, the due process policies for inspections, compliance review, and contract cancellation.

UNNC also finds the proposal to reduce the award length of the contract, along with the plan to drop/phase-out contract holders who have been in the program longer than 10 years, to be problematic. We understand that the idea of replacing the older contracts and limiting new contracts appears enticing, since all these contracts would be replaced by new properties that can pay the additional fees that will support additional staff. However, that is inconsistent with the letter and spirit of State law to achieve permanent preservation of historic properties. This proposal eliminates a central benefit of the Mills Act: Property tax reduction which will accrue to the new owner; an incentive for the new owner to participate in the long-term goal of the Act, providing continued historic preservation of the property. It would turn the program away from long-term, multi-generational historic preservation into a short-term rehabilitation program that denies the Department's important obligation under State and local law to maintain properties under the Mills Act in perpetuity.

This proposed change will leave historic properties vulnerable to historically inaccurate modification, particularly the interior of properties in an HPOZ that are not covered by any other designation as the HPOZ rules only cover exteriors of structures visible from the street. The potential destruction of the preservation work done on a property undermines the long-term financial investment (tax reduction) in historic preservation the City and County makes through the Mills Act contract.

Thank you for your consideration,

Paula Southern

Paula Southern, President
UNNC
president@unnc.org

CC: Councilwoman Heather Hutt
(*Attachment: UNNC Letter and Resolution dated 7-19-2022*)

UNITED NEIGHBORHOODS NEIGHBORHOOD COUNCIL

July 19, 2022

Barry Milofsky, President
Cultural Heritage Commission
Los Angeles Department of City Planning
200 N. Spring Street, Room 272
Los Angeles, CA 90012

RE: 7-21-2022 CHC meeting, Agenda Item 6, Mills Act Property Contract Program Assessment and Equity Analysis Report

Via email chc@lacity.org

Dear President Milofsky and Cultural Heritage Commissioners:

Although UNNC is supportive of updating any and all planning initiatives as necessary, and we certainly support the City's Historical Properties Contracts Program, we are writing today to express some concerns about both the manner in which this current re-assessment has been undertaken, as well concerns about some of its conclusions and proposals. Importantly, UNNC would like to see the program expanded well beyond 25 contracts a year, and at the same time we urge you to creatively add historic preservation incentives to the Planning Department's toolbox.

The United Neighborhoods of the Historic Arlington Heights, West Adams and Jefferson Park Communities Neighborhood Council (UNNC) is a certified neighborhood council in the City of Los Angeles. On July 7, 2022 at its Brown Act-compliant standing monthly meeting, the UNNC Governing Board voted to adopt the following Resolution in this matter.

RESOLUTION

UNNC Response to Proposed Changes to the City's Mills Act Historical Properties Contracts Program

The Governing Board adopts a Resolution affirming UNNC's ongoing support of any program that supports historic preservation, including the City of Los Angeles's Mills Act Historical Properties Contract program, which offers property tax benefits to qualified owners of historical properties. The Mills Act program is being reviewed to see how its staff program administration can be improved, along with an evaluation that may help reimagine the program to be more efficient and equitable.

However, UNNC has some concerns with the current proposal to change the program, specifically the proposal to cap the number of these contracts, and the proposal to begin to cancel/non-renew older existing contracts. The UNNC footprint has a high number of Mills Act contracts, many of which are

United Neighborhoods Neighborhood Council
P.O. Box 19219, Los Angeles, CA 90019
(323) 731-8686 president@unnc.org www.UNNC.org

over 10 years old and have helped moderate- and low-income property owners. UNNC would rather see the program expanded, and importantly, would rather see the City spend its energy imagining and creating new programs providing incentives fairly to the thousands of owners of historical properties, especially single family home owners and owners of smaller multi-family rental homes.

The stated goal of the City review is “Equity” but this effort so far appears to not achieve that goal.

UNNC had previously advocated, as a part of our response to the Housing Element, to support the idea that the City would explore the provision of additional incentives for the rehabilitation of affordable housing and for low-income homeowners of historic properties. We are happy to note that in this new proposal the City would expand the eligibility standards to make Mills Act available in other historical districts (Character Residential, California Register and National Register) and not just limited to HPOZs. At the time, however, UNNC also noted that the Mills Act program alone is not sufficient to offer incentives to the thousands of owners citywide of such properties.

UNNC is also very concerned that a public hearing/workshop is being held on July 21, 2022, and a public workshop in early August, without there having been any notification to the City’s 99 neighborhood councils. UNNC strongly suggests that City Planning halt any further efforts on this initiative, notify all neighborhood councils, give the NCs 60 days to conduct their own outreach and decision-making, and then schedule another public hearing/workshop so that NCs can weigh in.

UNNC RECOMMENDATIONS

1). Increase the number of Mills Act Contracts, along with the staffing budget for Mills Act administration. The number “25” in the Housing Element was a baseline to demonstrate to the State that the City of Los Angeles is considering helpful program. That number is not a cap, and should not be a cap if the program is to be expanded to include Character Residential Overlay Districts as well as California and National Register Districts and landmarks. (You should not expand the reach and then cap the program).

2). Per UNNC’s previous comments, the City should develop additional historic preservation incentive programs, and not solely rely on the Mills Act program.

3). The City should reduce or focus staff administrative time by developing an annual required “report in” questionnaire for every single Mills Act property owner to fill out and return, reporting on the work and also the expenses incurred, in the prior year. The filled-out form should also then be shared with the Los Angeles County Assessor.

4). The City should make the 5-year inspections less onerous on staff and property owners. Currently inspections are overly detailed, overly punitive, and not kept current, resulting in more staff time. Virtual inspections may be a creative option to reduce costs.

5). The City should not cancel/non-renew single family home contracts, unless it is learned that the owners are non-compliant, as single Family homes only represent 25% of the taxes not paid.

6). UNNC has not had time to fully consider the impact of cancellations on commercial or multi-family properties. Every neighborhood council and their stakeholders, including Mills Act property owners, should be notified of the effort, and noticed public meetings should be held. NCs should be given an appropriate window of time to review and recommend the City's actions.

8). The city should add representatives from among Mills Act property owners to its decision making process, which to date has not been transparent.

DISCUSSION POINTS

* **Many neighborhood councils, including UNNC, are home to multiple property owners whose financial lives will be affected by these recommendations, and yet the staff report is being presented to the Cultural Heritage Commission without prior NC input**. Indeed, as of today no direct notice has been provided to NCs.

However, among the proposals in the report is a recommendation to cancel older contracts, many of which are for single family homes in communities such as UNNC's neighborhoods. There is also a recommendation to cap the number of new contracts to 25 each year, and to a total of 1,500. Neighborhood Councils should have been consulted in advance of preparing these recommendations, and should have been noticed in a timely manner of the pending hearings/workshops, since this is public policy that affects our stakeholders.

* **Capping the number each year could mean that deserving properties are denied**. In the past, the City has approved as many as 50 Mills Act contracts in a single year, e.g., approving those that meet the criteria and not approving applications which do not.

* **The mathematics throughout the report support the desired outcome, but do not present a complete picture.** A key problem is that the discussion seems to be revolving around how much money the City is "losing" each year from taxes not paid by Mills Act contract owners. However, there does not seem to be included a discussion of how much the tax base has increased over time, due to rising property sales prices and the elimination of many low-tax Prop 13 properties, 44 years after its enactment. It is likely that property tax increased revenues have more than made up for the "losses" from the Mills Act.

UNNC did learn the following statistical information by reviewing the Report:

1). Total current Mills Act contracts = 948 (If the City authorizes only 25 new contracts a year to the proposed cap of 1,500, it would be 22 years before reaching that goal)

2). The South Los Angeles Community Plan Area overall has 124 current Mills Act contracts; West Adams-Baldwin Hills-Leimert CPA has another 81, for a total of 205. The vast majority of these are identified as being within neighborhoods that have "medium high" and "high" Barriers to Opportunity.

3). Council District 10 has 209 Mills Act contracts. The report indicates that most of these are in areas with barriers to opportunities.

4). UNNC neighborhoods' HPOZ Participation is 102 total contracts.* –

- Harvard Heights HPOZ has 37 contracts
- West Adams Terrace HPOZ has 30 contracts
- Western Heights HPOZ has 19 contracts
- Jefferson Park HPOZ has 16 contracts

*(*not including any individual HCMs not within those HPOZ boundaries)*

* **The major recommendation to Cancel/Not Renew all Mills Act contracts that are more than 10 years old, will do little to alleviate the reported City staffing issues but will harm all of those property owners**. These property owners are likely relying on the contracted "in perpetuity" renewals in the contracts they signed to be able to benefit from some degree of property tax relief. They are also have reasonable expectations on higher property valuation when their properties are sold due to having a Mills Act contract. Moreover, this in-perpetuity clause is a tool for historic communities like ours to assure that properties that are currently compliant with the Secretary of Interior Standards remain so. If contracts are cancelled, then improvements to properties can be reversed, original fabric removed, and the community no longer benefits.

* **This is the only historic preservation incentive offered to the City's single family home owners, and owners of historical small multi-family residences.** It may be appropriate to suggest the non-renewals of major commercial and multi-family housing properties above a certain value, but we should as a City do no harm to individuals who are relying on the contracts they signed with the City.

* **This recommendation to cancel / non-renew lumps compliant owners with non-compliant owners.** If an owner has done and continues to do everything asked, then the City should also keep up its side of the contract. We gain nothing as a City when promises are not kept.

* **The report also indicates that the Council District with the most Mills contracts is CD10 (209 contracts)**. Additionally, the report states that "of the 209 MA contracts in CD 10, 201 MA contracts are located within communities facing high and medium to high barriers to opportunity." The Executive Summary indicates that one major purpose would be to open the Mills Act program to more property owners in communities that face opportunity barriers. It does not make sense to us to cancel the very contracts which make up 15% of the current program.

* **Single family contracts receive only 25% of the total tax savings of all Mills Act contracts**. So it doesn't help the stated problem.

Thank you for your consideration of our viewpoints.

Sincerely,

John Arnold
Chair, UNNC Planning & Zoning Committee
john.arnold@unnc.org

Paula Southern
UNNC Vice President
Paula.southern@unnc.org

WAHA
West Adams Heritage Association

2263 South Harvard Boulevard • Historic West Adams • Los Angeles, CA 90018 • 323-735-WAHA (323-735-9242)

April 21, 2025

Barry Milofsky, President, Cultural Heritage Commission
Vince Bertoni, Director, Los Angeles Department of City Planning
200 N. Spring Street, Room 272
Los Angeles, CA 90012

Attn: Denise Otero
via email: chc@lacity.org

Re: Proposed Amendments to the City's Mills Act Historical Property Contracts Program

Dear President Milofsky, Director Bertoni and Members of the Cultural Heritage Commission:

WAHA is writing you today, again, to express our unease about the proposal(s) to update the City's Mills Act Historical Property Contracts program. (We are appending our original 2022 letter to this new comment letter regarding the updated proposal.)

We have serious concerns regarding the proposed changes, as they may significantly impact the approximately 240 households with Mills Act contracts within the Historic West Adams District (about 25% of the total contracts citywide) – which your own mapping tool has described as mostly "Low Resource" and, in some pockets, "High Poverty and Segregation."

First, in the entirety of the new Report before you today, *not once* does Staff explore, evaluate or even reference how the suggested changes support historic preservation or how they might provide better incentives to preserve historically significant landmarks – a fundamental concept in the originating, statewide legislation, introduced by California State Senator James Mills nearly 50 years ago.

At the time, Sen. Mills wrote, "*My legislation will provide an incentive to preserve historically significant landmarks so that future generations will be able to appreciate California's cultural diversity.*" The State's "Mills Act" enabling legislation and the City's later ordinance implementing the Mills Act for Los Angeles's historic landmarks and districts BOTH acknowledge that historic preservation requires a long-term commitment. That's why the law incentivizes historic preservation *in perpetuity* by requiring that the contract awarded to the applicant stay with the property when ownership changes. The law provides for continuing property tax savings to both the original and later owners to encourage their respective investments in preservation of the historic property.

At its core, the Mills Act envisions ongoing historic preservation, restoration, rehabilitation, and maintenance of the property in harmony with the Secretary of the Interior's Standards for Rehabilitation. This new Proposal, however, instead envisions altering the Mills Act Program to a "one and done" – one 10-year Rehabilitation plan, with several possibilities for potential contract cancellations – all in an effort to make it easier to manage and administer the program. There is no mention of how to make the program more beneficial for the Mills Act Contract owners, nor how to make the program live up to its other primary community and public policy purposes, as described by the California Office of Historic Preservation (OHP):

"The Mills Act allows local governments to design preservation programs to accommodate specific community needs and priorities for rehabilitating entire neighborhoods, encouraging seismic safety programs, contributing to affordable housing, promoting heritage tourism, or fostering pride of ownership. Local governments have adopted the Mills Act because they recognize the economic benefits of conserving resources and reinvestment as well as the important role historic preservation can play in revitalizing older areas, creating cultural tourism, building civic pride, and retaining the sense of place and continuity with the community's past."

How will any element of the proposed revisions accomplish this OHP vision?

It is disappointing at best that in an evaluation that has taken five years, no effort has been made to attempt to fix that which is broken:

A tax savings promise that no longer can be easily realized due to the Mills Act being tied to rising rents (with no effort on this City's part to encourage state legislation to change the revenue code to unlink this historic preservation incentive with general marketplace rents)
Ever-rising fees that erode Mills Act benefits and incentives
An inspection process that is one-sided, massively complicated and overly-punitive
Never implementing the early promise made to Mills Act contract holders that the City would utilize its Certified Local Government status to apply for grants that would allow it to create programs for Mills Act properties, such as façade grants (as CRA once did) or the current Historic Home Rehabilitation Program (HHRP) offered by Neighborhood Housing Services within certain HPOZs

We are troubled that the new version of the Mills Act Program, if implemented, would emphasize only near-term rehabilitation, not permanent historic preservation.

WAHA does support parts of the proposal. We agree that the Mills Act Program has become unwieldy and difficult to manage, but we would take a different approach (as previously proposed, we strongly suggest that all Mills Act Contract holders submit annual written reports on a form created by the Office of Historic Resources; we would also suggest consideration of virtual inspections). Given the City's $1 billion deficit and need to reduce staff, it seems unreasonable to expect the Report's request to increase staff can happen.

We do support the idea of "Equity" and focusing the program on neighborhoods of need, per the mapping. Lowered or waived application fees might be reasonable, but should be tied to individual Applicants' own financial resources (a wealthy household may own an eligible property within a Low Resource area).

WAHA also suggests lowered or waived Contract Maintenance fees also tied to Low Resource areas and individual income. The approximately $600 annual fee currently contemplated appears to wipe out the tax savings for many medium-term Contract holders, and if it is applied to pre-2014 Contract holders who at this point are unlikely to have any tax savings, that would certainly encourage them to cancel their contracts. (*Or is that the work-around point? Agree not to cancel older contracts BUT make keeping them financially unsustainable for their aging owners? Please forgive our cynicism.)*

There appears to be a disconnect between the actual practices and procedures in the way the Mills Act Program actually is run, versus certain statements in the Report. For example, on page 9, the Report states that "*a significant number of newer owners of Mills Act properties with older contracts are saving substantially, but all major work has been completed....[and] the City is subsidizing ... new owners with no substantial investment in preservation-related work*." **Not true**. <u>These individuals are not stealing from City coffers</u>. How the Mills Act Program actually has been implemented is, after the first ten years and/or the completion of the original contracted Rehabilitation Plan, Staff then imposes new work projects on an ongoing basis. In addition, there is always new substantial work to do, such as further upgrades to the electrical and HVAC systems, new roofs every 20 years, new exterior paint every 7 to 10 years, and so on.

Only the foundation usually doesn't need redoing. The City could easily require new owners have a new inspection that could yield a new round of required rehabilitation and maintenance work.

We are also concerned by what the Report doesn't say. This new proposal states that Staff will look to the High and Highest Resource areas for potential contract cancellations. However, it doesn't state that the City will not cancel contracts in Low Resource or Moderate Resource areas. (Double Negative: does NOT state.)

In fact, the Report repeats several times that a percentage of Mills Act properties are "non-compliant." However, the report does not parse the numbers. How many are actually non-compliant with their original 10-year plan which the owners agreed to in the contract? Versus how many longer-term owners fully complied with the original items but perhaps disagreed with or no longer have the financial resources to pursue projects that later inspection consultants imposed in their inspection reports? Presumably a greater number of Contract holders in Low Resource areas don't have financial resources to pursue new projects.

There are no Objective Standards listed in the Report, or any transparency, in how Staff would declare a Contract holder non-compliant; nor is an appeal process for owners described.

So it appears that Staff is using the idea of non-compliance as a means to cancel contracts while appearing to adjust the Report recommendations to take cancellations off the table where it conflicts with the Equity Map. For reference, here is that map for Historic West Adams (*where, again, 25% of current contracts are*):

In conclusion, WAHA strongly advocates that the goal of the Mills Act Program should be to preserve our historic resources, and should not be a slap on your wrists program.

The City should evaluate how to make the Mills Act Program a true incentive program, should mean what it says when referencing "Equity," and should be sure that historic preservation is at the top of its priority when evaluating the program. It should focus on not only how to make the program better for Staff, but also on how it can be better for Contract holders and for the community we all serve.

Thank you for your consideration.

Roland Souza
President
president@westadamsheritage.org

WAHA
West Adams Heritage Association

2263 South Harvard Boulevard • Historic West Adams • Los Angeles, CA 90018 • 323-735-WAHA (323-735-9242)

September 15, 2022

Ken Bernstein, Manager, Office of Historic Resources
CC: Shannon Ryan, Lambert Giessinger, Melissa Jones
Via email: planning.millsact@lacity.org

RE: Mills Act Historical Property Contract Program assessment report

Mills Act: What Does Equity Look Like?

Dear Ken,

California's Mills Act was established in 1972 as a statewide law to establish preservation incentives for the owners of certain designated historical properties. According to the state's www.OHP.parks.ca.gov website, the Mills Act is also intended to benefit local governments.

OHP writes: "The Mills Act allows local governments to design preservation programs to accommodate specific community needs and priorities for rehabilitating entire neighborhoods, encouraging seismic safety programs, contributing to affordable housing, promoting heritage tourism, or fostering pride of ownership. Local governments have adopted the Mills Act because they recognize the economic benefits of conserving resources and reinvestment as well as the important role historic preservation can play in revitalizing older areas, creating cultural tourism, building civic pride, and retaining the sense of place and continuity with the community's past."

As described above, the Mills Act is a preservation incentive – and more. It can also be an economic catalyst in the community. And whether or not it "loses money," the Mills Act can be reconceived so it creates a positive quality of life for the whole community. It is – or should be – a benefit in many ways and not just the restoration for some pretty historic houses.

Unfortunately, the current proposal to revamp Los Angeles's Mills Act program does not appear to fully embrace these concepts and goals.

For some years, Los Angeles's Mills Act Program has been operating as an increasingly elite incentive program whose entrée is not just "competitive" but limited to property owners who can afford hefty fees and, importantly, rehab costs usually exceeding at least $250,000 (that is, if you own a property that does not have at least that amount of work needed, or more, the property is *not eligible* for the program). Nothing in the current proposal alters that basic scenario, despite one of the stated goals being to bring more "equity" into the program.

Instead, the report proposes solving the Mills Act Program's problems by cancelling/winding down compliant owners' contracts; proposing what amounts to a permanent reduction in the total number of contracts while expanding the competition for them; proposing *no change* to the eligibility standards while purporting to seek new contract holders in distressed communities (but without would those property owners afford to meet the program requirements?); proposing no real funding solutions despite setting a goal of "fiscal sustainability;" and not proposing any solutions to the simple fact that most people cannot afford to participate in the Mills Act program as this City administers it.

Importantly, **Equity** doesn't mean cancelling contracts in the very neighborhoods staff is targeting to create a more equitable program.

Equity also doesn't mean setting an unrealistic goal of "reducing barriers" to participating in the program by reducing or eliminating application fees for some owners in "equity priority areas." The barrier to participation is the requirement that a participating property have a tremendous amount of structural, systems and historical rehabilitation work that an applicant must demonstrate the ability to pay for. Even in "equity priority areas" the program as currently established would have that requirement, thus potentially leading to the approval of owners who have more financial wherewithal than the community at large. This is a real disconnect from the stated goal.

West Adams Heritage Association (WAHA) also heard from many of our members that the process leading to the Recommendation Report was itself disconnected from the community and, in particular, Mills Act Contract owners themselves. Although it was stated at a public meeting that the consultants "met with" (perhaps virtually) "some" Mills Act owners, no one we spoke to (and no one who testified at two public hearings) had ever been interviewed in any manner. Only one person we are aware of even received the postcard that was purportedly mailed to all owners.

The public hearings were not really a true discourse – especially since they occurred after the report was published – with no discussion and public comments limited to one minute per person. Notably, the final decision you make will have real economic impacts on each and every Mills Act owner, yet they were limited to one minute of comment (after two years of the consultants' work).

So, WAHA decided to hold our own (Zoom) meeting, to provide our members and others the opportunity to learn about this proposal, weigh in more robustly on the proposal, and collectively gather our voices to comment.

Members had researched the mathematics involved in the proposal – and discovered that **<u>the basic arithmetic simply does not add up.</u>**

We learned:

- If the City does eliminate contracts that are ten years old or older, then of the approximate 948 current Mills Act properties, if the proposal is adopted by the end of this year (2022), by 2023 704 of the current contracts would be cancelled (e.g., begin their ten-year wind-down period). <u>That's about 75% of the current Mills Act contracts</u>.

- By 2024, another 62 contracts would be cancelled and start their ten-year wind-down.

- In 2025, an additional 61 contracts would be cancelled. By the end of that year, in other words, 827 of the current 948 contracts would be in cancellation mode – EIGHT out of every NINE current contracts.

- At that rate of cancellation, it would take 40 years to reach the proposed CAP of 1,500 contracts.

- Without any cancellations, if the City only approves 25 new contracts a year, it would still take 22 years to reach that CAP. (This calculation leads to an important question: What is the true purpose of the proposed contract cancellations? Is it actually the fact that the older contracts do not allow for the imposition of new fees for inspections and other potential administrative fees?)

The math for the City's so-called "loss" of tax revenue also does not add up.

- Although it is true that the City's reduced property tax revenue from Mills Act properties now exceeds $2 million, it is also true that the City's total revenue from its share of property taxes had increased by $43 million by last year, comparing 2016 to 2021 (up from $179,926,000 in 2016 to $222,970,800 in 2021).

- Most of that extra $43 million is due to increased property values and high sales numbers, but some of the decreased Mills Act "loss" (in other words, <u>increased</u> revenue) is due to the fact that the Los Angeles County Assessor has dramatically raised its annual Mills Act valuations as a result of rising rents.

- The Los Angeles County Assessor reported a Total Tax Roll in 2012 of $7.5 Billion. The just reported 2022 County Tax Roll exceeds $1.8 Trillion – a two-and-a-half increase in ten years.

Bottom line: It is disingenuous to complain about an annual "loss" of $2 million when total property tax revenues are in fact markedly increasing.

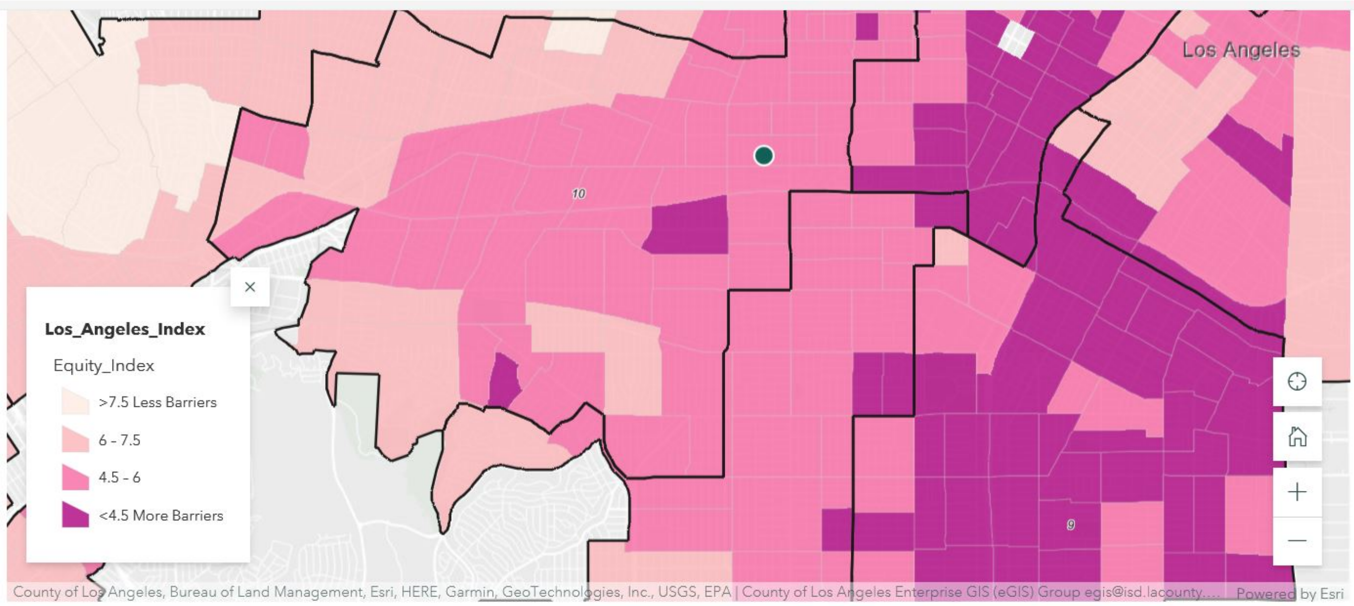
Next, WAHA's members participating in our Mills Act meeting had a long discussion regarding "Equity."

The Report's Executive Summary noted: "*A goal of the assessment was to better understand which communities have benefitted the most – and the least – from the Mills Act, in terms of participation and allocation of property tax savings. The City Controller's Los Angeles Equity Index was used as a framework to analyze the distribution of existing Mills Act contracts in communities facing varying barriers to opportunity, ranging from 'low barriers to opportunity' to 'high barriers to opportunity.' An analysis was also conducted of the distribution of Mills Act financial benefits among existing contracts. Based on the outcome of both analyses, the report provides recommendations for enhancing program access to ensure an equitable distribution of Mills Act benefits across the City*."

However, WAHA counted the contracts. As it turns out, our broader community (that is, the many neighborhoods that comprise the Historic West Adams District) has about 240 of the 948 Mills Act contracts (about 25% of the total) – quite a few of them representing the contracts that are ten years old or older.

Importantly, these 240 contracts happen to be located in the very neighborhoods the Mills Act Program is, in theory, to be targeting: communities with Medium-to-High Barriers to Opportunity, as represented in the Los Angeles Controller's Equity Index Maps.

Here is the portion of the Equity Index Map that represents the West Adams District, with the distinctive dark pink and magenta colors representing Medium-to-High Barriers to Opportunity (again, about a quarter of existing contracts can be found here):



Equity Index

On a citywide basis, 412 of the existing Mills Act contracts are located in census tracts and neighborhoods that have Medium-to-High Barriers to Opportunity. Yet the report implies that the vast majority of Mills Act contracts are in more privileged, wealthier, low-barrier communities, thus creating an impression that cancelling existing contracts would somehow "reallocate" the Mills Act program into more deserving neighborhoods.

But the truth is, the cancellation of older contracts would actually disproportionately impact our community, the Historic West Adams District, the most. This is not an equitable result.

The proposed Mills Act program revamp would also prioritize multi-family housing with affordable units, with added tenant anti-displacement safeguards. This is a laudable goal, but perhaps not realistic for this program, given that the State Revenue Code combined with the Los Angeles County Assessor's implementation procedures do not consider forcibly-restricted rents (whether they are simply RSO units or covenanted affordable units) as the basis for the annual Mills Act valuations. Rather, the Assessor utilizes its own estimate of comparable market-rate rents in the annual calculations; the owner of a Mills Act contract property may or may not receive tax relief as a result. It is surprising that the City's consultants were not aware of this.

In reviewing the Report, and by engaging with community members who are actually potentially affected by the proposed changes to the program, WAHA is now concerned that this effort in fact did not engage in a real evaluation of what is wrong with the local program, what is wrong at the County level, and frankly what is wrong at the state level.

We believe that had the consultants spent any real time talking with current Mills Act contract holders, a different picture of the structural issues with the program would have emerged, along with a different set of recommendations.

WAHA does, however, understand that the current program is administratively no longer workable. We would like to help the Office of Historic Resources find a pathway to be able to continue the program and expand it.

At the same time, as others have observed, the City must investigate additional, less burdensome, initiatives to help provide incentives to historic preservation.

For example, is there a non-profit organization you could work with to help provide technical assistance, low-interest loans and/or grants to the owners of designated historical properties (local, state, or federal – and this would require some redefining of the Character Residential CPIO Districts as "designated"), especially within targeted communities facing barriers to opportunities?

Another preservation incentive would be to encourage LADBS more specifically to exempt historic properties from most building codes. Yes, California does have the State Historic Building Code. But our members report that it is often difficult to utilize it. Conversely, cities such as Taos, New Mexico and Duluth, Minnesota (among others) have more transparent language in their municipal codes that specify exemptions, waivers and other forms of relief.

Building permits for restoration work on designated historic properties could also have reduced fees.

Are there any other creative ideas for preservation incentives we can explore together?

Back to the current Mills Act program revamp initiative, WAHA is supportive of some aspects but, unfortunately, we do not support many of the proposals.

WAHA <u>SUPPORTS</u>:

>> The premise that the Mills Act Program requires greater fiscal sustainability.

However, since this program is intended as (for now) the City's primary, and for most individual owners of historic properties, the solitary historic preservation incentive program, it is important to NOT put the burden of fiscal sustainability on the backs of the very persons who are seeking incentives. With the exception of increased contract non-compliance fees, which WAHA supports if handled transparently with property owner appeal rights, WAHA frankly would prefer to see fees reduced and instead increased budgetary support from the City's General Fund.

>> Increased staffing for the Mills Act Program, with the same caveat as above, that the staffing costs come from a General Fund.

>> The implementation of anti-displacement measures within Mills Act Contracts for multi-family properties. The Historic West Adams District has witnessed increasing displacement of our long-term neighbors, and any measure that would help mitigate against displacement is good.

WAHA DOES NOT SUPPORT:

>> Any proposed reduction in the number of current contracts (except for non-compliant owners) OR any proposed limitations on the number of contracts per year. WAHA also opposed a cap of 1,500 contracts.

The 25 annual new Mills Act Contracts referenced in the recently adopted Housing Element was intended as a base number, to demonstrate to the State of California that the City has in place at least one program that supports conservation of historic resources and related incentives. That number should not be considered a ceiling, especially in conjunction with the proposal to expand the program into communities with barriers to opportunities and also to expand eligibility for the program to state and federal historic districts along local Character Residential Districts (CPIOs).

These are mathematically incompatible goals (see more detail above) that, if the recommendations are adopted as presented, would actually result in there being a reduction in the number of Mills Act Contracts to an estimated 250 total contracts 21 years from now. If OHR never cancels any of the existing contracts, it would take 22 years to reach the goal of 1,500 Mills Act Contracts.

>> The entire approach OHR has to the inspection requirements (and subsequent Mills Act "enforcement" proposals).

There is a relatively easy solution to ensuring more compliance with Mills Act contracts: Adjust the program to require annual reporting by each and every property owner with a Mills Act Contract, on a uniform form created by OHR and due by February 1 of each year, in which each contract holder/property owner describes his/her/their compliance with the rehabilitation and maintenance list in the contract; work accomplished in the previous year; costs associated with that work; copies of permits if relevant; and description of work that was completed that may not have been on the initial contract but which was required due to updated circumstances. (for instance, presumably more owners are further upgrading electrical and converting more systems to electrical at this time.)

The current every five years (or longer) detailed inspections have taken on an authoritarian and sometimes very oppressive tone. While there are surely two sides to this story, WAHA has heard many complaints over the years about the angry tone, nit-picking, and adding of items not in the contracts – along with a threatening manner to the follow-up letters. If staff had an annual "picture" of what was going on, and an ongoing dialogue with the Mills Act contract owners, then the required five-year inspections could perhaps be re-thought to be something less intensive (and less expensive in terms of the aforementioned fiscal sustainability goals).

WAHA is **CONCERNED THAT** Staff has spent the past two years *not doing* a number of things:

- Not changing the requirements of what constitutes eligibility. The current requirement is that a property must need major structural and systems upgrades, and usually a minimum of several hundred thousand dollars of work needed. But that conflicts with the stated goal of bringing the program to communities who/where there are barriers to opportunity (including income barriers). Can those property owners afford to spend this much money?

- Not spending any time lobbying at the state/Sacramento level to change the revenue code – one idea is to simply *un-tie* the Mills Act calculations from (rising) rental revenues, which are most often hypothetical. Rents have nothing to do with historic preservation. This would require a change to the revenue Code (or the removal of the Mills Act from the Revenue Code), and perhaps changing the preservation incentive to a specific percentage tax reduction – one percentage amount for owner-occupied homes (SFR or condo), another for rented-out homes or multi-family housing, possibly a third different percentage for commercial properties. This would provide certainty to all parties – the City, the County Assessor and, of course, property owners.
- Not spending any time lobbying the Assessor to be more fair and transparent in how the agency conducts its valuations. They have not been speaking to the Assessor about the retroactive "escape" billings many Mills Act owners have received in recent years. Is staff even aware that the Assessor did not consider the pandemic and landlords' loss of rental revenue for its Jan. 1, 2021 valuations, and instead presumed increased rents?
- Not speaking with Mills Act owners in some sort of focus groups or similar. (Noting that the newly posted "answers" to questions raised at Cultural Heritage includes a reference that the consultants spoke with "a few" Mills Act owners. Obviously no one on our WAHA zoom call.)

WAHA members expressed two additional concerns:

- First, that "Equity" may not be served by the proposed evaluation of applicants by the color of their skin or other measure to determine if an applicant is part of an under-represented group. Even if that would pass legal muster (questionable), would such Mills Act contract holders then face restrictions on who they can sell to over the life of the contract? (Noting further that sellers and their agents are not permitted under Fair Housing laws and real estate regulatory agencies' rules to discriminate.)

- Concerns were also expressed that "Eventually people as seniors may get taxed out of their homes, if these contracts are cancelled and they lose their tax benefits. By the time they lose their Mills Act they may be on fixed incomes, and will lose their homes."

Thank you for considering all of these issues. WAHA would like to be included in any ongoing discussion of this matter. Again we urge you to have open meetings with Mills Act owners – meetings where they can engage in thoughtful conversation with you and work together to resolve OHR's administrative sustainability issues while continuing the program for all compliant owners and expanding the program as is described in the Report.

Best regards,

Roland Souza

President, West Adams Heritage Association

CITY OF LOS ANGELES

CALIFORNIA

DOWNTOWN LOS ANGELES NEIGHBORHOOD COUNCIL

WWW.DLANC.COM

EMAIL: DLANC@EMPOWERLA.ORG

March 14, 2023

Cultural Heritage Commission,
Los Angeles Department of City Planning

Ken Bernstein
Director,
Office of Historic Resources,
Los Angeles Department of City Planning

Lambert Giessinger
Historic Preservation Architect,
Office of Historic Resources,
Los Angeles Department of City Planning

VIA EMAIL

Re: Proposed Mills Act Amendment

To Whom It May Concern:

At a special public meeting on March 14, 2023, the Board of Directors of the Downtown Los Angeles Neighborhood Council ("DLANC") voted to provide the following comments on the City's assessment of the Mills Act Historic Contract Program, now underway:

Since the creation of the Adaptive Reuse Ordinance (ARO) in 1999, Downtown Los Angeles has transformed into a 24-hour community with many historic and architecturally significant structures saved, rehabilitated, and adaptively reused as housing and other mixed-uses. The ARO, coupled with the historic preservation incentive and financial assistance of the Mills Act program, have facilitated the revitalization and positive transformation of our community and has further allowed for an increase in Affordable Housing, the creation of new businesses, and an increase in first-time property ownership for many residents in Los Angeles that now occupy spaces in Downtown Los Angeles' many historic buildings.

While DLANC and its constituents recognize the need for reforms to the Mills Act program, particularly with regard to costs associated with its administration and enforcement, DTLA constituents have concerns about the adoption of several recommendations proposed by Chattel, Inc., in their recently completed Assessment. Concerning recommendations include: the unconditional revision of all existing contracts; the revocation of automatic, annual renewals of the contracts for a term of ten (10) years to be replaced with a "sunset" clause after 20 years, thereby limiting a property's participation in the Mills Act program; and the elimination of the existing valuation exemption.

The high costs associated with historic rehabilitation require that property owners rely on bank loans to maintain and restore LA's historic buildings. Participation in the Mills Act Program is a significant factor in banks' determination of making loans. Specifically, the calculation of loan amounts for building rehabilitation are based on a bank's appraised value of the building, a valuation that will be critically reduced if the building's participation in the Mills Act Program doesn't automatically renew. If the City cancels the automatic renewal feature of the current Program banks will lend fewer dollars, which will stifle historic preservation downtown buildings, including residential, commercial, and mix-used. (see the attached Exhibit 1 for further reference). Given these not obvious economic factors, it is in the best interest of the public to exempt buildings within the Historic Core and Greater Downtown Area from the proposed termination of automatic contract renewals. These renewals are imperative to incentivizing development of historic properties in DTLA.

In a time of renowned unaffordability in housing and economic uncertainty, we encourage the City to consider the broader historic preservation, economic and social benefits of the program. By mitigating for owners the high costs associated with historic rehabilitation and maintenance, the City helps depress the costs of renting, both residential and commercial. The Program's role in increasing housing stock Downtown cannot be overstated, nor can its success of diversifying neighborhoods be heralded enough. Through the Mills Act Program, the City has incentivized owners to bring vacant properties back into the market who make these properties affordable to tenants of varying income. In their 2020 Preservation Positive report, LA Conservancy found that since 2013, the Mills Act program has helped facilitate an increase of 19,342 apartments in Downtown and the future preservation of the buildings that have existing contracts as well as those that have yet to be rehabilitated in the future with the incentive and finial assistance that is the primary purpose of the Mills Act program. The Mills Act Program is the only financial incentive that the City of Los Angeles offers for the preservation of its historic properties. Many are concerned about the impact that a decision to "sunset" all contracts after 20 years will have on the continued growth of housing downtown. And if an affordable housing mandate is imposed as a requirement for all properties participating in the Program, then development costs will be substantially increased, which will undoubtedly quash the renaissance of Downtown Los Angeles.

The proposed elimination of existing valuation exemptions is another threat to the continued preservation of the historic building stock across the Downtown area and the revitalization of Downtown's many neighborhoods. LA Conservancy's report also found that the average cost of historic rehabilitation to be $198.43 per square foot. However, when added to the $30 - $100 per square foot cost of complying with the City's 2015 Non-Ductile Concrete (NDC) Ordinance, costs to rehabilitate Downtown historic properties can reach as high as $298 per square foot.[1] The City's NDCO working group cited the Mills Act as an important, "economic incentive," that helps offset these costs. By removing the valuation exemption the City would effectively disqualify most historic buildings in DTLA.

---

[1] Omgivning, "Non-Ductile Concrete Buildings White Paper," City of Los Angeles Non-Ductile Concrete Working Group, October 2021.

By limiting participation for eligible DTLA properties to 20 years, ending automatic renewals, and eliminating valuation exemptions, the City will cripple future historic preservation efforts across downtown. In addition, this would depress economic activity and will impede the City's effort to protect character-defining and culturally significant buildings, homes, and places in our community.

Therefore, DLANC recommends OHR and the CHC consider the following recommendations:

Funding

- Ask the City Council to approve and allocate a budget increase to OHR for increased staffing and administration of the Program.
- Recommend the creation of a Mills Act Reserve Fund in which all fees generated by the Program are deposited and for which the only eligible uses are for expenses related to the facilitation of the program.

Property Eligibility Requirements

- Investigate less burdensome eligibility requirements to reduce the barrier of entry for under-represented and other at-risk communities.
- The Exemption for Downtown LA should not be removed.
- Affordable housing requirements should remain separate from the Program.
- Include Qualified Census Tracts as a Priority Consideration Criteria as defined in LAAC Sec. 19.142.
- Issue waivers to new caps (years and building value) to historic buildings within an LA JEDI Zone.
- Create provisions in the Mills Act program to factor inflation and rising costs for historic preservation - this can include an audit of the program by OHR every 5 years to assess the program's health.

Administration & Program Transparency

- Continue the 10 Year Automatic Renewals of the Program within the Downtown Community Plan.
- Work with the Department of Building & Safety and the City Attorney to develop a cohesive enforcement strategy through the creation of an Ordinance to create a cohesive contract termination and citation structure for properties not in compliance.
- Create robust tenant anti-displacement measures to protect multi-family and affordable housing units that participate in the Mills Act program, particularly with properties seeking entry into the program.
- Create an Open Data system to show the department's distribution of participating properties, inspections, and non-compliance/enforcement efforts.
- Seek alternatives to the contract-renewal process to develop a framework/timeline for proposed improvements to historic properties due to the cost, time, and technical challenges related to historic preservation.
- Recommend that properties that are determined to be out of compliance with the provision of the contract are removed from the program and contracts be terminated without a ten-year sunset requirement. Incomplete work does not have to be completed. This allows for more new applicants and properties to enter into the program.
- Audit the performance of consultants hired to perform, on the City's behalf, tasks associated with the Program, including annual compliance inspections and program administration.

Recognizing the importance of the program, we support City Planning's timeline of restarting the program in January of 2024. Thank you for your consideration.

Sincerely,

Claudia Oliveira
President,
DLANC

Ryan Afari
Chair,
DLANC Planning & Landuse Committee

Cc: Office of Historic Resources, Department of City Planning (via email)
External Affairs Unit, Department of City Planning (via email)
Council District 14 (via email)
Council District 1 (via email)

CULTURAL HERITAGE COMMISSION April 22, 2025
City of Los Angeles
200 N. Spring Street
Los Angeles, CA 90012

Re: Comments on LA City Planning Mills Act policy updates and Ordinance Amendments.

Hon. Barry A. Milofsky, President By e-mail cheryl.younger@yahoo,com

Dear Mr. Milofsky:

As the chair of the Neighborhood Impact Committee of the Higgins Loft Building at 108 West 2nd Street, Los Angeles, we provide our comments on the recent City Planning Mills Act Study Assessment and the proposed changes.

The Higgins Building entered into its Mills Act contract with the city in 2008. The Higgins Building is one of the pre-eminent historic buildings in downtown Los Angeles. It was an adaptive reuse renovation in 2003, which rescued the building from years of neglect and vacancy. It is a beautiful beaux arts architectural marvel erected in 1910 noted not only for its classic beauty but was the first steel reinforced concrete building west of the Mississippi.

This condominium building consists of 135 residential units and 7 commercial units. We are proud to note that in 2023 we were enrolled on the National Register of Historic Places as well has having been a historic monument of the City of Los Angeles.

With regard to the proposed draft policy updates and ordinance amendments under consideration from the LA Department of City Planning we strenuously object to the implementation of the goal of: "create more capacity in the program through the non-renewal of existing contracts based on geographic equity considerations or the length of time a contract has been in effect."

POINT ONE

NON-RENEWAL OF CONTRACTS IS GOVERNED BY STATE LAW AND CANNOT BE CHANGED BY LOCAL ORDINANCE OR POLICY.

The Mills Act, Government Code sec., 50280 et seq., is a state statute. As such local governments such as Los Angeles cannot alter the terms of the statute under the venerable doctrine of pre-emption.

Mills Act contracts according to statute run for a minimum of 10 years and automatically renew each years unless cancelled by the City Council. Basically, the rights granted by the Mills Act are in perpetuity.

The Opportunity Map concept or Contract length approach suggested as means of cancelling Mills Act contracts has no support in state law and is not mentioned in the statute as a way on cancelling contracts. Therefore, it is not permissible or enforceable.

City Planning urges as a matter of policy that: "contracts 20 years and older being the first priority for non-renewal.,,,"

Neither City Planning nor City Council has the authority to create new standards of now-renewal for the Mills Act, thus overriding state law.

POINT TWO

NON-RENEWAL OF CONTRACTS IS A MATTER OF THE INDIVIDUAL MILLS ACT CONTRACTS WITH THE CITY AND CANNOT BE ALTERED BY LOCAL ORDINANCE OR POLICY.

Besides state law the status of the Mills Act is governed by separate contracts with the City of Los Angeles. Each of these contracts has the terms of length and cancellation as set forth in the Mills Act statute.

The rights afforded by the Mills Act are protected as a matter of solemn contract and cannot be changed unilaterally. Mills Act contractees, like the Higgins Building where we live, never agreed to the terms of cancellation such as "Opportunity Map Approach" and "Contract Length Approach", and the City cannot impose such contractual agreements upon individual buildings without their approval. Consequently, any attempt to change these contracts is illegal.

Changing the ground rules under which people invested their life's savings and established their lives as a part of a community is unfair. Residents rightly expected the Mills Act would be available in perpetuity and not subject to cancellation by a bureaucratic process beyond their control. Attempts to change these rights should not be tolerated and should be rejected.

POINT THREE

SUNSETTING MILLS ACT CONTRACTS OR SUBJECTING THEM TO COMMUNITY MEANS TESTING IS NOT SOUND HISTORIC PRESERVATION OR COMMUNITY PLANNING.

A. THE PROPOSED CHANGES DO NOT WORK. Sunsetting existing Mills Act contracts after 20 years serves no public purpose but to gut the Mills Act. The bulk of Mill Act buildings are in downtown Los Angeles and constitute the older stock of such historic buildings. To wit: Higgins Building; Douglas Building; Pan American Lofts, Rowan Lofts, El Dorado Lofts, Eastern Columbia Building. These buildings keep deteriorating over time and need the funds generated by lower taxes to pay for needed repairs. Indeed, they are contractually obligated to maintain a certain level of historic repair.

Historic Buildings unlike fine wine, do not improve with age. A 115-year-old building like the Higgins will continue to deteriorate. Without these Mills Act savings, the continued deterioration will cause urban blight in the historic downtown. So, the proposal is self defeating.

The Higgins Building just finished necessary renovations to its facade for 6 Million dollars in agreement with our Mills Act contract. This necessitated many residents paying the assessment imposed to pay the costs of repairs by taking a mortgage which matures in 2033. The Higgins Building built in 1910, needs millions of dollars of additional repairs which will have to be paid by a further assessment of the residents. The Mills Act tax abatement does not cover the cost of these assessments. If the city cancels its contract and raises property taxes, most likely residents will not be able to foot the increased cost and the Higgins Building will be forced into bankruptcy and its residents will be displaced.

The downtown Los Angeles historic Mills Act buildings are the jewels of our city and are a major tourist attraction. If they cannot maintain their integrity because of the highs costs of continued maintenance they will fall into decay and be forever lost.

B. RELIANCE ON THE MILLS ACT.

The cancellation proposal is legally flawed. In reliance on the continuation of the Mills Act, homeowners have purchased properties, incurred mortgages, put down roots, incurred large assessments, and borrowed money. Residents have planned their future around the continued financial assistance of the Mills Act. The City's erroneous assumption is that residents have unlimited resources and can cover any shortfall engendered by the loss of the Mills Act. This is inaccurate and will create such financial hardship that residents will not be able to pay the increased real estate taxes and the building will suffer a related decline in condition. This decline will occur throughout downtown Los Angeles and cause mass decay.

The city can't have it both ways. Proper historic renovation is far more expensive than garden variety construction. You cannot require the owners of historic buildings to incur the increased expense of adequately maintaining buildings over a 100 years old while foisting upon them the burden of increased real estate taxes. This is the choice presented by the proposed changes: Urban decline or the preservation of history.

We do not have the amenities of new modern construction downtown. Two drug stores have closed, commercial establishments are vacant and petty crime has increased. At the Higgins Building, we only have one out of four operating restaurants left.

The nomenclature Department of City Planning implies a forward, positive concept of urban planning in our nations second largest city. Unfortunately, the proposal has the reverse consequences of causing deterioration to the historic central core of our city, which we cannot afford.

C. CANCELLING THE MILLS ACT WILL REDUCE THE STOCK OF AFFORDABLE HOUSING.

Sun setting Mills Act contracts will reduce the availability of affordable housing, both purchase and rental as well as destroy the support system for downtown's most historic monuments. A 750 square foot well appointed one-bedroom condominium can be purchased in the Higgins Building for under $530,000, and similar apartments rent for the low $2,000's. This will make the Historic Core less desirable for the middle class.

We live in historic buildings downtown that will continue to need more capital to preserve them. If the city initiates a non-renewal, there will be a huge sell off and the value of property will plummet.

D. THE CULTURAL HERITAGE COMMISSION SHOULD FOLLOW THE RECOMMENDATION OF THE LA CONSERVANCY AND NOT SUNSET MILLS ACT CONTRACTS.

The Los Angeles Conservancy in its comments about the proposed Mills Act changes to the LA Cultural Heritage Commission, dated April 17, 2025, has opposed sunsetting Mills Act contracts after 10 years stating:

"Of particular concern are the Downtown Adaptive Reuse Ordinance (ARO) historic buildings, some of which are at or nearing the 20-year limit but still have ongoing and high maintenance requirements. A good example is the Eastern Columbia Building which was initially converted for residential use in 2006, and just undertook a multi-million dollar rehabilitation of the distinctive terra cotta façade. The Mills Act savings helped enabled the HOA to plan and pay for this costly but important endeavor. Sun-setting and removing Mills Act contracts from these buildings will send an adverse economic shock to an already soft Downtown real estate market, and at a time when all available incentive tools need to be on the table.

We strongly recommend that the current 10-year contract term be maintained, and that subsequent 10 year contract renewals be granted to properties until they opt-out or are cancelled"

We support the proposals of the Department of City Planning that improves the finances of Mills Act enforcement. However, like the LA Conservancy, we vehemently oppose the sunsetting administrative proposals of paragraph 9 in the report,

Respectfully submitted,

Allan Harris, Esq.
Chair
Higgins Loft Neighborhood Impact Committee

LOS ANGELES CONSERVANCY

523 West Sixth Street, Suite 826
Los Angeles, CA 90014

213 623 2489 OFFICE
213 623 3909 FAX
laconservancy.org

April 17, 2025

Cultural Heritage Commission
Attn: Denise Otero
200 N. Spring St., 10th Floor, Room 1010
Los Angeles, CA 90012
chc@lacity.org

Re: 2025 Mills Act Update – Draft Policy Updates and Ordinance Amendments

Dear Members of the Cultural Heritage Commission,

The Mills Act is the most important and accessible incentive tool for preserving and maintaining cultural resources throughout Los Angeles. It has been used to leverage costly preservation and rehabilitation projects, ensuring the economic viability of adaptive reuse and creating good paying construction jobs in the process. It has played a very important role in the reinvestment of LA's urban core, particularly in areas like Downtown and Hollywood.

Following a nearly five-year hiatus, the Conservancy is pleased the Mills Act will be reactivated and updated to address current needs for Los Angeles and this essential program. We support efforts to make the program more equitable and distribute its application to Low Resource areas. Some of these positive changes include adding priority consideration criteria and eliminating application fees for properties in Low Resource areas to more equitably distribute the benefits of the program across the city.

In reviewing the proposed recommendations, we have identified several areas that need further consideration and provide suggested recommendations. This includes concerns about proposed changes that we believe will be detrimental to existing Mills Act property owners and other aspects that may actually undermine the overall effectiveness of Los Angeles' preservation program.

The Conservancy requests the Commission carefully evaluate the impact of each proposed change, and weigh the comments from those in the public who would be most affected. We urge caution in adopting any proposed program until the following issues are addressed.

Distribute the Collection of Fees Equitably

While fees are essential to maintaining the program, as outlined in Administrative Change 2, they should be distributed fairly. Fees set too high will weaken the impact of the overall program as they directly offset the savings from property tax reductions. Creating a two-tier fee structure could be especially problematic if fees originated by larger multifamily buildings establish a disincentive to participate in the program.

The Office of Historic Resources may have to play a more active role in managing the contract for a 40-unit loft building than a single-family home, but the hours dedicated do not scale linearly. In fact, there are significant time savings and efficiencies in managing these larger buildings. Currently the fee for all contracts is $2,924. If this were applied on a per unit basis to the same, modestly sized 40-unit building mentioned earlier, it would equate to fees of $99,760. Many Mills Act properties are significantly larger than this, containing hundreds of units, such as the Pacific Electric Building, containing 314 lofts.

We recommend that properties of five or more units receive a steep discount on fees compared to other residential properties to ensure that fees are reasonable. We also suggest that a cap be established to encourage denser buildings to apply to the program. Fees should be appropriate and not excessive to the point that they discourage or deter owners of multifamily housing from participation in the Mills Act program.

Maintain Current Contract Period and Renewal Policies

Administrative Change 9 recommends a 20-year time limit for all new Mills Act contracts and winding down existing contracts that have been in place for over 10 years. We are concerned that this substantial change will severely undermine the overall effectiveness of the program, and here's why. Existing and long-standing Mills Act contracts benefit both existing and future property owners to help in the ongoing maintenance needs of an historic building and allows them to reinvest property tax savings back into the historic building. This need for upkeep and reinvestment does not diminish over time, and actually only grows.

While it is true that a Mills Act contract and associated tax benefits will be less valuable in direct relationship to the tenure of an owner, this recommendation is not accounting for real estate transfers. A Mills Act contract is extremely valuable for a new owner of an historic property where the assessment will increase relative to the sales price. Therefore, the Conservancy strongly opposes this change, and suggests all contracts be held in perpetuity unless they are cancelled for non-compliance (per Administrative Change 8) or opted out of.

Of particular concern are the Downtown Adaptive Reuse Ordinance (ARO) historic buildings, some of which are at or nearing the 20-year limit but still have ongoing and high maintenance requirements. A good example is the Eastern Columbia Building which was initially converted for residential use in 2006, and just undertook a multi-million dollar rehabilitation of the distinctive terra cotta façade. The Mills Act savings helped enabled the HOA to plan and pay for this costly but important endeavor. Sun-setting and removing Mills Act contracts from these buildings will send an adverse economic shock to an already soft Downtown real estate market, and at a time when all available incentive tools need to be on the table.

We strongly recommend that the current 10-year contract term be maintained, and that subsequent 10 year contract renewals be granted to properties until they opt-out or are cancelled.

Enable Fee Collection Only During Renewal Window

Administration Change 3 suggests amending pre-2014 Mills Act Contracts to enable fee collection, due to the current inability of earlier contracts to impose fees. Since 2014 however, Mills Act contracts contain language that allow the collection of fees. The Conservancy is skeptical about inserting enabling language in pre-existing contracts. If pursued, however, we ask that it only be initiated during the 10-year contract renewal period. Some long term property owners, who are taking advantage of Proposition 13 valuations, may opt-out of the program to avoid paying fees. Others may choose to renew and pay the maintenance fees if they are planning to sell in the near-term and understand that the Mills Act may benefit future owners. This will likely reduce the total number of Mills Act through opt-outs, but leaves the decision to homeowners and property owners to make.

Increase Single-Family Valuation Cap to $2.5M

Per Ordinance Amendment 2, the Conservancy supports lifting the pre-contract assessed valuation for multifamily properties to $10M but there is no recommended change for single-family residences, currently set at $1.5M. We strongly encourage the value cap on assessed single-family residences to be increased from $1.5M to $2.5M, consistent with the initial assessment report recommendation. This more closely aligns with neighboring Mills Act programs operated by Los Angeles County ($2.1M for single-family residences listed in the County Register) and Pasadena ($2M). The existing $1.5 value cap was last updated in 2008, when the median home value in the City was $562,307, compared to approximately $1M today. In Medium Resource neighborhood tracts, real estate sales of larger historic homes consistently exceed this $1.5M threshold. With such a low cap, which has not been updated in 17 years or adjusted to recent inflation, it will exclude many historic single-family residences from participating in the Mills Act program.

We strongly oppose any changes to eliminate the value exemption areas, outlined in Ordinance Amendment 3. Both Downtown and Hollywood have seen success in using the Mills Act to stabilize their communities and add much-needed housing. Yet these neighborhoods also struggle with high vacancy rates, assessed property valuations that are not appreciating as quickly as other parts of the City, or in some cases declining, and significant challenges post-COVID. This is not the time to abandon an effective stimulus policy and significant historic neighborhoods. With the Downtown and Hollywood Community Plans recently implemented, these two neighborhoods serve as major job centers and produce an outsize share of the City's housing requirements. The Mills Act will continue to be an important financial tool in achieving these goals, and without it, we fear that Downtown and Hollywood's hard-fought progress may be curtailed.

Exempt Multifamily, Commercial and Industrial Properties from a Value Cap in Low Resource Area

The Conservancy supports efforts to expand equity in Low Resource areas with some targeted amendments to help stabilize communities and prevent speculation. Ordinance Amendment 4, proposes changes that will encourage new contracts and investment in Low Resource areas. We suggest a simpler process, exempting multifamily, mixed-use, and commercial properties from the value cap in these areas. These new contracts will create local jobs, provide necessary funding, and help stabilize housing in Low Resource areas. It expands the success of the successful Downtown program. We do not feel it is necessary to provide additional exemptions for single-family homes in these areas if a citywide value cap of $2.5 million, as suggested earlier, is implemented.

Expand Eligibility for Multifamily Properties Listed in the California and/or National Register

The Conservancy urges caution in expanding eligibility for the Mills Act to National Register and California Register listed properties, as it could undermine Los Angeles' local designation program. The Mills Act is currently one of the main driving factors in promoting the designation and creation of Historic-Cultural Monuments and Historic Preservation Overlay Zones (HPOZ). Opening the Mills Act to California Register or National Register Districts could discourage growth of HCMs and HPOZs, and likewise the important protections and design review afforded to local designation.

However, we do recognize the need for tax relief in the multifamily housing space. We would be supportive of expanding program eligibility to multifamily properties listed in the California or National Registers. Several multifamily districts have been nominated to the National Register within the past decade, including the Beverly-Fairfax, Miracle Mile Apartments, and Citrus Square National Register Historic Districts. These districts contain considerable amounts of naturally occurring affordable housing, increasingly at risk through tenant displacement and redevelopment. The Mills Act would offer a meaningful incentive and allow the housing to be preserved while encouraging reinvestment and proper maintenance.

Include Rent Stabilization Ordinance (RSO) Housing in Multifamily Prioritization

The Conservancy believes that existing multifamily housing can be supported and stabilized through Ordinance Amendment 8, which would prioritize applications for multifamily residential properties and ARO projects with affordable housing components located in Low Resource areas areas. We ask that units subject to Los Angeles' Rent Stabilization Ordinance (RSO) qualify as affordable units for the purposes of this program. Many of these older apartment buildings are owned by long-term mom-and-pop landlords, who maintain low property tax assessments through Proposition 13. However, when the property is sold, property taxes are reassessed, pushing new owners to remove the units from the rental market or cut back on maintenance. The Mills Act can serve to support new owners and tenants by reducing this pressure.

Discourage Use of the Ellis Act on Mills Act Properties

Though the Mills Act can be used to stabilize existing housing, in some cases, we have seen owners of Mills Act properties use the Ellis Act to displace tenants from these same historic multifamily buildings. We think this should be actively discouraged. We ask that Mills Act contracts be cancelled for any property that pursues Ellis Act evictions of its tenants. We hope this prevents a common practice of restoring a multifamily housing building and evicting its tenants to sell to higher income group. We see the Mills Act as an important tool in stabilizing and uplifting neighborhoods. It should not be used to uproot the very people who make up that neighborhood.

Conclusion

The Mills Act is a critical component in preserving places in Los Angeles, and a strong financial asset. We support changes to make the program more equitable but feel some of the changes proposed will be detrimental to the program's success. As outlined above, we recommend the following amendments to the Draft Policy Updates and Ordinance Amendments:

- Administrative Change 2 – Provide significant fee discounts for multifamily properties and introduce a cap to prevent excessive fee collection on larger buildings.
- Administrative Change 3 – Consider amending older Mills Act contracts *only* during 10 year renewal window.
- Administrative Change 9 – Retain current perpetual renewal practice for Mills Act contracts, discarding proposed 20 year phase-out.
- Ordinance Amendment 2 – Increase assessed value limits for single-family homes citywide to $2.5 million to account for inflation.
- Ordinance Amendment 3 - Maintain valuation exemption areas in Downtown & Hollywood. Additionally grant a citywide exemption for ARO properties.
- Ordinance Amendment 4 – Exempt multifamily, commercial and industrial properties from valuation caps in Low Resource areas.
- Ordinance Amendment 7 – Expand eligibility of California and National Register properties only to multifamily properties.
- Ordinance Amendment 8 – Prioritize RSO properties in Low Resource areas as a form of naturally occurring affordable housing.
- Additional Ordinance Amendment - Cancel Mills Act contracts for properties using the Ellis Act to remove RSO units from the rental market.

About the Los Angeles Conservancy:

The Los Angeles Conservancy is the largest local historic preservation organization in the United States, with nearly 5,000 member households throughout the Los Angeles area. Established in 1978, the Conservancy works to preserve and revitalize the significant architectural and cultural heritage of Los Angeles County through advocacy and education.

Sincerely,

Andrew Salimian
Director of Advocacy

cc: Mayor Karen Bass
Eunisses Hernandez, Council District 1
Adrin Nazarian, Council District 2
Bob Blumenfield, Council District 3
Nithya Raman, Council District 4
Katy Yaroslavsky, Council District 5
Imelda Padilla, Council District 6
Monica Rodriguez, Council District 7
Marqueece Harris-Dawson, Council District 8
Curren D. Price Jr., Council District 9

Heather Hutt, Council District 10
Traci Park, Council District 11
John Lee, Council District 12
Hugo Soto-Martínez, Council District 13
Ysabel Jurado, Council District 14
Tim McOsker, Council District 15
Ken Bernstein, Office of Historic Resources
Lambert Giessinger, Office of Historic Resources

Your Community Impact Statement has been successfully submitted to City Council and Committees.

If you have questions and/or concerns, please contact the Department of Neighborhood Empowerment at NCSupport@lacity.org.

This is an automated response, please do not reply to this email.

Contact Information
Neighborhood Council: Empowerment Congress North Area NDC
Name: Jean Frost
Phone Number: (213) 840-5998
Email: indiejean@att.net
The Board approved this CIS by a vote of: Yea(9) Nay(0) Abstain(0) Ineligible(0) Recusal(0)
Date of NC Board Action: 08/04/2022
Type of NC Board Action: For if Amended

Impact Information
Date: 05/13/2023
Update to a Previous Input: No
Directed To: City Council and Committees
Council File Number: 23-0331
Agenda Date: 05/16/2023
Item Number: 1
Summary: The Empowerment Congress North Area Neighborhood Development Council on August 4, 2022 by unanimous vote (9-0-0) raised serious concerns about the proposals in the recently completed assessment prepared by consultants Chattel Inc, and AECOM, based on numerous inaccuracies and conclusions. • NANDC questions the proposal to cap the number of these contracts, and the proposal to begin to cancel/non-renew older existing contracts. Substantial testimony was provided by current Mills Act contract holders at public hearings before the CHC and Planning that these actions would have a serious negative impact on the effectiveness of the Mills Act program. • The City should Increase the number of Mills Act Contracts, along with the staffing budget for Mills Act administration, not place an annual cap. • The City should not cancel/non-renew single family home contracts, unless it is learned that the owners are non-compliant, as single-Family homes only represent 25% of the taxes. • Capping the number each year could mean that deserving properties are denied. In the past, the City has approved as many as 50 Mills Act contracts in a single year, e.g., approving those that meet the criteria and not approving applications which do not. • The City should continue the capability of renewal of Mills Act Contract and the contract should be transferable to a subsequent owner. • NANDC supports equity as a goal and expanding the Mills Act to underserved communities. The suggestions in the report do not go far enough. People can’t afford to participate in the program and ways need to be created to incentivize applications particularly in underserve areas. • The South Los Angeles Community Plan Area overall has 124 current Mills Act contracts; the vast majority of these are identified as being within neighborhoods that have “medium high” and “high” Barriers to Opportunity.• T

Planning CHC <chc@lacity.org>

Protecting The Mills Act

1 message

Astrid Mendoza <astrid_mndz@yahoo.com> Tue, Apr 22, 2025 at 10:56 AM
To: chc@lacity.org

ATTN: Denise Otero,

Commission Executive Assistant

Cultural Heritage Commission

Dear Commissioners,

My name is Astrid A Mendoza V. My partner Francisco Franco and I have lived at the historic Higgins Building in Downtown LA since 2011. The Mills Act has been absolutely essential to making it possible for us—and many of our neighbors—to live in, care for, and invest in this incredible historic building.

The Higgins Building, a Los Angeles landmark on the National Registry of Historic Places, is a remarkable example of the Beaux Arts style. An innovative ten-story steel-reinforced structure, it was the legendary AC Martin's first project as an engineer.

It boasts the original 1910 keystone tile, marble staircases, and decorative ironwork that are beautiful—but also extremely costly to preserve and repair. These kinds of details require specialized labor and materials, which means even basic upkeep can be financially daunting for owners and HOAs.

The restoration of our facade alone cost over $5 million.

The tax relief provided by the Mills Act has made the difference between maintaining these irreplaceable features or watching them deteriorate.

I'm glad the City is reactivating the Mills Act program, and I strongly support expanding access, especially in underserved areas. That said, I'm deeply concerned about some of the proposed changes, especially the 20-year contract limit and significantly higher fees for multifamily buildings.

These undermine the long-term viability of many historic properties, particularly in Downtown where maintenance costs are high, property values precarious. Tax relief through the Mills Act makes a real difference.

Historic preservation ongoing. Please continue to support long-term renewal and fair, scaled fees so this program can keep doing what it was designed to do: preserve LA's history while keeping these places vibrant and livable.

Many thanks,
Astrid and Frank
Sent from my iPhone

Planning CHC <chc@lacity.org>

Re: Comments on LA city Planning Mill Act Policy updates and ordinance amendments

1 message

cheryl younger/allan harris <cheryl.younger@yahoo.com> Tue, Apr 22, 2025 at 3:47 PM
Reply-To: cheryl younger/allan harris <cheryl.younger@yahoo.com>
To: "CHC@lacity.org" <CHC@lacity.org>
Cc: "via DTLA.Historic.Preservation" <dtlahistoricpreservation@googlegroups.com>

Hon. Barry A. Milofsky, President

Dear Mr. Milofsky,

Reading the Los Angeles City Planning Office of Historical Resources Mills Act Historical Property Contact Program draft Policy updates and Ordinance Amendments March 25, 2025, the real crux of the issues noted is contained in this one sentence in the first paragraph, "the assessment found that there were insufficient dedicated financial resources to effectively manage the program and and an unequal distribution of program benefits across the city."

Agreed the staff has been effective and cooperative when providing support and assistance to Mills Act dedicated buildings. We appreciate the need for expanded databases and more hours for assessments and evaluations of Mills Act properties. This could be remedy, fairly painlessly and equitably by assessing each Mills Act properties per unit. That assessment formula would come from dividing the needed revenues required by the number of units in all participating Mills Act properties.

While it is clear, the city needs more income at this particular moment in time due to fires, the economy tanking, and tariffs creating great imposition on Los Angeles businesses and industries, this is not the time to destroy the cities assets, and goodwill, created in support of a future vision for our city.
It's like killing the goose that laid the golden egg.

The developers and residents entered into these Mills Act contracts as a way to salvage noted historic buildings that had been sitting empty, derelict and decaying for decades. The goal was to save these treasures, and provide homes for urban pioneers.

The neighborhoods around these areas became safer as more people were on the streets and creation and cooperation with organizations like the Bids, started making a significant impact on the livability of the city.

As these historic buildings were rehabbed, the downtown began to draw investments, creating business, focus and support. The tax base grew. Then came calamity, in the form of a disastrous 3-year pandemic - forcing closure of many restaurants and stores dependent on foot traffic. Huge corporations had to restructure 'where' their employees worked. They began working from home. They no longer needed so much office space, LA began a return to an unsafe ghost town, with financial investment being withdrawn. Then came the riots, and "smash and grab" marauding gangs.

Buildings were damaged and stores boarded up. Residents and businesses left the city. Property values, tax assessments and rents have gone down, residents are fleeing.

We, the urban pioneers remain. Because of the Mills Act we can continue to work on saving this bit of LA heritage, improve our homes and neighborhoods. Destroy this program and the hopeful vision of LA, and you are destroying us all.

Cordially,
Cheryl Younger, Chair

Architecture and Design Committee
Higgins Building

Cheryl Younger and Allan Harris
Cheryl's USA Cell (001) 1 (212) 203 9645

cheryl.younger@yahoo.com

Home:

LA 108 W 2ND ST #1002	**NYC** 35 Mercer Street 3A
Los Angeles, CA 90012	New York, NY 10013

Planning CHC <chc@lacity.org>

Mills Act Commission Review

1 message

Christopher Young <chrispaulyoung@yahoo.com>
To: chc@lacity.org
Tue, Apr 22, 2025 at 9:43 AM

Dear Commissioners,

I am writing as a stakeholder and passionate advocate for historic preservation in downtown Los Angeles to express strong support for the continuation of the Mills Act Historical Property Contract Program, particularly the retention of property tax savings for existing participating historic buildings.

As the owner/resident of a Mills Act-designated property, I can attest firsthand to the unique challenges and responsibilities that come with maintaining and restoring historic structures. Unlike newer developments, our buildings require specialized materials, skilled craftsmen, and ongoing preservation efforts to ensure safety, structural integrity, and historical authenticity. These are not luxuries—they are necessities—and they come at a significant financial cost.

The Mills Act contract provides a vital financial mechanism that allows owners like myself to meet these preservation demands. Without it, the burden of maintaining these aging yet architecturally significant structures may become unsustainable. In contrast, newer buildings—constructed with modern materials and systems—do not face these ongoing repair and compliance challenges.

Moreover, our historic building is more than a property; it is a living piece of Los Angeles' architectural legacy. Downtown's character, culture, and appeal are inextricably linked to these preserved structures, which draw residents, tourists, artists, and small businesses. Our building, and others like it, serve as tangible links to the city's past, adding richness and depth to the evolving urban landscape.

To remove or diminish the property tax benefits for existing Mills Act participants would not only put their futures at risk but would also send a discouraging message to those committed to protecting Los Angeles' cultural heritage. These incentives are not merely financial—they are symbolic of the city's investment in its own history and identity.

I respectfully urge the Commission to uphold the Mills Act program in full for current participants. Doing so will preserve the architectural integrity of our neighborhoods, support the city's sustainability and cultural goals, and honor the visionary policies that have helped make Los Angeles a leader in historic preservation.

Thank you for your consideration and for your continued work in protecting our city's irreplaceable cultural assets.

Sincerely,

Chris Young

April 21, 2025

Cultural Heritage Commission
City of Los Angeles
200 North Spring Street
Los Angeles, California 90012

Cultural Heritage Commission,

The revised version of the Mills Act is critical to insure this program's long-term sustainability and also to promote equity in preserving Los Angeles City's wide range of historic properties.

I support the following Mills Act revisions:

1. Include historic sites in underrepresented communities and those on the state and federal registers.

2. Establish proposed time limitations for historic sites to be included in the revised Mills Act.

3. Hire a three-member staff in order to monitor and advance the preservation of Mills Act properties.

In addition, I recommend the following be included in the Mills Act revised version that goes beyond its current requirements:

Mills Act property owners are to follow the Secretary of Interior Standards for Historic Properties, Secretary of Interior Standards for Qualified Professionals, and the Secretary of Interior Standards for Preservation Planning.

These standards will provide a professional framework for Mills Act property owners to properly manage their historic sites. In addition, these standards will produce detailed documentation that is necessary for Mills Act property owners to attract other funding sources, such as those related to disaster recovery and climate change mitigations.

The remaining document contains my preservation background relating to the Mills Act and as well as further explanations of the above recommendations.

I thank you for your consideration.

Dorothy Fue Wong, PhD

I make the above recommendations based on almost four decades of experience in historic preservation. A large portion of my work involved the preservation and certification of seven related National Historic Landmark garden cities under the sponsorship of Cornell University's Clarence Stein Institute. These seminal communities are described in *Toward New Towns for America* (1956) by Clarence Stein.

Beginning in 2008, I was awarded four fellowships from Cornell to study preservation strategies for these NHL garden cities (located in different parts of the United States). The first fellowship dealt with preservation standards applicable to the Village Green's future Mills Act, and also to help this community permanently maintain its NHL status.

The three other remaining fellowships dealt with preservation standards and practices that would help the Village Green and other NHL garden cities to increase their ability to meet the challenges of increased disasters and climate change that they face.

My first project actually involved the certification process. It began in 1990 with my preparation of the National Register nomination for the Village Green (historically known as Baldwin Hills Village) where I lived for thirty years. It was the first Los Angeles garden city to be listed (1992) on the National Register.

Later (1993 to 2000), I prepared the Village Green NHL nomination with Cornell University's assistance. The Village Green was listed as a NHL in 2001. After a quarter of a century, it still is the largest of the current twenty-three NHLs in Los Angeles County. In 2002, the Los Angeles City Council gave me a special award for this achievement. I largely self-funded this project.

My final certification garden city project involves the NHL certification for Sunnyside Gardens in Queens, New York (built in 1928)—the first and most important of the early American garden cities. I completed the preliminary work for the National Park Service in 2018, but no funding is currently available to undertake this lengthy and complex application.

My involvement with the Mills Act began in 1993 when our City Council member (Mark Ridley Thomas) was drafting the Mills Act ordinance for Los Angeles City. At that time, a meeting with the Councilman concluded that the Village Green would need to achieve NHL status and have a ten year preservation plan in order to be part of the Mills Act.

In 2000 (before NHL status), I began to establish the foundation for the Mills Act's ten year preservation plan. I organized a year-long program for the community featuring leading preservation professionals to begin this plan.

However, the Village Green Board declined to enter into a Mills Act contract when the site became a NHL in 2001. Finally in 2010, the Village Green Board adopted the Mills Act. As a result, this site has gained over ten million dollars funding from this program to preserve its buildings and extensive landscape.

During the last 15 years, I have also been involved in preservation projects with Little Tokyo and LA Chinatown (where I now live) as these communities face intensive gentrification and the potential loss of their historic and cultural resources. I am on the Board of the Little Tokyo Historical Society, and a member of the Chinese Historical Society of Southern California

Comments on Support of the Revised Mills Act

Introduction: The Historic Cultural Monument (HCM) program protects historic properties through a rigorous certification process, and the Mills Act gives further protection to these historic properties by providing funding through the reduction of their property taxes, with the savings devoted their preservation. Only Historic Cultural Monuments (HCM) can apply for the Mills Act.

1.**Support the expansion of the Mills Act program to include historic sites in underrepresented communities and those on the state and federal registers.**

In Los Angeles City, the 2020 census indicated that 71.12% of the population largely represents members of underrepresented communities, while whites comprised 28.88%. Underrepresented communities are those members who are African American, Hispanic, Latino, Asian, Pacific Islander, Native American, Native Hawaiian, or Native Alaskan, gay, lesbian, bisexual, or transgender (see California Secretary of State's website).

The participants of Los Angeles City's two most important preservation programs— Historic Cultural Monument program and the Mills Act— are predominately white in population while involvement of the underrepresented population is very limited. For instance, only 6% of the 1,200 HCMs are from underrepresented communities—this amounts to 72 sites out of the 914 HCMs.

At present, Los Angeles City requires a historic site to be a HCM in order to participate in the Mills Act. This makes it difficult, if not impossible, for a large number of underrepresented communities to participate. In contrast to the more powerful white population, this group does not have the extensive experience and sophistication to protect their historic and cultural resources by preparing complex historic documentations, such as the HCM application.

An exception is the Japanese American community. It has prepared 13 HCM applications, and supported the listing of a National Historic Landmark District (1996) (see listing on https://www.littletokyohs.org/landmark-designation-preservation).

The protection of a historic site goes beyond certification. It involves long-term planning, based on federal guidelines, to preserve a site's historic fabric. This planning also involves proper financial allocations to effectively support a site's long-term preservation efforts. The Mills Act's ten-year plan (a requirement) is an example of this type of planning.

Underrepresented communities are even more challenged in preparing a Mills Act contract than they are in undertaking a HCM application. Advanced technical knowledge in historic preservation as well as administrative expertise are required to execute properly this program. This is a major obstacle for underrepresented communities in their efforts to protect their historic and cultural sites.

For example, the Japanese American community's National Historic Landmark District and its 13 Japanese American HCM's have not participated in the Mills Act even though they are eligible. The Japanese National Historic Landmark District was listed in 1968, which is the same year that the Mills Act started.

This lack of Mills Act funding has a profound and negative impact for the survival of historic and cultural resources for underrepresented communities in Los Angeles City.

At present, predominately white historic sites have largely benefited financially from the Mills Act during its 28 years of existence. This total amount is approximately 56 million dollars (based on two million dollars per year). In its 2022 study of the Mills Act, Chattel Inc. stated that the Mills Act has shown an annual total property tax savings of $20,000,000 for all its largely white participants.

An example of this serious omission and its consequences for underrepresented sites is the Little Tokyo National Historic Landmark District (listed in 1996) and 14 related HCMs. It is possible that Mills Act funding, during a 28 year period, could have prevented Little Tokyo from being declared by the National Trust in 2024 as "the Eleven Most Endangered Sites in the United States". This is due to unprecedented gentrification that is taking place in this historic ethnic community, which is the largest of the three remaining Little Tokyo's in the United States.

The Little Tokyo National Historic Landmark District is a specific example of this loss in Mills Act funding. Its 2024 property tax is $121,580.49. Under the Mills Act, approximately half of this tax bill could be reduced with the annual savings (approximately $60,790) for the preservation of these buildings. The estimated total gain would be $607,900 at the end of 10 years. If it participated at the beginning of the

Mills Act (1997), the total approximate amount for its preservation would be $1,702,120 (based on current taxes).

Another example of loss in Mills Act funding is Chinatown. It needs generous funding to deal with extreme gentrification that is threatening potential historic sites and erasing a distinct culture. After fifteen years of research, I have concluded that this historic community is likely the most important Chinatown of the fourteen in the United States.

Unlike Little Tokyo, this community is resistant to government-sponsored historic certifications (including the Mills Act). An exception is LA City's new Legacy Business program. The Chinatown Service Center and I are involved with this program.

During 28 years, the Mills Act has focused exclusively on preserving local historic sites. It is now important that the revised Mills Act include National Register and California Register properties. These significant historic sites continue to enrich the identity of Los Angeles City while contributing to the history of our nation and the state of California. They deserve extra funding from the Mills Act to strengthen their long-term viability that will benefit a wider population.

There are 282 National Register sites in Los Angeles City, which include 13 National Historic Landmarks. See Wikipedia for the listing of these sites.

2. **Support the time limitations for historic sites to be included in the revised Mills Act.**

The time limitations for historic sites to receive Mills Act funding is essential to expand its capability to include candidates from underrepresented communities and National Register/California Register sites. Sites that benefited financially from the Mills Act during an extended period may no longer need this funding for its preservation. Others can fund improvements without any hardships depending on the length of their Mills Act contract.

The twenty year limitation in this revision is reasonable for receiving Mills Act funding. By that time, a historic site should have had its preservation plans in place, and also achieved major repairs of its historic infrastructure. The time limitation forces a Mills Act participant to place its resources in priority. As a result, the development of proper preservation plans and its implementation could be more focused and effective.

In addition, the revised Mills Act gives a healthier perspective and outcome to this program. It provides a foundation for participating sites to examine other sources of outside funding rather than viewing this program as a permanent entitlement from the Los Angeles City government.

3. **Support the hiring of a three-member staff in order to monitor and advance the preservation of Mills Act properties.**

This recommendation is critical to ensure the future viability of the Mills Act. A full-time professional staff is required to provide the necessary oversight to ensure that the Mills Act's two million dollars annual funding is spend wisely.

This includes community outreach and preservation education for underrepresented communities, along with finding outside funding for long-time participants who will be leaving the program because of time limitation requirements. Little Tokyo and Chinatown are examples of the great need for preservation professionals to help with the Mills Act process, as well as other underrepresented communities (see appendix one for listings).

In addition, the three-member staff would be most critical in establishing a public database or spreadsheet listing Mills Act properties (present and past) with their projected (or ongoing) financial gains from the program. This project provides the critical oversight of public funding that is necessary for the fair and effective operation of the Mills Act.

With increased disasters, the recommended Mills Act staff would be essential in assisting with the recovery of Los Angeles City's important historic and cultural assets. For the Mills Act's required 10-year plans (placed in a database) could serve as a basis for the rebuilding of historic sites that would be impacted.

Los Angeles is the second largest city in the United States, and yet its Office of Historic Preservation is understaff to preserve and protect the community's historic and cultural heritage. This is in comparison to New York City (the first largest city) and its Landmarks Preservation Commission. Its website states:

> The Landmarks Preservation Commission consists of approximately 80 archaeologists, architects, attorneys, administrators, historians, preservationists, and researchers, most of who work in one of the agency's four departments: Research, Preservation, Enforcement, and Archaeology. The Commission also administers a Historic Preservation Grant Program and has an Environmental Review Unit that's responsible for assisting state and City agencies with the environmental review process. See:https://www.nyc.gov/site/lpc/about/departments.page

In conclusion, the request for the funding of a three-member staff is reasonable and prudent.

Additional Suggestion for Revised Mills Act Proposal

4**. The Mills Act documents need to include those standards that are the foundation for the field of preservation in the United States.**

These are: the Secretary of Interior Standards (for buildings and landscapes); the Secretary of Interior Standards for Preservation Professionals; and the Secretary of Interior Standards for Preservation Planning.

A well preserved historic site or community has a system of checks and balances to ensure that its historic fabric is preserved with integrity for future generations. The Secretary of Interior Standards provide the framework for this system. It defines the types of qualified preservation professionals, and also the process in working with the historic fabric of a structure, landscape, or object. In addition, these Standards define the process in working and educating the people on a regular basis in a historic community.

Ideally, these precepts are permanently organized into governing documents, which are followed by the leadership and supported by community members. With these preservation practices, the well-run historic community is able to attract outside funding in its preservation efforts. Also, it is in a strong position to deal with disaster recovery and climate change adaptations.

These professional preservation strategies are particularly important for multi-family historic properties, which the Los Angeles City Planning Department has committed to preserve through the Mills Act. Without professional oversight, a historic community will misuse its Mills Act funding, and compromise the site's historic integrity.

DOUGLAS BUILDING LOFTS

— built 1899 —

257 S Spring St.
Los Angeles, CA
90012

Cultural Heritage Commission
Los Angeles Department of City Planning
200 N Spring St.,
Los Angeles, Ca. 90012
denise.otero@lacity.org
chc@lacity.org
planning.millsact@lacity.org

April 21, 2025

Dear Members of the Cultural Heritage Commission and Planning Staff,

According to the California State Park's website, "The Mills Act is the single most important economic incentive program in California for the restoration and preservation of qualified historic buildings by private property owners." We concur with this opinion. While we understand the urgency and need for affordable housing in Los Angeles, the Planning Department's attempt to use the Mills Act as a tool to create and retain affordable housing has not been proven – and there are no case studies or examples in that report to convince our community otherwise.

The stated purpose of the Mills Act is to preserve, restore, and maintain qualified Historic Structures. The viability of our Downtown Los Angeles ("DTLA") historical building community depends on preservation, restoration, and maintenance. The Mills Act helped us revitalize a dilapidated city center while retaining a sense of place and continuity with the city's past. We strongly urge the city to continue to allow this revitalization to continue by renewing the existing contracts.

There are many 100+ year old buildings in DTLA with Mills Act contracts. They were identified in the 2022 Assessment Report. The scale of these multi-story buildings necessitates careful and expensive work even after restoration. One of the reasons our buildings have high HOA dues is due to the high cost of maintenance and periodic restoration. Without the Mills Act tax abatement, many of us will not be able to keep up with these costs.

One Mills Act contract per every unique DTLA historic building represents multiple property owners. We are owners who in addition to being attracted by the beauty and history of these buildings, also saw the Mills Act tax abatement as a key reason to live and invest in DTLA. One Mills Act contract alone benefits many property owners and increases homeownership in DTLA. This includes first-time buyers as well as retirees. If the current Mills Act contracts are not renewed, the maintenance costs alone will drive many homeowners away resulting in fewer people who can afford homeownership in DTLA. The loss of these contracts will also result in similar negative consequences for rental properties in these historic buildings.

DOUGLAS BUILDING LOFTS

— built 1899 —

257 S Spring St.
Los Angeles, CA
90012

While the Planning Department claims in its draft report that it wishes to realign, retain, and create affordable multi-family 'rental' housing in certain targeted low resource areas, the mechanics for doing so are far from clear. Aren't these properties already under the protection of the Rent Stabilization Ordinance ("RSO")? The RSO provisions adequately ensure no net loss of affordable rental units during rehabilitation. How then does elimination of the current Mills Act contracts ensure greater safeguards than the RSO for retaining 'affordable' units in low resource areas? Even where potential large scale Adaptive Reuse Ordinance ("ARO") projects are involved, there is no net-loss to begin with. The Mills Act tax abatement is tied into preservation, restoration and maintenance of historic structures. It is a costly responsibility. In some instances, the cost of preservation is so large that it takes years to balance out any tax benefit and by then new maintenance/restoration is again needed. Are your long term actions – sunset here and create new contracts there – only creating burdens for everyone?

In 2022, our community questioned the equity/opportunity indices, and the statistically inadequate surveys used in the City's Mills Act Assessment Reports. The 2025 draft report is still based on the same data. Our DTLA community suffered a lot during the riots and thereafter with COVID resulting in a mass exodus of both residential owners and businesses. Right now, we are only on a pathway to recovery. As much as we would like to anticipate an economic boom from the 2028 Olympics, the current economic climate continues to create uncertainty about the future. Our community needs sensible and sound public policy to sustain viability and grow again. While we support some of the amendments proposed in the City's draft report, e.g., collecting contract maintenance and tracking fees, hiring full-time staff, and expanding participation in the program by broadening eligibility requirements, we strongly oppose the non-renewal of existing contracts for all the reasons stated above. The Mills Act is and will always be vital to our community.

Sincerely,

Jeff Sommerville
President, Douglas Property Owners Association
257 South Spring Street
Los Angeles, Ca. 90012

Cc: Ysabel Jurado, Councilmember.Jurado@lacity.org
CD 14 Councilmember
Cc: Kevin Ocubillo, kevin.ocubillo@lacity.org
CD14 Planning Director

DOUGLAS BUILDING LOFTS

— built 1899 —

257 S Spring St.
Los Angeles, CA
90012

Cc: Claudia Oliveira, claudiaoliveira.dlanc@gmail.com
President, DLANC – Downtown Los Angeles Neighborhood Council

Cc: Debbie Zhou, debby.zhou@dlanc.com
Chair of the Planning & Land Use Committee.
DLANC – Downtown Los Angeles Neighborhood Council

Cc: Lambert Giessiner, lambert.giessinger@lacity.org
Planning Staff City of Los Angeles

Planning CHC <chc@lacity.org>

Re: My 78 yr old's comments on LA City Planning/Proposed Mills Act Changes

1 message

jphilli8@ix.netcom.com <jphilli8@ix.netcom.com> Wed, Apr 23, 2025 at 7:57 AM
To: chc@lacity.org
Cc: dtlahistoricpreservation@googlegroups.com, jacquelinephillips@earthlink.net

Attention: Denise Otero, Commission Executive Assistant &

Hon. Barry Milofsky,

President

Los Angeles City Planning &

Cultural Heritage Commission

Re: April 24, 2025 at 10:00 am, Cultural Heritage Commission

Dear Los Angeles City Planning & Cultural Heritage Commission members:

I, of course, join in and support all the letters you have received and will be receiving from the Mills Act individual owners that are part of the DTLA Historic Preservation Google Groups. Those that I've read are all excellent and focus on the details of the proposed changes. I've also read and support the letters you received that were sent by 4 historic properties (one a group letter from the Douglas, Pan Am, Rowan, Eastern Columbia), the last time this came up in 2022. I, however, would like to speak to you on a very personal note, how what each of you do, will either greatly help and support my family or how what you do, will hurt us & may very likely result in our deciding to sell our Mills Act loft and move out of California again.

I will be 78 years old in a few months, am still working and my retired, disabled husband, now an amputee, will be 76 years old. We first met in Los Angeles in 1985 and we've been together now, through good times and the worst of times, for the past 40 years or so and have lived all over the US and elsewhere and recently moved back to Los Angeles.

I am a new owner of a beautiful, but small studio loft that originally came with no inside walls or partitions except for the bathroom, in the historic Pan American building which I purchased a little less than one year ago. In the simplest of terms – if you make any changes to the Mills Act that result in any significant increases to the annual costs and expenses that we individual owners are liable for, we fear we will have no choice but to sell our Mills Act protected loft condo and move out of the State of California again, i.e., back to Las Vegas or elsewhere.

Please let me explain, it's important for all of you to understand how your decisions will strongly affect us little people that you enticed to move to DTLA:

We never thought we could afford to live in California again and maintain our standard of living until I discovered the Mills Act and the several historic buildings in downtown Los Angeles whose property tax was capped low and whose monthly expenses were within our budget which relies on both my and my husband's Social Security payments and my continuing remote work as an attorney.

We had moved out of California in the fall of 2021 as we could no longer afford to live in the San Francisco bay area and at that time we also checked the prices in Los Angeles, which is the city I grew up in, attended high school, then law school later. The prices anywhere in the city of Los Angeles or even the wider county of Los Angeles, for both single family homes and condos, we felt, were simply out of our reach, financially, especially considering California's property tax. When we moved out of California in 2021, we moved to Las Vegas, where I was able to find a 2 bedroom, 2 bath condo in a 14 year old Vegas high-rise building for a relatively reasonable price we could afford, i.e., less than $500,000, with a huge swimming pool, gym, tennis courts and even valet parking for guests. It physically, was beautiful and spacious.

So what, in the world, made us leave such a beautiful condo in Las Vegas and come back to Los Angeles?

Three things:

1. We wanted to come home to California, and to Los Angeles, in particular. Las Vegas isn't Los Angeles and it's not California. Both my husband and I considered ourselves old-time Los Angelenos, e.g., I grew up here, I went to high school here, moved to San Francisco to attend State College, then came back to Los Angeles to attend law school at USC and where, my husband, a graduate of CAL, originally from Hong Kong, an architect/builder, designed and built some two dozen or so single family homes in the Hollywood Hills, including one for which he was awarded First Prize for the Most Beautiful Single Family Home in the Hollywood Hills by the California State Senate, decades ago.

2. We were told that The Mills Act was the single most important economic incentive program in California for the restoration and preservation of qualified historic buildings via a revolving 10 year contract between the city and the property owner that would be automatically renewed each year and transferred to new owners when the property is sold and that it capped the annual property taxes/expenses. We understood that at the 10 year renewal, the contract could have some limited revisions if approved by the local governing authorities, but we were led to believe any revision would never undermine one of the main goals of the Mills Act, i.e., to bring new owners and investors back to DTLA by guaranteeing certain incentives, including the critical cap on the annual taxes/expenses assessed against each individually owned residential unit. We relied on these promises. A main, and indeed, the primary incentive for my husband and I to choose to come back to California and for me to purchase a loft apartment as my primary residence was the cap on the annual property tax and expenses virtually guaranteed by the Mills Act for designated historic buildings.

3. All the beautiful, historic residential loft buildings in DTLA that are subject to the Mills Act. And the Pan American building, with an underground parking space, it's location directly across from the Grand Central market, so if we old folks weren't up to driving to a restaurant to get something to eat, we could walk across the street to the Grand Central market and find both a variety of restaurants, take-out food and fresh fruits and vegetables, was the one that had the best potential to possibly fit our needs as owner/occupiers investors. However, the particular unit I purchased had only an estimated 880 sf. L-shaped big open space, no separate bedroom, one bathroom and virtually no storage space, just a small, shallow empty hole in the wall that purported to be a "closet" with a bed sheet hanging over it for a door.

a. So how could this empty loft in DTLA in a historic building, even with the Mills Act's incentive cap on the annual property taxes, fit our needs?

i. Relying on the Mills Act's protection keeping a cap on the annual property taxes, expenses, we decided to risk investing a little more money in addition to the $535K or so I paid for the property and have my architect husband, design a layout of Ikea wall cabinets, bookcases and wardrobes and supervise their installation to totally transform that empty space.

ii. Attached are two "before" photos of what my unit looked like at the time I bought it last year, i.e., a beautiful, but totally open space with no separate bedroom area and virtually no storage space at all.

iii. Also attached are a few "after" photos of our additional investment, where my architect husband laid out a design for immense storage and 3 new, additional separate living areas, i.e., 2 office/work spaces & bedroom & fitted closet, in addition to the living and dining room, using Ikea wall cabinets, bookcases and wardrobes, improving our Mills Act Pan American loft.

b. Absent the Mills Act's cap on annual property taxes/expenses, we would never have purchased a condo in any Mills Act building, though we looked at almost all of them in DTLA and all are very beautiful, nor anywhere else in DTLA.

Before you vote to approve any changes, please think about us little folks who took a huge risk and decided to share your vision and invested a huge amount of their hard earned retirement money and bought what you were selling, a Mills Act elegant, beautiful, historic building with a cap on its annual property taxes and expenses, precisely to make it affordable to live and invest in DTLA and thereby to attract, I understood, people like my husband and I.

Please don't do anything to the Mills Act or any related legislation that would be assessed against my individual unit or against me in any way and increase my costs. Doing so would make it unaffordable for me to stay in my Pan American loft and make me feel I have no choice, financially but to move back to Las Vegas or somewhere else out of state that is more affordable.

Thank you for your time and consideration, greatly appreciated.

Sincerely,

Jacqueline Phillips

Jacqueline M. Phillips, Esq.

Email: jacquelinephillips@earthlink.net *or* jphilli8@ix.netcom.com

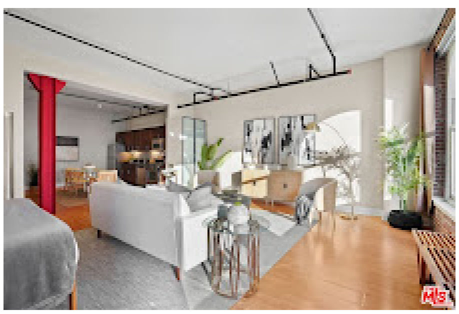
(Admitted in CA, FL and HI)

(Rated AV by Martindale-Hubbell in Los Angeles 1995-2025) (Bar Register of Preeminent Women Lawyers 2011-2025 – Martindale-Hubbell)

---

7 attachments

24-364941_0.jpg
164K



24-364941_5_0.jpg
120K

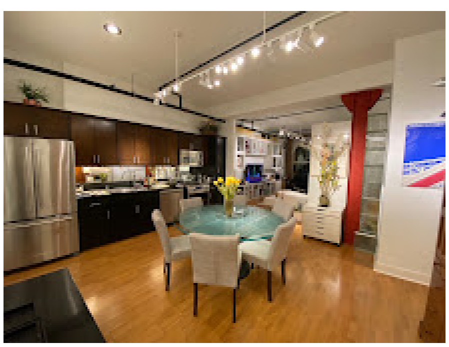


Photo1b.jpg
236K

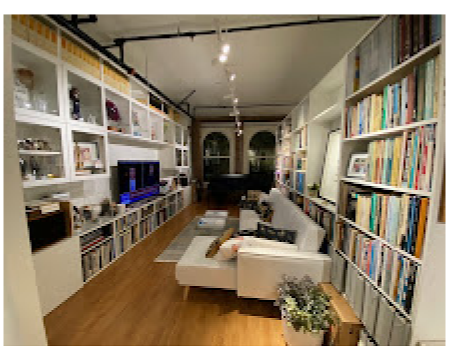


Photo2b.jpg
302K

Photo3b.jpg
254K

Photo4b.jpg
281K

Photo5b.jpg
210K

Planning CHC <chc@lacity.org>

Proposed Mills Act Changes

1 message

Janene L Dunbar <hairpik@hairpik.org> Mon, Apr 21, 2025 at 4:03 PM
To: chc@lacity.org
Cc: andrew Tamandl <atamandl@yaho.com>

Dear Commissioners,

My name is Janene Dunbar, and I've been a resident of the historic Pan American Lofts in Downtown Los Angeles since 2007. The Mills Act has been absolutely vital in enabling me—and many of my neighbors—to live in, maintain, and invest in these unique historic buildings.

The Pan American Lofts are a remarkable piece of history, featuring original wood staircases, exposed brick walls, and a beautiful Beaux-Arts exterior. However, the costs associated with preserving and maintaining these historic features are significant. Preserving these elements requires specialized materials and labor, making even routine upkeep financially challenging for owners and homeowners associations. The tax incentives provided by the Mills Act are often the crucial factor that allows us to maintain these irreplaceable features rather than letting them deteriorate. With only 40 units in our building, the burden per unit is quite high to preserve the upkeep of a 130 year old building.

I am excited that the City is revitalizing the Mills Act program, and I strongly support efforts to expand access, particularly in underserved neighborhoods. That said, I am deeply concerned about a few of the proposed changes—specifically the 20-year contract limit and the proposed increase in fees for multifamily buildings. These changes would significantly jeopardize the long-term sustainability of many historic properties, especially in Downtown Los Angeles, where maintenance costs are high and the Mills Act tax relief plays a critical role in their preservation.

At one of the previous meetings, there was a comment made regarding us homeowners as being "rich" and able to afford this upkeep without the benefit of the tax breaks. I'd like to to point out that not everyone, including myself bought their units as "second homes." Rather I bought in DTLA because it was what I could afford when the prices of homes sky rocketed. We do not use our property as a source of income, but as a place we call home.

Historic preservation is not a one-time effort; it requires ongoing care and attention. I urge you to continue supporting long-term renewal and to adopt a fair and scalable fee structure, so this important program can continue its mission of preserving LA's rich history while keeping these buildings vibrant and livable.

Sincerely,
Janene Dunbar

Planning CHC <chc@lacity.org>

Fwd: Opposition to Changes to L.A.'s Mills Act Program!

1 message

Melissa Jones <melissa.jones@lacity.org> Mon, Apr 21, 2025 at 9:22 AM
To: Planning CHC <chc@lacity.org>

LOS ANGELES CITY PLANNING

Melissa Jones
Pronouns: She, Her, Hers
City Planner
Los Angeles City Planning
Office of Historic Resources
221 North Figueroa Street, Suite 1350
Los Angeles, CA 90012
T: (213) 847-3679 | Planning4LA.org
E-NEWS

---------- Forwarded message ---------
From: **Jay Ross** <ross_jay@hotmail.com>
Date: Fri, Apr 18, 2025 at 12:27 PM
Subject: Opposition to Changes to L.A.'s Mills Act Program!
To: Melissa.Jones@LACity.org <Melissa.Jones@lacity.org>, Lambert.Geissinger@LACity.org <Lambert.Geissinger@lacity.org>

To LA City,
I support the LAC and their efforts against these changes.

From: L.A. Conservancy Action Alert <news@laconservancy.org>
Sent: Friday, April 18, 2025 12:10 PM
To: Jay Ross <ross_jay@hotmail.com>
Subject: Help Prevent Detrimental Changes to L.A.'s Mills Act Program!

Click here to view this message in a browser window.

LOS ANGELES
CONSERVANCY
ACTION ALERT

Help Prevent Detrimental Change to L.A.'s Mills Act Program!

On Thursday, April 24, the Los Angeles Cultural Heritage Commission will hear public comments on the City's Draft Policy Updates and Ordinance Amendments to the Los Angeles Mills Act program.

Join us in voicing concerns about proposed changes that could harm existing Mills Act contracts and undermine the effectiveness of L.A.'s preservation program.

The Mills Act is the single most impactful incentive program for preserving historic buildings. The state program enables cities to offer property tax reductions to owners of historic buildings in exchange for ongoing maintenance and preservation efforts. Since 1996, Los Angeles has run its own local Mills Act program, the largest in California with over 900 Mills Act contracts. Since 2020 the program has been on hold with no new contracts. While some proposed updates could expand access and improve equity, other updates could make the program harder to use or reduce its effectiveness.

In the Draft, the City proposes potentially harmful changes, including significant new fees, revised eligibility rules, updated contract terms and limits, and the elimination of current exemption areas, which include downtown Los Angeles and Hollywood.

The Conservancy supports the Mills Act and believes an updated program can continue to help preserve the stories and historic buildings of Los Angeles communities. However, the current recommendations by the City need to be reconsidered.

Read our position letter submitted to the Cultural Heritage Commission.> >

This program has supported the preservation of hundreds of historic places, including the Stahl House, Oviatt Building, Village Green, and the Eastern Columbia Building.

Photo credits: Eastern Columbia by Adrian Scott Fine/L.A. Conservancy

E-News - Facebook - Twitter - Instagram - Tumblr

Annual membership starts at just $50!
Join the Conservancy today »

via email
April 21, 2025

City of Los Angeles Cultural Heritage Commission
200 N Spring St.
Los Angeles, CA 90012
c/o Denise Otero, Commission Executive Assistant I

RE: Mills Act Historical Property Contract Program Draft Policy Updates and Ordinance Amendments

Dear Commissioners,

Thank you for the opportunity to comment on the above referenced Draft Proposal. I write on behalf of Jefferson Park United (JPU). JPU unequivocally supports the preservation of designated historic properties. Working in the Jefferson Park community within the neighborhood of West Adams, JPU has for more than 15 years taken a leadership role in preservation activities including the creation of the Jefferson Park Historic Preservation Overlay Zone (HPOZ) which is the 2nd largest HPOZ in the City. JPU is represented by Council District 10 which includes 209 properties under Mills Act Contracts comprising 21% of the total properties in the Program, 16 of which are in the Jefferson Park HPOZ. Most of the Mills Act Program properties in CD10 are in what the City defines as areas with "*barriers to opportunities*".

JPU agrees with the Planning Department, that since 1997, the Mills Act has served as the City's "*primary financial incentive for historic preservation offering property tax savings for owners who invest in the rehabilitation and restoration of historic buildings*."[1] It is a program that highlights the importance of Los Angeles' diverse cultural history through its architecture and is worth supporting.

The published primary mission for the City's iteration of the statewide Mills Act Program is consistent with the Act's author, State Senator James Mills, when he stated in February 1977:

> *"My legislation will provide an **incentive to preserve historically significant landmarks so that future generations will be able to appreciate California's cultural diversity**."*

The Act recognizes that **historic preservation of recognized important buildings requires a long-term, multi-generational commitment and resources**. Thus, it achieves the program goal by ***incentivizing historic preservation in perpetuity*** by

[1] Los Angeles Department of City Planning, Mills Act Historical Property Contract Program; https://planning.lacity.gov/preservation-design/historic-resources/incentives-resources/mills-act (accessed April 19, 2025).

reducing the property tax of the property owner and mandating that the contract awarded to the applicant stay with the property when ownership changes.[2]
The intent of the property tax savings is for contract holders to *invest in on-going preservation* of the historic property through appropriate and approved restoration, rehabilitation, and maintenance of the property consistent with the Secretary of the Interior's Standards for Rehabilitation.

Planning Department Wants to Redefine the Mission of the Mills Act:
The Department, through the Draft Proposal, is asking the Cultural Heritage Commission (CHC) to endorse **a fundamental conceptual change to the mission of the Mills Act Program** by eliminating the foundational principle of the CA law[3] and City Municipal Code[4]: The present and future **Historic PRESERVATION of the contracted property**. **The change seeks to redefine the program from long-term historic preservation to short term rehabilitation by:**

> "…***incentiviz[ing] a scope of historic rehabilitation work to be completed over an initial 10-year period***" (Draft Proposal, p7. #9) [emphasis added].

The result of the Planning Department's fundamental change to the conceptual framework of the Mills Act will be the erasure of the City Council's stated goal of long-term preservation of historic properties which it indicated in the ordinance as, "*a cultural benefit to the citizens of Los Angeles*".[5]

The governing State Mills Act law and City ordinance specifically state that **preservation is the goal of the Program and that "*restoration*" and "*rehabilitation*" are the means to achieve the preservation goal**:

---

[2] CA Government Code Article 12, Section 50281(b)(3). The Mills Act contract shall be, *"…binding upon, and inure to the benefit of, all successors in interest of the owner. A successor in interest shall have the same rights and obligations under the contract as the original owner who entered into the contract*."
Los Angeles Administrative Code: Division 19, Chapter 14 - Approval of Historic Property Contracts, Sec. 19.143. Required Provisions of Historical Property Contracts, "*The required provisions of a Historical Property Contract shall be those required by California Government Code Sections 50281 and 50282, including, but not limited to: (d) a provision binding all successors in interest of the owner to the benefits and burdens of the contract*". (Accessed April 1, 2025)

[3] CA Government Code Article 12, Section 50281. "*Any contract entered into under this article shall contain the following provisions: (a) The term of the contract shall be for a minimum period of 10 years. (b) Where applicable, the contract shall provide the following: (1) For the preservation of the qualified historical property and, when necessary, to restore and rehabilitate the property to conform to the rules and regulations of the Office of Historic Preservation of the Department of Parks and Recreation, the United States Secretary of the Interior's Standards for Rehabilitation, and the State Historical Building Code….*" (Accessed April 1, 2025)

[4] Los Angeles Administrative Code: Division 19, Chapter 14 - Approval of Historic Property Contracts: "*The City Council finds and determines that entering into Historical Property Contracts as hereinafter provided, will provide an incentive for the owners of the City's Historic-Cultural Monuments to preserve their properties, thereby providing a cultural benefit to the citizens of Los Angeles*." (Accessed April 1, 2025)

[5] Ibid.

> "*For the preservation of the qualified historical property and, **when necessary**, to restore and rehabilitate the property…*" [emphasis added],[6]

Yet, in spite of the clear unambiguous language in the applicable laws, the Planning Department proposes to create a new interpretation of State law that privileges rehabilitation over long term preservation. In the process, Planning seeks to remove a significant number of Mills Act contracts from the Program [p9], many of which are in "*low resource*" communities, and eliminate long term preservation as the goal.

The radical change of the Program's Mission from a long-term commitment to preservation of the historic property, which by its very nature is an endeavor that lasts the lifetime of the property, to merely short term restoration and rehabilitation, undermines and eliminates the core purpose of the incentive, that is, long term or generational historic preservation of the property. The Planning Department's Proposal seeks to sacrifice the mission of the Mills Act to develop a revenue stream that supports increased administrative staff while advancing reduced program aims.

Planning Department is Unresponsive to Stakeholder Concerns

Planning Department Director Vincent Bertoni indicated in his December 1, 2022, letter to the CHC that the Department had surveyed the stakeholder community and found:

- "*82 percent of online survey form respondents (224), and the majority of those who e-mailed their comments, did not support limiting the term of Mills Act contracts to 20 years. Many emphasized that caring for an historic property is a long-term commitment and maintenance is constant. A few respondents stated that since preserving original, historic features is expensive, it often takes a homeowner multiple years to save up the funds to complete contract work.*"
- Director Berntoni highlights that two significant organizations representing the stakeholder community (LA Conservancy and the West Adams Heritage Association (WAHA)) opposed the proposal "*to not renew older contracts*" because:
  - "*Many historic resources will be left vulnerable in the future, and this recommendation goes against the original intent of the Mills Act program. In addition, it will unwind more than twenty-five years of historic preservation progress and a system through which historical resources are afforded strong protections*.
  - "*While a long-term owner may have benefitted from a Mills Act contract for many years, they will experience diminishing financial returns over time and the property becomes less of a financial "drain" on the overall program. However, when and if a longtime Mills Act contract property is sold, there is a built-in incentive to a new owner to do right by the historical property and continue its preservation stewardship*.
  - "*Not renewing any of the 412 existing contracts in areas with fewer resources would run counter to the equity priority considerations outlined in the report*."

---

[6] Los Angeles Administrative Code: Division 19, Chapter 14 - Approval of Historic Property Contracts: Sec. 19.143.(b) and CA Government Code Article 12, Section 50281(b)(1).

While Director Bertoni applauds his Department's community outreach, he then submits for your consideration the current Draft Proposal that **NEGATES** the community's unequivocal response.

Perhaps, the revised Proposal dismisses these important stakeholder comments without substantive explanation because the concerns inconveniently interfere with the goal of the Proposal, that is, changing the mission of the Program from long term preservation to short term rehabilitation to increase revenues and administrative staffing.

Ultimately, if approved, **the Draft Proposal will undercut the City's long-term, significant financial investment in historic preservation through the Mills Act. The financial investment could very well be lost when the protections for the properties are removed through cancellation of contracts, and the properties are subsequently damaged or destroyed.**

JPU Fully Supports Three of the Requests from Planning:
We fully support three elements of the Planning Department's administrative requests that have merit, as each has a high likelihood of helping current and future Mills Act contract holders achieve the goals of the Program and enhance the Department's accountability and transparency. A fourth element we support with reservations as noted below.

JPU asks the CHC to support the Planning Department's following requests through necessary augmentation of the Department's current budget that will:

1. *Provide updated information technology* (IT) infrastructure for the Mills Act Program such as enhancements to allow for the creation of robust data tracking systems,
2. *Create policies and procedures that increase diversity & broaden community inclusion* in the Mills Act Program, and
3. *Develop program assessment/quality improvement mechanisms* that will use the data from the enhanced IT support to allow the Department to systematically collect relevant data, to continuously enhance its processes and systems, to create a more transparent Program through web-based posting of the data, and to provide for data driven, evidence based evaluative outcomes and future recommendations.

These three solely internal administrative enhancements are appropriate and should serve to improve the Program, allow for increased equitable participation, enhance and refine data collection and analysis, and enable the posting of the data for public view to provide greater Program transparency and accountability.

4. JPU supports a fourth element, ***Enhancement of Contract Compliance & Related Fees***, with reservations. We propose the following necessary modifications prior to approval. We strongly recommend that Planning:

a. ***Increase transparency*** in the Compliance Program by developing in collaboration with Mills Act stakeholders and then publishing/distributing:
   - ***Objective standards*** that are used to determine non-compliance, AND
   - ***Due process policies*** for inspections, compliance review and contract cancellation

The objective non-compliance standards should be published on the Mills Act website and distributed to all Mills Act stakeholders.

b. *Inspections*: Make the 5 year inspections less onerous on staff and owners. Currently, inspections are **overly detailed**, **overly punitive**, and **not kept current**, *resulting in inefficient use of staff time and resources*. Planning, in collaboration with Mills Act Stakeholders, should update the inspection process by including the option of virtual inspections to increase efficiency and reduce costs. The City should also reduce and focus staff administrative time by developing an annual required "report in" questionnaire for every Mills Act property owner to complete and return (paper and on-line), reporting on the work to date and indicating the expenses incurred, in the prior year. The City should share the completed form with the Los Angeles County Assessor.

c. *PRESERVATION OF CONTRACT LENGTH AND CONTRACTS*: The Planning Department claims that to make administrative room for new contracts, it must drop/phase-out contract holders who are in the program longer than 10 years. The City justifies dropping/phasing out contract holders after 10 years by claiming it is necessary to allow for new properties to participate in the program that can pay the additional fees that will support additional staff.

   c[1]. *Preservation of Contract Length*: The City should NOT reduce the length of contracts without just cause and after due process (see above). Dropping existing owners that fulfill the terms of the contract defeats the goal of long-term preservation of the property by eliminating the accrual of the tax reduction benefit to future owners that will support on-going preservation of the property which as indicated in the ordinance is "*a cultural benefit to the citizens of Los Angeles*."

   The Department does NOT explain how dropping compliant contracts is consistent with the letter and spirit of the governing State law to use the program for permanent preservation of historic properties. Instead, it justifies dropping such owners from the program solely to suit its own administrative needs and to create a revenue stream.[7] Turning the mission of the program away from long-term, multi-generational historic preservation to a short-term rehabilitation program defeats the Department's important obligation under State and local law to maintain properties under the Mills Act in perpetuity.

[7] Los Angeles City Planning, Mills Act Historical Property Contract Program Draft Policy Updates and Ordinance Amendments; "*…Reducing the number of existing contracts in the program would free up capacity for new applications and under the assumption that additional resources are procured, enable the program to be managed more effectively.*" p8.

The obligation ensures the investment in historic preservation is not lost by continuing to protect and monitor our cultural inheritance through the long-term historic preservation of the properties under contract.

c[2]. *Preservation of Contracts*. The City should not cancel/non-renew contracts, unless it demonstrates through appropriate, published policies and due process procedures (see above) that the owners are non-compliant and no further remedies are practicable.

Giving with One Hand - Taking Away with the Other:
It is important to note that the Planning Department's fee system reduces and ultimately ***removes financial incentives*** that, per State law, are intended to accrue to contract holders for the specific purpose of the ***historic preservation*** of contracted properties. Ultimately, the Mills Act program provides tax incentive based financial support for ***historic preservation***. The Department's recently enacted contract maintenance fee schedule of $2,924 every five years ($584/year) for post-2013 contract holders substantially reduces, if not eliminates, the incentive intended for initial and on-going historic preservation of the property by taking part of the incentive away from property owners in order to support staff salaries. Such a fee system is particularly onerous for contracts for single family homes. *This is commonly called giving a benefit with one hand and taking it away, in whole or in part, with the other*.

- The Department understands that the property tax incentive is reduced over time yet, the fees are not subject to a concomitant reduction [p9]. It cites this fact as a justification for dropping compliant owners from the Program and changing the mission of the Program to solely support rehabilitation.

- The Department in its Draft Proposal does NOT examine the reasons or even pose the question why owners may want to continue in a program in which the financial incentive diminishes over time. The Department totally ignores the answer clearly presented in response to its own survey (see above), that is, the owners' commitment to historic preservation extends beyond personal financial benefit and embraces the concept that their commitment and sacrifice benefits future generations by preserving their cultural inheritance.

- ***The Department should not be allowed to abandon the Mills Act mission of multi-generational preservation of historic properties in favor of a Program solely devoted to short term rehabilitation projects.***

FEE SYSTEM WILL NOT ACHIEVE EQUITY GOALS: To achieve the laudable goal of greater equity, Planning proposes utilizing an "Opportunity Map" to determine which applications should be exempt from Mills Act fees [p8]. Though a geographic exemption from onerous fees may conceptually sound good, it is based on broad stereotypes and over generalizations about the property owners in certain neighborhoods. It is illogical and it denies the fact that property owners in a given area usually fall within a range of income, from those with limited financial means to those with greater means. Though in principle JPU objects to a fee scheme that gives with one hand and takes away with the other, we request that if such fees are used, they be based on the income of the owner rather than on the geographic location of the property. Such a system should not be created absent substantive stakeholder community input.

Changing the Rules in the Middle of the Game – New Fees for pre-2014 Contracts: The Department proposes to "*…coordinate with the City Attorney's Office and the City Council to amend pre-2014 Mills Act contracts to add enabling language for fee collection*" [p5, #3]. The proposal does not include discussion with the primary Mills Act stakeholders and thus implies unilateral changes to existing contracts without the input and consent of the owners. Generally, a contract cannot be changed unilaterally without the consent of all parties involved, and any changes made without the other party's consent are likely invalid and unenforceable. Finally, the Department should not be allowed to coerce contract modifications, that is, the owner should not be forced to capitulate to the imposition of new, previously not contemplated fees or be dropped from the Program.

Community Engagement is a Necessary Component of Democracy
Director Bertoni outlines the outcomes of the Community Engagement activities including polling data. Yet, as noted above, the Proposal does not reflect an analysis of the community engagement or the strong message they received from the Mills Act stakeholders. To this end, JPU recommends that Planning:

CREATE A MORE DEMOCRATIC & REPRESENTATIVE PROCESS:
1. Planning should add a diverse array of representatives from among the primary stakeholder community, that is, Mills Act property owners, to its drafting of the Proposal and decision-making process.

2. We recommend that Planning obtain and consider feedback, provide a fair comment period, and publish a fair and balanced outline of comments and Planning's response to each before it proposes substantive changes to policies and ordinances that directly impact Mills Act property owners. Such a practice would be consistent with requirements on California and Federal agencies through the California and Federal Administrative Procedure Act (APA).

JPU supports adding Planning Staff to support the Mills Act program. The Draft Proposal, however, provides no discussion of more creative uses of the Department's budget. The budget is currently used to employ expensive contract staff instead of hiring permanent staff. Permanent staff should replace the more expensive and financially wasteful contract staff currently employed by the Department. The staffing, however, should be supported through augmentation of the Department's City budget rather than an annual *unpredictable and uncontrollable* number of new contracts that are projected but not guaranteed to provide sufficient revenue to make the Program "self-sustaining".

JPU supports the Mills Act Program as an important incentive to preserve Los Angeles' cultural, social, and political history through its architecture. We hope that the CHC will direct Planning to redraft its Proposal and require it to focus on how any proposed changes to the Program will help the current and future Mills Act Contract Holders accomplish the mission of the Act as articulated by Senator Mills: The long term preservation of ***"historically significant landmarks so that future generations will be able to appreciate California's cultural diversity***."

Sincerely,

Steven Peckman

Steven Peckman
on behalf of Jefferson Park United

cc: Hakeem Parke-Davis, Deputy CD10 Deputy for Planning and Economic Development
Ken Bernstein, Office of Historic Resources
Lambert Giessinger, Office of Historic Resources
West Adams Heritage Association
United Neighbors Neighborhood Council

Planning CHC <chc@lacity.org>

Proposed Mills Amendments - Public Comment

1 message

John Kim <jyk595@gmail.com> Mon, Apr 21, 2025 at 8:54 AM
To: chc@lacity.org

Dear Commissioners,

My name is John Kim, and I'm a homeowner at The Rowan Building in DTLA. The Mills Act has been a lifeline for buildings like ours, making it financially viable to preserve historic architecture in the heart of the city while also keeping living costs relatively affordable.

The Rowan is a cornerstone of Downtown's architectural history, with original brickwork, steel-framed windows, and a marble-clad lobby that has been carefully restored. These elements require ongoing care and specialized maintenance, which comes at a premium. The Mills Act doesn't just help preserve the building's integrity—it directly impacts affordability by offsetting the high costs of historic upkeep through much-needed property tax relief.

As the Commission charged with protecting Los Angeles's cultural and architectural heritage, I know you understand that the Mills Act is one of the few tools that links preservation with affordability. If the proposed changes move forward—particularly the 20-year contract limit and increased fees for multifamily buildings—the financial strain will inevitably be passed down. Property taxes will rise, and so will the cost for renters, which is the majority of DTLA residents. Without the Mills Act, many buildings will be forced to raise rents just to cover the sharp increase in property taxes.

In effect, removing or weakening this program doesn't just jeopardize historic preservation—it accelerates displacement. It makes Downtown even less accessible to middle-income residents and undermines the livability of the very communities these historic buildings anchor. We are already facing a crisis Downtown as businesses leave and crime is at its highest. We cannot afford to have another exodus of owners.

I support the City's efforts to expand and improve the Mills Act, especially in underrepresented neighborhoods. But it's critical that reforms are structured to strengthen—not destabilize—existing historic buildings and the people who live in them. I urge you to advocate for long-term contract renewal options and a fair, especially for those unique high-density, affordable condominiums.

The Cultural Heritage Commission's mission is to safeguard our city's architectural legacy—and that includes making sure these places remain cared for, lived in, and financially sustainable for years to come.

Sincerely,
-John Kim

--
John Kim | johnyoung.kim

Planning CHC <chc@lacity.org>

Public Comment on Proposed Mills Act Changes

2 messages

Josh Gray-Emmer <dtlajosh@gmail.com> Sun, Apr 20, 2025 at 11:59 AM
To: chc@lacity.org
Cc: dtlahistoricpreservation@googlegroups.com

ATTN:Denise Otero,

Commission Executive Assistant

Dear Commissioners,

My name is Josh Gray-Emmer, and I've lived at the historic El Dorado Lofts in Downtown LA since 2010. The Mills Act has been absolutely essential to making it possible for me—and many of my neighbors—to live in, care for, and invest in these incredible historic buildings.

El Dorado is a stunning building with original 1914 Batchelder tile, marble staircases, decorative ironwork, and massive historic skylights that are beautiful—but also extremely costly to preserve and repair. These kinds of details require specialized labor and materials, which means even basic upkeep can be financially daunting for owners and HOAs. The tax relief provided by the Mills Act is often the difference between maintaining these irreplaceable features or watching them deteriorate.

I'm thrilled that the City is reactivating the program, and I strongly support expanding access, especially in underserved areas. That said, I'm deeply concerned about a few proposed changes, especially the 20-year contract limit and significantly higher fees for multifamily buildings. These would undermine the long-term viability of many historic properties, particularly in Downtown where maintenance costs are high and tax relief through the Mills Act makes a real difference.

Historic preservation isn't a one-time fix—it's ongoing. Please continue to support long-term renewal and fair, scaled fees so this program can keep doing what it was designed to do: preserve LA's history while keeping these places vibrant and livable.

Sincerely,
Josh Gray-Emmer

anita to <anitato3988@gmail.com> Mon, Apr 21, 2025 at 9:41 AM
To: dtlahistoricpreservation@googlegroups.com
Cc: chc@lacity.org, dtlahistoricpreservation@googlegroups.com

Hi Josh,

Thank you for sharing.
Sent from my iPhone

> On Apr 20, 2025, at 11:59 AM, Josh Gray-Emmer <dtlajosh@gmail.com> wrote:
>
> [Quoted text hidden]
> --
> Unsubscribe, email to dtlahistoricpreservation+unsubscribe@googlegroups.com
> View, https://groups.google.com/a/googlegroups.com/d/msg/dtlahistoricpreservation/topic-id/message-id
> ---

Planning CHC <chc@lacity.org>

Support for Continuing Mills Act Designation – Biscuit Company Lofts, Unit 311

1 message

Justin Shenkarow <justinfilm@gmail.com> Sat, Apr 19, 2025 at 8:19 PM
To: CHC@lacity.org

To Whom It May Concern:

My name is Justin Shenkarow, and I am a homeowner in Unit 311 at the Biscuit Company Lofts, located in the heart of the Los Angeles Arts District. I'm writing to express my strongest support for the continued Mills Act designation for our building—a landmark of Los Angeles' architectural and cultural history.

Built in 1925 as the West Coast headquarters for the National Biscuit Company (Nabisco), the Biscuit Company Lofts is one of the most iconic and historically significant residential buildings in Los Angeles. Designed by noted Beaux-Arts architect E.J. Eckel, it is a rare and preserved example of early 20th-century industrial architecture.

The building's historic integrity is evident throughout its structure, including:

- Original 1-inch thick maple floors from the 1920s
- Hand-laid terrazzo floors
- Massive industrial steel-framed windows
- Original copper-clad doors
- And exposed brick walls from the 1920s that give the building its distinctive character, among many other historical elements

Preserving these features is not simply a point of pride, it is an ongoing and expensive responsibility. We are required to use certified historic contractors and materials that meet preservation standards, which significantly increases costs. As a result, our HOA dues are among the highest in the Arts District and Downtown Los Angeles, entirely due to the scale and complexity of maintaining a historic building of this nature.

This is why the Mills Act is essential.

The Mills Act is the single most important economic incentive program in California for the restoration and preservation of qualified historic buildings. It allows private homeowners to offset the significant costs of preservation by offering property tax relief, making it financially possible to maintain historically significant structures like the Biscuit.

Without this relief, the burden of maintenance becomes too great and the risk is that our building will fall into disrepair. We don't want to lose the integrity of this historical structure. But without the Mills Act, it becomes increasingly likely.

The Biscuit Company Lofts is more than a building. It is an anchor of the Arts District, and a key reason why world-renowned restaurants like Camilla, Bestia, Bavel, Girl and the Goat, Manuela, Damian, Cha Cha Chá, and others have set up here which have helped to generate substantial economic growth and tax revenue for the city.

And importantly, Biscuit is also a diverse, inclusive residential community of artists, creatives, animators, writers, photographers, actors, professionals, and working-class homeowners. It is one of the few places in the city that still offers a somewhat affordable ownership within a historic context.

Removing the Mills Act would jeopardize the preservation of the building and the future of the community. I moved into a living piece of Los Angeles history. And like many of my neighbors, I'm doing everything I can to preserve it. But we can't do it alone.

I respectfully urge you to continue supporting the Mills Act designation for the Biscuit Company Lofts, not just for us as homeowners, but for the benefit of the Arts District, and for the ongoing protection of Los Angeles' irreplaceable cultural and architectural heritage.

Sincerely,

Justin Shenkarow

Justin Shenkarow

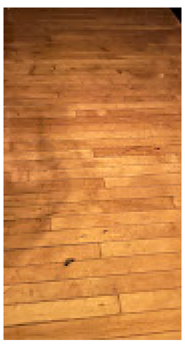
Homeowner, Unit 311

Biscuit Company Lofts

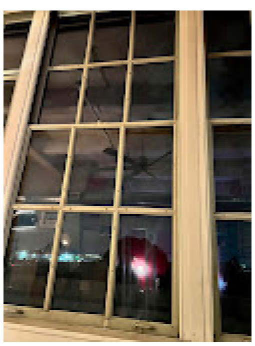
---

3 attachments

original Terrazzo floors.jpg
135K



Original 1" wood floors.jpg
133K



Original Windows.jpg
170K

Planning CHC <chc@lacity.org>

Mills Act Program Release of Draft Policy Updates and Ordinance Amendments

1 message

AOL <northlemon@aol.com>
To: CHC@lacity.org
Sat, Apr 19, 2025 at 8:41 PM

The proposal to drop long standing Mills contracts for no reason other than they are long standing is devoid of economic logic or rational reasoning. Major downtown multi story buildings of historical significance do not require a short term renovation and be done. They require long term continuous maintenance. My building- the classic art deco star of Los Angeles - the Eastern Columbia building just required a near $10 million dollar restoration of its iconic terracotta facade (just 20 years after it was last done) Do you think that the residents who all paid for this would be happy to continue to do this in the future without the benefit of the Mills Act tax savings. No.

If you do not want to lose the iconic glory of these downtown gems then do not remove their Mills Act status. It would cause irreparable harm to the downtown of this city that I presume you wish to protect and celebrate.

Katie Galley
Downtown resident and downtown employer.

Planning CHC <chc@lacity.org>

Re: 2025 Mills Act Update – Draft Policy Updates and Ordinance Amendments

1 message

Kyley Sanford <kyleysanford@gmail.com> Tue, Apr 22, 2025 at 4:43 PM
To: CHC@lacity.org

Dear Members of the Cultural Heritage Commission,

I am the original owner and resident of apartment 911 in The Higgins Building on 2nd & Main Streets. I am so proud to be a part of this living historical building built in 1910 because it's also a part of my history. You see, my 1st job was with Unocal, Union Oil of California. They, Mobil Oil and General Oil all started here in my building. The Mills Act has made it affordable for me to continue living in DTLA after retirement. I know my money is going into the upkeep of my building. We recently refurbished the outside of the building and that was only made possible from a special HOA assessment, which all the owners contributed. This financial burden was eased because of the Mills Act.

I am in agreement with the Los Angeles Conservancy following amendments to the Draft Policy Updates and Ordinance Amendments:

 Administrative Change 2 – Provide significant fee discounts for multifamily properties and introduce a cap to prevent excessive fee collection on larger buildings.
 Administrative Change 3 – Consider amending older Mills Act contracts only during 10 year renewal window.
 Administrative Change 9 – Retain current perpetual renewal practice for Mills Act contracts, discarding proposed 20 year phase-out.
 Ordinance Amendment 2 – Increase assessed value limits for single-family homes citywide to $2.5 million to account for inflation.
 Ordinance Amendment 3 - Maintain valuation exemption areas in Downtown & Hollywood. Additionally grant a citywide exemption for ARO properties.
 Ordinance Amendment 4 – Exempt multifamily, commercial and industrial properties from valuation caps in Low Resource areas.
 Ordinance Amendment 7 – Expand eligibility of California and National Register properties only to multifamily properties.
 Ordinance Amendment 8 – Prioritize RSO properties in Low Resource areas as a form of naturally occurring affordable housing.
 Additional Ordinance Amendment - Cancel Mills Act contracts for properties using the Ellis Act to remove RSO units from the rental market.

Thank you for your service,
Bryan Kyley Sanford
310.709.6213

108 W 2nd Street
Apt 911
Los Angeles, CA 90012

--
The soul is that which beholds
Beauty
even when the mind denies it
Grateful
Blessing
Accepting
LOVING
Joyful :-)'

Planning CHC <chc@lacity.org>

ATTN: Denise Otero: In support of the Higgins Building - Mills Act
1 message

Stacie Chaiken + Marty Berg <chaikenberg@gmail.com> Mon, Apr 21, 2025 at 12:28 PM
To: chc@lacity.org

ATTN: Denise Otero,

Commission Executive Assistant

Cultural Heritage Commission

Dear Commissioners,

My name is Stacie Chaiken. My partner Martin Berg and I have lived at the historic Higgins Building in Downtown LA since 2006. The Mills Act has been absolutely essential to making it possible for us—and many of our neighbors—to live in, care for, and invest in this incredible historic building.

The Higgins Building, a Los Angeles landmark on the National Registry of Historic Places, is a remarkable example of the Beaux Arts style. An innovative ten-story steel-reinforced structure, it was the legendary AC Martin's first project as an engineer. -

It boasts the original 1910 keystone tile, marble staircases, and decorative ironwork that are beautiful—but also extremely costly to preserve and repair. These kinds of details require specialized labor and materials, which means even basic upkeep can be financially daunting for owners and HOAs.

The restoration of our facade alone cost over $5 million.

The tax relief provided by the Mills Act has made the difference between maintaining these irreplaceable features or watching them deteriorate.

I'm glad the City is reactivating the program, and I strongly support expanding access, especially in underserved areas. That said, I'm deeply concerned about some of the proposed changes, especially the 20-year contract limit and significantly higher fees for multifamily buildings.

These undermine the long-term viability of many historic properties, particularly in Downtown where maintenance costs are high, property values low, and tax relief through the Mills Act makes a real difference.

Historic preservation ongoing. Please continue to support long-term renewal and fair, scaled fees so this program can keep doing what it was designed to do: preserve LA's history while keeping these places vibrant and livable.

Many thanks,

Stacie Chaiken and Martin Berg

m a r t y   b e r g +
s t a c i e   c h a i k e n

higgins building
108 west 2nd street 507
Los angeles 90012

415.244.7947 MB
310.713.8841 SC

chaikenberg@gmail.com

April 17, 2025

Cultural Heritage Commission
200 N. Spring Street
Los Angeles, CA 90012
chc@lacity.org

RE: Stakeholder Comments on Proposed Mills Act Ordinance Amendments

Dear Cultural Heritage Commissioners,

My name is Nick Leathers, and I am a resident of the Rowan Building, LA Historic-Cultural Monument No. 772, in the Historic Core of Downtown Los Angeles. I am also a first-time condominium homeowner and Mills Act contract holder. I am writing to express serious concerns regarding proposed changes to the Mills Act Program as outlined in the draft policy updates currently under review.

The Mills Act has been one of the few tools available to help make homeownership attainable in Downtown Los Angeles, especially for younger professionals, first-time buyers, and those of us committed to investing in the long-term preservation of our city's historic buildings. The incentive is not just about financial relief, it's about making it feasible for everyday Angeleno's to take on the responsibility of maintaining aging, often fragile, structures in a dense and complex urban setting.

The proposed changes, including the elimination of contract renewals and new contracts for condominium owners in multifamily buildings, feel disproportionally punitive to Downtown residents. Most of us do not have the same resources or political representation as those in single-family homes in HPOZ neighborhoods. We are often left out of preservation conversations, despite our buildings making up a significant portion of the City's Mills Act inventory and contributing to the cultural and architectural integrity of Los Angeles.

Many Downtown owners purchased with the understanding that the Mills Act was a long-term preservation tool, one that balanced the financial burden of maintaining these buildings with a commitment to stewardship. Rolling back these protections now would undermine that trust and could have long standing consequences for the continued revitalization and livability of our urban core.

I urge the Commission to consider the unique conditions faced by homeowners in the Historic Core and throughout Downtown, and to consider alternatives that preserve the Mills Act's value for multifamily buildings. Any reform effort should be equitable and sensitive to the realities of those of us who are trying to maintain the integrity of our shared history, not just for ourselves, but for future generations.

Thank you for your time and consideration.

Sincerely,

Nick Leathers
Rowan Building, HCM No. 772
460 South Spring Street
Los Angeles, CA 90013

Planning CHC <chc@lacity.org>

Mills Act.

1 message

pedro canizalez <pcanizalez@hotmail.com> Mon, Apr 21, 2025 at 11:48 AM
To: "CHC@lacity.org" <CHC@lacity.org>
Cc: Haley Beenenga <haleybeenenga@gmail.com>, Justin Shenkarow <justinfilm@gmail.com>

Sent from my iPhone To Whom It May Concern,

My name is Pedro Canizales. My wife and I are homeowners in Unit 303 at the Biscuit Company Lofts, a vibrant community in the Arts District, near the heart of DTLA.

As a Venezuelan immigrant, owning a home in the United States was one of my utmost dreams. After learning English and earning my Masters degree in LA, I worked many jobs and saved for years to finally afford a home. When a spot opened up at the Biscuit Lofts, I jumped at the opportunity to live in such a historical and beautiful building.

Of course, a large part of my ability to purchase, and continue living in this building has been the implementation of the Mills Act. The property tax relief the Mills Act not only allows owners to maintain the historical integrity of the building, (the maintenance of which is quite expensive), but it also allows its residence (comprised of artists, writers, photographers, and working-class professionals) to own a home of their own in an otherwise often cost-prohibitive market.

I have lived at the Biscuit Lofts for 9 years, and I can say that the building is absolutely treasured and a point of pride for all who live in it. Maintaining such a historical landmark takes work and specialized care, and contributes to the cultural heritage of our great city. I would ask that the committee maintain the Mills Act for the Biscuit Lofts. It attracts so many unique and diverse businesses, restaurants,and people.

Thank you for your time in my request,

Pedro Canizales

Planning CHC <chc@lacity.org>

Public Comment on Proposed Mills Act Changes

1 message

Peter Pappas <peteinla@aol.com> Mon, Apr 21, 2025 at 12:31 PM
Reply-To: Peter Pappas <peteinla@aol.com>
To: "chc@lacity.org" <chc@lacity.org>
Cc: PETER PAPPAS <peteinla@aol.com>

To Whom It May Concern:

My name is Peter Pappas, and I am a homeowner of Unit 112 at the Biscuit Company Lofts, located in the heart of the Los Angeles Arts District. I'm writing to express my strongest support for the continued Mills Act designation for our building—a landmark of Los Angeles' architectural and cultural history.

Built in 1925 as the West Coast headquarters for the National Biscuit Company (Nabisco), the Biscuit Company Lofts is one of the most iconic and historically significant residential buildings in Los Angeles. Designed by noted Beaux-Arts architect E.J. Eckel, it is a rare and preserved example of early 20th-century industrial architecture.

The building's historic integrity is evident throughout its structure, including:

- Original 1-inch thick maple floors from the 1920s
- Hand-laid terrazzo floors
- Massive industrial steel-framed windows
- Original copper-clad doors
- And exposed brick walls from the 1920s that give the building its distinctive character, among many other historical elements

Preserving these features is not simply a point of pride, it is an ongoing and expensive responsibility. We are required to use certified historic contractors and materials that meet preservation standards, which significantly increases costs. As a result, our HOA dues are among the highest in the Arts District and Downtown Los Angeles, entirely due to the scale and complexity of maintaining a historic building of this nature.
This is why the Mills Act is essential.

The Mills Act is the single most important economic incentive program in California for the restoration and preservation of qualified historic buildings. It allows private homeowners to offset the significant costs of preservation by offering property tax relief, making it financially possible to maintain historically significant structures like the Biscuit.

The Biscuit Company Lofts is more than a building. It is an anchor of the Arts District, surrounded by many renowned businesses like Camélia, Bestia, Bavel, Girl and the Goat, Manuela, Warner Music, Soho House, Juice and Bike Shed, all of which have helped to generate substantial economic growth and tax revenue for the city.

And importantly, Biscuit is also a diverse, inclusive residential community of artists, creatives, animators, writers, photographers, actors, professionals, and working-class homeowners. It is one of the few places in the city that still offers a somewhat affordable ownership within a historic context.

Removing the Mills Act would jeopardize the preservation of the building and the future of the community. My husband and I moved into a living piece of Los Angeles history and we want to try and do everything we can to preserve it.

I respectfully urge you to continue supporting the Mills Act designation for the Biscuit Company Lofts, not just for us as homeowners, but for the benefit of the Arts District, and for the ongoing protection of Los Angeles' irreplaceable cultural and architectural heritage.

Sincerely,
Peter Pappas
Homeowner, Unit 112
Biscuit Company Lofts

Planning CHC <chc@lacity.org>

Mills Act

1 message

Ryko Ozawa <ryukoinc@gmail.com> Tue, Apr 22, 2025 at 10:06 PM
To: CHC@lacity.org

Hello.

I am writing today in favor of the Mills Act. I am proud to be living in a historic cultural monument building in the Historic Core in Downtown Los Angeles for the last 15 years. The Mills Act has been important to the revitalization of Los Angeles' city center and the creation of a vibrant community which would have been unfathomable 20 years ago. The Mills Act provides an incentive for new residents looking to purchase property in Downtown. Please continue to keep the Mills Act available as historic buildings are costly to maintain and to repair due to the special architectural details to keep in mind with regular maintenance and each repair. Our Downtown would not be so appealing a place to visit or live without the concentration of these architectural marvels on every block. The historical buildings are an essential part of the appeal of Downtown LA. We need the Mills Act tax incentive to keep the historical edifices from crumbling and becoming unlivable.

Thank you for your time.

Ryuko Ozawa
416 S Spring Street, 208
Los Angeles, CA 90013
El Dorado

Denise Otero <denise.otero@lacity.org>

CHC Hearing – Item #4: Mills Act Ordinance – Stakeholder Comments

1 message

Yuri H <thelittlepurse@hotmail.com> Wed, Apr 23, 2025 at 9:43 AM
To: "Councilmember.Jurado@lacity.org" <Councilmember.Jurado@lacity.org>, "lambert.giessinger@lacity.org" <lambert.giessinger@lacity.org>, "denise.otero@lacity.org" <denise.otero@lacity.org>, "ken.bernstein@lacity.org" <ken.bernstein@lacity.org>, "krista.kline@lacity.org" <krista.kline@lacity.org>, "kevin.ocubillo@lacity.org" <kevin.ocubillo@lacity.org>

Dear friends and neighbors at the city,

I am writing to urge you to reconsider modifying the Mills Act programs as it is today. This was one of the most important programs our humble DTLA district, as important as the Adaptive Reuse Ordinance. This program has been integral in bringing new owners into the area, first time buyers, on top of the preservation and ongoing restoration of the treasures of the area.

This historic area is an attraction for tourists, visitors and residents. It is a sensitive areas of Los Angeles, where small changes make a huge impact. If buildings go derelict and residents move out, then businesses also close, and the many homeowners, first time buyers, young people who can only afford price points well under the city average, retirees who have downsized, will be greatly affected in an averse way.

Please reconsider how the Mills Act program is modified, be thoughtful, please hear the voices of the actual stakeholders, owners, and renters who live in these buildings, who have for many years returned the benefits by updating, restoring, and maintaining these structures for the good of the city and the area.

Thank you,

Yuri Huxley
738 S. Los Angeles St, #301, 90014
310-869-2655

DAY OF HEARING SUBMISSIONS

RECEIVED
CITY OF LOS ANGELES

APR 24 2025

CITY PLANNING DEPT.
AREA PLANNING COMMISSION

April 23, 2025

To: The Los Angeles Cultural Heritage Commission and City Planning Department

Re: Opposition to Proposed Mills Act Ordinance Amendments

Hi,

I have lived in the Douglas Bldg (3rd and Spring) for 23 years. We've all seen Downtown go up and down, in terms of community, capacity, and the vibrancy of the streetscape, but it hasn't been this bad since I've been down here. We need to keep residents here, there's no other way to bring Downtown back.

Please reject the proposed amendment to the Mills Act Ordinance that would terminate renewal eligibility for contracts older than ten years.

Thanks,
Kristin Friedrich, 323 449 7370

Los Angeles Times

CALIFORNIA

‘Enough is enough’: Chainsawed trees spark anger over downtown L.A.’s decline

As police investigate the destruction of mature trees in downtown Los Angeles, the blatant vandalism has reignited concerns about the city’s decline. (Carlin Stiehl / Los Angeles Times)

April 23, 2025
To: The Los Angeles Cultural Heritage Commission and City Planning Department
Re: Opposition to Proposed Mills Act Ordinance Amendments

Dear Commissioners,

As the son of first-generation immigrants and a resident of a Mills Act-designated historic condominium in Downtown Los Angeles, I urge you to reject the proposed amendment to the Mills Act Ordinance that would terminate renewal eligibility for contracts older than ten years.

This amendment not only threatens the financial stability of long-standing participants but also undermines the values of preservation and equity that the Mills Act was designed to uphold. Like many others, particularly people of color, we bought into a Mills Act property not because it was trendy or easy, but because it was the only viable path to becoming a homeowner in DTLA. The Mills Act made it possible. In return, we committed to being active, responsible stewards of L.A.'s historic fabric.

Geographic equity isn't equity if it's built on subtraction. I understand the City's desire to pursue greater geographic equity within the Mills Act program. But the current approach—canceling existing contracts to free up resources—isn't equity. It's reallocation by subtraction. This approach assumes that equity must come at the expense of those who have already bought in, which (a) breaks trust and (b) doesn't solve the structural issues of underfunding and understaffing.

Worse, it fails to acknowledge that many current residents of these historic buildings, like myself, *are* the very people equity is supposed to support. Many of these residents are people of color, working-class homeowners, and first-time buyers who saw the Mills Act not just as a tax break, but as an invitation to help preserve the city's cultural legacy. Taking that away now doesn't level the playing field—it just changes who gets left out.

The proposed policy shift would disproportionately impact those who relied on this program in good faith. If equity is the goal, then the City should expand access to the Mills Act without dismantling what already works. Removing contract renewals doesn't create opportunity—it removes stability.

Preservation is not a one-time deal. While the Office of Historic Resources argues that the Mills Act was only intended to incentivize work within the first ten years of a contract — with additional years merely supporting maintenance — this interpretation misunderstands both the nature of historic preservation and the expectations set by the program.

Preservation is not a one-time project; it's a perpetual responsibility that requires sustained effort and investment. The original rehabilitation work may be front-loaded, but the ongoing costs —materials, labor, compliance with changing codes — don't stop after a decade. A major portion of our monthly HOA fees doesn't go toward amenities like pools or gyms, but toward the repairs and upkeep of a building that is well over 100 years old.

Ending Mills Act contract renewals after 10 or 20 years assumes the job is "done." But in reality, it simply removes the financial tool that allows property owners to uphold the standards the City demands.

The Mills Act works precisely because it treats preservation as a long-term commitment, not a quick restoration followed by silence. Changing that now would not only jeopardize the historic integrity of these properties but also undercut the trust that has made the program successful.

Please reconsider this shortsighted policy. The preservation of our city's history should be a shared legacy — not a burden borne by those who believed the City would honor its commitment to historic preservation.

Sincerely,

Ruel Nolledo
257 South Spring Street
Los Angeles, CA 90012

Planning CHC <chc@lacity.org>

Mills Act -- public comment

1 message

Kristin Friedrich <kfriedrich990@gmail.com> Wed, Apr 23, 2025 at 2:10 PM
To: chc@lacity.org

Hi, I have lived in the Douglas Bldg (3rd and Spring) for 23 years. We've all seen Downtown go up and down, in terms of community, capacity, and the vibrancy of the streetscape, it's never been this bad. We need to keep residents down here, period. There's no other way to bring it back.

Thanks,
Kristin Friedrich, 323 449 7370

Planning CHC <chc@lacity.org>

Proposed Mills Act Changes - comments form Andrew Tamandl

1 message

andrew tamandl <atamandl@yahoo.com> Wed, Apr 23, 2025 at 5:04 PM
To: "chc@lacity.org" <chc@lacity.org>

Dear Commissioners,

I hope this message finds you well.

I've been an owner and resident of the historic Pan American Lofts in Downtown Los Angeles since its redevelopment in 2007, and have served on its HOA Board for over ten years. I was involved in applying for and securing the Mills Act for our building and continue to help manage projects to keep us in compliance with the agreement. With guidance from Chattel, a historic preservation consulting firm we engaged in 2013, we now have a major Mills Act project underway with an estimated cost of approximately $700,000.

Designed by Sumner Hunt—who also designed the neighboring Bradbury Building—our 131-year-old building is a rare surviving example of Beaux-Arts architecture. Preserving original features like the wood staircases, exposed brick, and detailed façade (valued at $15 million by the LA Conservancy in 2006) requires specialized materials and skilled labor. Even basic upkeep presents real financial challenges.

Over the past 17 years, I've seen costs skyrocket. Two years ago, our insurance increased by $60,000 in a single year—simply because our building is "old." Contractor fees have soared, and our HOA dues have tripled. For a 40-unit building, the burden per homeowner is significant. The Mills Act has been essential to our ability to maintain this historic property with care, rather than resorting to cheaper, non-historic alternatives.

I fully support the City's effort to revitalize and expand the Mills Act program—especially in underserved neighborhoods. However, I am deeply concerned about the proposed 20-year contract limit, and cancelling current contracts. These changes will seriously threaten the long-term viability of historic properties like ours, especially in high-cost areas like Downtown LA.

At a neighborhood council meeting a few years ago, there were comments made suggesting that owners of historic buildings are "rich" and can shoulder the costs without tax incentives. That doesn't reflect my experience. I purchased my home here not as a second property, but because it was what I could afford at the time. This is not an income property—it is my primary residence and DTLA is my community.

Historic preservation is not a one-time task—it requires sustained commitment. I respectfully urge you to continue supporting long-term Mills Act renewals and adopt a fair, scalable fee structure that preserves both our historic architecture and the communities that call these buildings home.

Thank you for your time and continued support.

Sincerely,
Andrew Tamandl

Board Member, Pan American Lofts HOA

Planning CHC <chc@lacity.org>

Support for Continuing Mills Act Designation – Biscuit Company Lofts, Unit 710

1 message

Brett Diemer <brettdiemer@gmail.com> Wed, Apr 23, 2025 at 3:40 PM
To: CHC@lacity.org

To whom it may concern,

My name is Brett Diemer, and I am a homeowner in Unit 710 at the Biscuit Company Lofts, located in the heart of the Los Angeles Arts District. I'm writing to express my strongest support for the continued Mills Act designation for our building—a landmark of Los Angeles' architectural and cultural history.
Built in 1925 as the West Coast headquarters for the National Biscuit Company (Nabisco), the Biscuit Company Lofts is one of the most iconic and historically significant residential buildings in Los Angeles. Designed by noted Beaux-Arts architect E.J. Eckel, it is a rare and preserved example of early 20th-century industrial architecture.
The building's historic integrity is evident throughout its structure, including:

- Original 1-inch thick maple floors from the 1920s
- Hand-laid terrazzo floors
- Massive industrial steel-framed windows
- Original copper-clad doors
- And exposed brick walls from the 1920s that give the building its distinctive character, among many other historical elements

Preserving these features is not simply a point of pride, it is an ongoing and expensive responsibility. We are required to use certified historic contractors and materials that meet preservation standards, which significantly increases costs. As a result, our HOA dues are among the highest in the Arts District and Downtown Los Angeles, entirely due to the scale and complexity of maintaining a historic building of this nature.
This is why the Mills Act is essential.
The Mills Act is the single most important economic incentive program in California for the restoration and preservation of qualified historic buildings. It allows private homeowners to offset the significant costs of preservation by offering property tax relief, making it financially possible to maintain historically significant structures like the Biscuit.
Without this relief, the burden of maintenance becomes too great and the risk is that our building will fall into disrepair. We don't want to lose the integrity of this historical structure. But without the Mills Act, it becomes increasingly likely.
The Biscuit Company Lofts is more than a building. It is an anchor of the Arts District, and a key reason why world-renowned restaurants like Camilla, Bestia, Bavel, Girl and the Goat, Manuela, Damian, Cha Cha Chá, and others have set up here which have helped to generate substantial economic growth and tax revenue for the city.
And importantly, Biscuit is also a diverse, inclusive residential community of artists, creatives, animators, writers, photographers, actors, professionals, and working-class homeowners. It is one of the few places in the city that still offers a somewhat affordable ownership within a historic context.
Removing the Mills Act would jeopardize the preservation of the building and the future of the community. I moved into a living piece of Los Angeles history. And like many of my neighbors, I'm doing everything I can to preserve it. But we can't do it alone.
I respectfully urge you to continue supporting the Mills Act designation for the Biscuit Company Lofts, not just for us as homeowners, but for the benefit of the Arts District, and for the ongoing protection of Los Angeles' irreplaceable cultural and architectural heritage.

Thank you,
Brett Diemer

Planning CHC <chc@lacity.org>

April 24, 2025 at 10:00 am, Cultural Heritage Commission

2 messages

Gesa Buttner Dias <gesabuttnerdias@gmail.com> Wed, Apr 23, 2025 at 10:32 PM
To: CHC@lacity.org
Cc: councilmember.jurado@lacity.org, Adan Acosta <adan.acosta@lacity.org>

Dear Commission,

I am writing to advocate for "**an exemption of multi-unit residential adaptive reuse projects from the time based non renewal clause**". Especially in the historic core in downtown LA, where adaptive reuse incentives together with the Mills Act were able to create a diverse residential neighborhood about 20 years ago, it would be devastating for many individual home owners and non-profit low income housing providers, if there would be any doubt that the buildings could lose their Mills Act status and thus see substantial property tax increase the following years. Many residents are only able to afford to live in this neighborhood because of the Mills Act incentives - like me, my partner and our 7 year old son, who calls the Rowan home since his birth.

Downtown more than ever needs a strong Mills Act, and the in-perpetuity clause of the current Mills Act contracts is the key for the trust renters, individual home owners and developers need to stay in downtown. Many more buildings, particularly along Broadway, will need the Mills Act to allow for their redevelopment prior to 2030. We need a financially well funded, and politically strong endorsement of the Mills Act to bring about the transformation of downtown into a thriving, diverse residential and commercial neighborhood.

The proposed amendment of the non renewal clause does not explain how the limitation of contracts will help make the Mills Act a stronger program. Rather, this clause seems to stand in contradiction with the remainder of the proposed amendments, which all aim at finding income sources to fund appropriate staffing for the administration and enforcement of the Mills Act. If we can fund the Mills Act with those proposed measures, a limitation of contract will not be needed. Also, the limitation of contracts is contradictory to the purpose of the Mills Act, which is historic preservation and support of affordable housing. And Los Angeles needs more of both, not less.

You have received many comments like mine, and I hope you hear the voice of this community, of us who care about the beauty of our buildings, and even more about the diverse and inclusive neighborhood community that we found living in these buildings. Don't throw the baby out with the bath water. Us historic core residents and small business owners are resilient in imagining a better downtown for everyone, yet we need the stated commitment of the city to back up our efforts.

I trust that you will take the public comments you receive into serious consideration as you discuss the proposed Mills Act amendments.

Respectfully
Gesa Buttner Dias
Resident, small business owner and parent - Rowan Lofts

Adan Acosta <adan.acosta@lacity.org> Thu, Apr 24, 2025 at 10:08 AM
To: Gesa Buttner Dias <gesabuttnerdias@gmail.com>
Cc: CHC@lacity.org, councilmember.jurado@lacity.org

Good morning Gesa,

Thank you for reaching out to our office about this. I will make sure your message gets passed along to the CM and the appropriate staff.

If there is anything else I can do for you, do not hesitate to ask.

My best,
Adan (Adam) Francis Acosta
Field Deputy (DTLA)

Office of Councilmember Ysabel Jurado | Council District 14

YSABEL JURADO
L.A. CITY COUNCIL MEMBER
DISTRICT 14

Instagram | Facebook | Website

[Quoted text hidden]

Planning CHC <chc@lacity.org>

The Mills Act

1 message

D Suyehara <dsuyehara@gmail.com> Wed, Apr 23, 2025 at 5:30 PM
To: chc@lacity.org

I am a resident of the Douglas lofts at 3rd and Spring and our building is under the Mills Act. I have lived downtown since 2008 and plan to stay, especially since our building cherishes its historic features supported by the Mills Act. Don't take away the Mills Act incentives that work to keep residents in the historic core. The Mills Act as it currently stands incentivizes long term residents who want to preserve the historic nature of the unique downtown Los Angeles architecture and character. Don't take the incentives away. I want you to continue the current Mills Act contracts and don't take anything away as the Mills Act currently stands.

Preserve our historic Los Angeles,
Sincerely
Deborah Suyehara
DTLA resident

Planning CHC <chc@lacity.org>

Proposed Mills Act Policy Updates and Ordinance Amendments – Impact on Downtown Property Owners

1 message

Dr. Green <josephgreenedd@gmail.com> Wed, Apr 23, 2025 at 5:00 PM
To: chc@lacity.org

Dr. Joseph Green
738 S Los Angeles Street, #703
Los Angeles, CA 90014

April 23, 2025

Cultural Heritage Commission
Attn: Denise Otero
200 N. Spring St., 10th Floor, Room 1010
Los Angeles, CA 90012
Email: chc@lacity.org

RE: Proposed Mills Act Policy Updates and Ordinance Amendments – Impact on Downtown Property Owners

Dear Members of the Cultural Heritage Commission,

As a property owner participating in the Mills Act program in Downtown Los Angeles, I am writing to respectfully express serious concerns about the proposed changes outlined in the 2025 Draft Policy Updates and Ordinance Amendments. While I support efforts to expand access to preservation incentives in historically underserved neighborhoods, I am deeply concerned that several of the proposed changes will harm the long-term sustainability of historic properties in Downtown and undermine the very goals the Mills Act was designed to achieve.

Maintain the Downtown Valuation Exemption Area
The Mills Act has been a critical tool in making Downtown's adaptive reuse projects financially viable, enabling private owners to preserve irreplaceable historic buildings. Eliminating the Downtown exemption area under **Ordinance Amendment 3** would effectively disqualify many historic buildings from continued participation based on assessed value alone. These are precisely the properties where Mills Act savings are most needed to fund capital repairs, comply with preservation standards, and keep buildings viable as housing and community anchors—especially in a post-COVID market where vacancy and maintenance costs remain high.

Preserve the Perpetual Renewal Structure for Existing Contracts
The proposal in **Administrative Change 9** to impose a 20-year cap and wind down existing contracts disregards the continuing maintenance burdens and capital demands that historic buildings face. The strength of the Mills Act program has always been its ability to provide continuity of support across ownership changes. Phasing out existing contracts would send a destabilizing message to owners who entered into these agreements in good faith and rely on them to maintain the historic integrity of their properties.

Oppose Retroactive Fee Imposition on Pre-2014 Contracts
The proposal under **Administrative Change 3** to insert fee-enabling language into pre-2014 contracts raises contractual and fairness concerns. If pursued, such changes should be limited to the contract renewal window, giving owners time to plan and evaluate continued participation. Imposing new fees mid-contract would erode the predictability and trust that have defined the Mills Act's success over decades.

Support Adjustments That Preserve and Expand Access Responsibly
I support proposals such as increasing the single-family valuation cap to $2.5 million and prioritizing Rent Stabilization Ordinance (RSO) properties in Low Resource areas. These measures would make the program more equitable without dismantling its foundation. However, I strongly urge the Commission to adopt these reforms **in addition to**, not in place of, preserving Downtown's eligibility.

The Mills Act has been instrumental in breathing new life into our historic core. It continues to foster investment, job creation, and preservation of cultural assets in Downtown Los Angeles. I respectfully ask that the Commission amend the current draft to retain the Downtown valuation exemption, preserve perpetual contract renewals, and limit fee changes to prospective or voluntary renewals.

Thank you for your time and consideration of this perspective from the ground. I would welcome the opportunity to provide further comment or participate in any future stakeholder discussions.

Sincerely,

Dr. Joseph Green
Downtown Mills Act Property Owner

Planning CHC <chc@lacity.org>

Public Comment – Objection to March 2025 Draft Mills Act Policy Updates and Ordinance Amendments

1 message

Heera <heeradtla@gmail.com> Wed, Apr 23, 2025 at 3:34 PM
To: chc@lacity.org
Cc: Councilmember Jurado <councilmember.jurado@lacity.org>, Adan Acosta <adan.acosta@lacity.org>, Joe Delgado <joe.delgado@lacity.org>, Krista Kline <krista.kline@lacity.org>, lauren.hodgins@lacity.org, steve.diaz@lacity.org, xanthe.scheps@lacity.org, alejandra.alarcon@lacity.org, kevin.ocubillo@lacity.org

Re: April 24, 2025 at 10:00 am, Cultural Heritage Commission

Dear Los Angeles City Planning & Cultural Heritage Commission members:

I am writing to strongly object to the proposed *Mills Act Historical Property Contract Program Draft Policy Updates and Ordinance Amendments* (March 2025), with specific concern regarding **Point 9**, which would significantly limit eligibility for properties with rental units or units available to low- and middle-income households.

My wife and I purchased our first home at the Rowan Lofts in the Historic Core of Downtown Los Angeles in 2023. The availability of Mills Act savings was one of the primary reasons we were able to make that investment. Like many others who live in our building and in the surrounding historic properties, we are not luxury homeowners, we are working professionals committed to the future of Downtown LA.

Point 9 of the draft proposal suggests excluding or deprioritizing properties that include rental units or units affordable to low- and middle-income households. This provision is deeply troubling. It undermines the very people and properties that contribute to the long-term, community-based revitalization of historic Downtown. Many Mills Act buildings, like the Rowan, El Dorado, Higgins and others, are home to diverse residents, many of whom would not otherwise be able to live in high-quality historic housing without the stability the program provides.

This proposal also runs counter to the **Downtown Los Angeles 2040 Community Plan**, which explicitly encourages housing affordability, equity, and preservation. By discouraging the inclusion of low- and middle-income residents in Mills Act-supported properties, the City risks turning historic preservation into a luxury reserved only for the wealthy, a move that contradicts both the equity and housing goals set forth in the 2040 Plan.

Additionally, applying these policies retroactively would violate the spirit of trust and continuity that residents like us depend on when we make long-term financial and personal commitments to historic buildings.

I urge the Planning Department to:

- Remove or significantly revise **Point 9** to ensure that low- and middle-income housing remains eligible for Mills Act contracts.
- Affirm that the Mills Act can and should serve a broad socioeconomic spectrum of residents, not just high-income homeowners.
- Align the program with the preservation, affordability, and inclusivity principles outlined in the Downtown 2040 Plan.
- Avoid retroactive application of any new restrictions to protect existing contract holders.

The strength of the Mills Act lies in its accessibility and its ability to preserve not only historic architecture, but also the people and communities who give Downtown Los Angeles its character and resilience.

Thank you for your attention and for taking this public comment into serious consideration.

Sincerely,
Heera Kapoor
Resident, Rowan Lofts – Historic Core

Department of City Planning
Mills Act Assessment
planning.millsact@lacity.org

September 14, 2022

Dear Staff:

Hollywood Heritage and its Preservation Committee thank you for this opportunity to comment on the proposed Mills Act changes. As L.A. City's only municipal incentive program, it has been a real motivation for property owners to engage with preservation and take pride in doing so. We have only been able to review the June 22 Executive Summary and program Recommendations from the Chattel's Program Assessment report.

We extracted Hollywood data from the full Chattel report, and analyzed some of it, but we have committee members still working on it and hope we can re-contact you with further findings.

Hollywood Heritage realizes this was a large and ambitious undertaking. So much has been accomplished, and the work is well presented. We see some items of overarching interest to Hollywood that we want to note first:

1. **Retain the Hollywood Boulevard Exemption**: Currently there is a limit to the assessed valuation of single family, multifamily, and commercial properties participating in the Mills Act. There is an exemption for the Hollywood Boulevard Commercial and Entertainment National Register Historic District. The incentive has not been heavily used, but it was instrumental in the restoration of significant properties, and has encouraged further large investments in them. Keeping this exemption alive is critical, as it is the single incentive the City offers. Hollywood Boulevard landmarks are right now very threatened.
2. **Yes expand to include National Register, no to CPIOs etc**: We do agree with adding National and California Register and CRA-identified properties to the list of Mills Act applicants. But we do not agree that expanding eligibility to CPIO, CDO, and SurveyLA properties is desirable or even possible. We don't think enough data is available to staff for this. They already have difficulty with reviewing building permits in National Register Districts because they don't have the advantage of an HCM nomination or HPOZ Preservation Plan, or Character-Defining Features available to guide the review. Expanding Mills Act contracts beyond HCMs and HPOZ's should only be done if applicants are required to provide a professionally drawn list of Character-Defining Features, as -built plans, and documentation of existing conditions
3. **Develop a partial Mills Act Exemption**: Rather than exclude whole larger properties from participation in the Mills Act program due to high value, we suggest that you analyze offering the option of a limited tax exemption. A review of the CLA unrealized revenue

shows a huge disparity between properties in the program. It is possible this has been analyzed by Chattel, but if not, we recommend that a partial tax reduction be developed. It would help get "buy-in" to preservation, and is preferable to excluding properties.

We are wholeheartedly in support of:

- **Program sustainability**, including implementing a system for fee collection and tracking and expanding program fees; facilitating compliance with State law by inspecting and enforcing contracts; and expanding program staffing. We are especially focused on first assessing penalties on known non-complying contracts and not renewing those.
- **Program management** by effectively managing data and expanding communication with contract holders. If the Planning Department doesn't have the systems to do this, we hope that "hitching" on to LADBS, or the tax collector, or some other system can make this economical.

We have recommendations for the program as a whole with regards to **equity and "refining" program capacity.** We agree wholeheartedly that adaptive reuse projects citywide should be eligible for the Mills Act.

1. **"Sustainable, manageable number of contracts":** We do not agree at all with the idea of capping the program size, the number of applications, and not renewing current contracts. Expanding revenue, streamlining the process, or increasing the City's commitment to the Mills Act must precede any consideration of capping the program. The City's economy and preservation benefit so much from this program.
2. **Not renewing existing contracts is a breach of trust:** Although it may technically be in the rights of the City to cancel existing contracts, it signals a massive breach of trust and suspicion about the program as a whole. Cancelling a contract so that it expires 10 years from now is no immediate help for Mills Act program sustainability. Cancelling a contract in 10 years while allowing the taxes to rise during those same 10 years is a definite breach of trust.
   a. The City forgoes maybe 11% of the total real estate taxes saved. In Hollywood most contracts are around $1,500 year or less in taxes unrealized by the City. To cancel them doesn't make sense.
   b. A very limited number of high value contracts in Hollywood are large buildings. Their restoration has meant they stayed economically productive, but their maintenance and seismic needs are ongoing and costly.
   c. One of our Committee members has a Mills Act contract for which the City loses $348 annually, according to the Chattel report. Capital expenditures in the last 3 years there were $135,000. (Some of this might be normal for apartments, but some is directly attributable to the building's age, manner of construction, historicity, and historic landscaping. Clearly the City, sales taxes, and employment are benefitting. And a building is saved.
   d. Canceling Mills Act contracts decidedly imperils the long term continuation of landmarks, as so many are zoned for much higher density and worth millions more if torn down. As the contract holders are aging, those who have counted on the

Mills Act tax savings have told us that they literally will not be able to afford to keep their HCMs. Without the Mills Act heirs will sell out.

2. **<u>Collect fees before even considering or discussing capping the program:</u>** : We are encouraging the City and the Department to redirect the conversation about capping the Mills Act program—capping it either by dollar value or by number of annual applications. Acquiescing to limits on the Mills Act program cannot be a starting point – it should only be a last resort. The Chattel report has given the department the needed baselines for calculating the cost and capacity of staff. Capping is not inevitable or desirable.
   a. **<u>Save costs and increase revenues first</u>**: Chattel outlines "fee" measures—collecting an annual Mills Act fee, an inspection fee, and the 12.5% TMV contract penalties for non-compliance. Increasing revenues should come first. In addition we attach a list of cost-saving ideas for the program below.
   b. **<u>Do cost/benefit analysis first</u>**: More importantly, we believe that the program benefits Los Angeles far more than its cost. Without any cost/benefit analysis, capping the program or canceling long term contracts isn't supportable. An economic study of the benefits to Los Angeles against the tiny tax loss of $20 million (1/2 of 1% of City budget) will likely reveal major gains. It is possible some economist has done similar studies; Don Rypkema comes to mind. A quick Google search shows $4-5 of benefit from each $1 of preservation incentives. We can look further into this.
3. **<u>Do not increase the assessed valuation for single family residential, and seriously consider lower commercial and multifamily limits:</u>** If equity is a goal for the program, and encouraging the program in lower income areas is desired, the idea of raising the assessed valuation cap is at cross purposes. If higher value properties are consuming a disproportionate amount of Mills Act contracts, then don't raise the assessment valuation. Chattel has suggested a related action—exempting high barrier areas from the valuation limits.
   a. Higher value properties can still make an application using the exception that requires an HSR. Or as recommended above, higher value properties might apply for a partial tax reduction.
   b. The Los Angeles Conservancy's Preservation Positive economic study found a high proportion of HPOZs are already in lower income areas, have more diversity than the City at large, and have multifamily properties. HPOZs are a "feeder' for the Mills Act. Chattel's findings point in the same direction. There is equity already in historic preservation owing to where the older areas of the City are.
4. **<u>Equity</u>**: As Chattel recognized, "equity" is a shared goal, but analyzing it, and implementing actions for this very specialized program, doesn't have easy answers. The current disproportionate $$ value of Central City contracts reflects that a group of knowledgeable developers correctly used the incentive, with City support from a special ARO ordinance, The result has been essential for downtown's revitalization. Chattel is correct that going forward, the solution should be spreading the knowledge and increasing

City support Citywide. Waiving fees and assisting applicants is desirable. But "clearing the decks" of existing contracts is not appropriate to make this future good result happen..

`Our ideas for saving program costs are as follows:

1. **Institute a system of self-reporting for "enforcement":** The IRS uses self-reporting, why not the Mills Act? HCID uses self-reporting. Chattel has built up some data on enforcement, but all properties could be sent a notice with a form to fill in, or a database form can be offered to contract holders on-line. Contract holders can fill in their budget; show which permits were obtained for the scheduled work, how much they spent, and upload photos of the finished work If needed Planning can even require scanned checks or receipts. An annual self-reporting could catch the Department up in a significant way.
2. **Utilize the HPOZ staff and HPOZ Boards for site visits, outreach, enforcement, and assistance to applicants**: If almost ½ of the applications come from HPOZs, there is an infrastructure of people who are already nearby, knowledgeable (or can be trained) to do basic explanations of the program; check out exterior renovation progress; and even help weed through applicants at an early stage. If HPOZ's go back to -in-person meetings, staff can combine HPOZ meetings with visits to properties and certain other tasks.
3. **Utilizing existing databases**: This isn't our area of expertise, but we are interested in minimizing money spent on data collection in favor of maximizing the program and retaining current contracts. Mills Act properties information is already on different City databases, and appears to have been gathered quite comprehensively and tabulated for this report. Mailing addresses are already known. With self-reporting through a single mailing, the missing data of email addresses and phone numbers can be gathered. Using the HPOZ on line fee collection system, or a snail mail tax assessor mailing, fees can be collected.

Again this is complex topic, very capably addressed by staff and consultants. Hollywood Heritage looks forward to the opportunity to speak in person or see how the feedback from us and the public leads your Department's next steps.

Respectfully,
Hollywood Heritage

Brian Curran

Planning CHC <chc@lacity.org>

Preserve the Mills Act – Protect Our Historic Homes and Neighborhoods

1 message

Jeffrey Baum <jeffreybaum@sbcglobal.net>
To: "chc@lacity.org" <chc@lacity.org>
Wed, Apr 23, 2025 at 9:51 PM

Subject: Preserve the Mills Act – Protect Our Historic Homes and Neighborhoods

Dear Members of the Cultural Heritage Commission,

I am writing to express my strong support for the Mills Act Historical Properties Contract Program and to share my deep concerns about the proposed Draft Policy Updates and Ordinance Amendments currently under consideration.

I am a resident of Lafayette Square, where my 99-year-old home stands as a living testament to the rich architectural and cultural history of the West Adams area. My family and I have invested over $500,000 into its restoration — not only to preserve its beauty, but to honor the legacy of the neighborhood and those who came before us.

The Mills Act program has been an essential incentive in making this kind of preservation effort possible. It supports homeowners in maintaining historic properties that would otherwise be vulnerable to neglect or inappropriate alteration, especially in neighborhoods like West Adams, where economic disparities make preservation more challenging.

What is most troubling about the proposed updates is the apparent shift away from historic preservation as the program's core mission. There is little discussion of how these changes will support the continued restoration and protection of historically significant properties. Moreover, the suggestion to cancel older contracts — including those in "Low Resource" and "High Poverty" neighborhoods — threatens to erase some of our city's most important architectural and cultural assets.

Preservation should not be sacrificed for administrative convenience. If anything, the program should be strengthened to better serve both the community and the City's preservation goals. It should remain true to the original purpose of the Mills Act — encouraging the protection and appreciation of our shared history.

I respectfully urge the Commission to prioritize preservation, equity, and community investment in your evaluation of the proposed changes. We have a rare opportunity to protect the architectural soul of Los Angeles. Let's not squander it.

Thank you for your time and service.

Sincerely,

Jeffrey Mark Baum
Attorney at Law
Resident, Lafayette Square

Planning CHC <chc@lacity.org>

Public Comment on Proposed Mills Act Changes

1 message

Klaus Havelund <havelund@gmail.com> Thu, Apr 24, 2025 at 6:23 AM
To: chc@lacity.org

ATTN:Denise Otero,
Commission Executive Assistant

Dear Commissioners,

My name is Klaus Havelund, and I've lived at the historic El Dorado Lofts in Downtown LA since 2011. The El Dorado building was built in 1913 and has many historic features, including its beautiful facade to the street. The upkeep of this building is a constant challenge for the homeowners, and the HOA of which I was a former member for many years. This includes e.g. battling water intrusion in the old walls.

I moved to DTLA from Pasadena since I appreciate city life (I lived in well functioning cities such as Copenhagen and Paris) and saw an opportunity in downtown due to its beautiful architecture and potential for a buzzing life. I believed (and believe!!) that LA needs a cosmopolitan downtown, like any other big international city. I found the heart of LA.

However, what I have experienced is a continuous neglect of DTLA. My investment is struggling from not going into the negative, forget about appreciation. Even after 15 years. This is caused by several factors, including Covid, the expansion of Skid row to include Main street, and the allowance to camp and hang out in horizontal position anywhere on the street. DTLA is a homeless shelter all over the place. There are no rules and no law enforcement. These things are just destroying downtown. Home owners are selling and business owners flee.

To this comes now yet another blow to the old buildings, and us who invested in, and are fighting for, downtown: the possible removal of the Mills act. We can't compete with the new tall (also beautiful) buildings, where maintenance is cheaper due to modern design and materials, and the big number of inhabitants. We need a break from this constant abuse of DTLA.

Please continue to support long-term renewal and fair, scaled fees so this program can keep doing what it was designed to do: preserve LA's history while keeping these places vibrant and livable.

Sincerely, and many thanks!!
Klaus Havelund

416 South Spring Street, 1206

Los Angeles 90013

Planning CHC <chc@lacity.org>

PUBLIC COMMENT ON PROPOSED MILLS ACT CHANGES

1 message

Linda Cordeiro <linder.cor9@gmail.com> Wed, Apr 23, 2025 at 6:13 PM
To: denise.otero@lacity.org, chc@lacity.org, planning.millsact@lacity.org
Cc: Jurado@lacity.org, kevin.ocubillo@lacity.org, lambert.giessinger@lacity.org, Claudia Oliveira <claudiaoliveira.dlanc@gmail.com>, debby.zhou@dlanc.com

Cultural Heritage Commission
Los Angeles Department of City Planning
200 N Spring St.,
Los Angeles, CA. 90012

denise.otero@lacity.org
chc@lacity.org
planning.millsact@lacity.org

Re: Comments on LA City Planning Mills Act Policy Updates and Ordinance Amendments.

April 23, 2025

While I support a number of the recommendations made in the updated Mills Act policy updates, and understand and appreciate the City's desperate need to generate revenue given its dire financial straits, sunsetting existing Mills Act contracts is not the way to achieve the two main goals cited: program sustainability and program equity.

Nor is it the time to ask Downtown Los Angeles property owners, currently facing a looming financial crisis, to take yet another hit in the five-year wake of the pandemic and protests that have decimated the properties and economy of the city center. DTLA was intentionally targeted to benefit from the Mills Act program, and because of these crises the expressly stated goals and intentions for revitalizing DTLA are far from being met.

Program sustainability and equity are not mutually exclusive, and there's no need to sunset existing contracts to achieve stated equity, expansion, or funding goals. Indeed, were just *some* the funding proposals made in the report adopted, it appears revenue goals would more readily and easily be achieved by *maintaining* the existing contracts.

The following was reported to attendees of both the July 21 and August 8, 2022 meetings and in the 2022 Assessment Report:

Despite the rapidly increasing number of Mills Act-contracted properties over the years…

- There were only 2 City employees tasked part-time with managing and administering the Mills Act Program.

- This staff had not been provided with a comprehensive database system to help them administer the program, which includes organizing contracts, tracking compliance and fee collection, managing correspondence and coordinating with other city departments.

- There was no dedicated line item in the budget for the program or separate account to track revenue and fee collection and ensure that fees are directly supporting it. The City had mostly relied on its General Fund for the costs of administering the program, which is managed by Los Angeles City Planning's Office of Historic Resources — and only 20-30% of the Planning Department funds comes from the General Fund, while the rest are derived from development fees, meaning the slice of funding available to the program is quite limited.

- The general fund allocation for the program has historically been only $70,000 to $140,000 a year. Meanwhile, any fees collected must be directed to what they're being charged for, i.e., fees collected for non-compliance actions would have to be spent on that. However, the City failed to track and collect already existing contract maintenance fees and is not recovering costs for processing and cancelling non-compliant properties (the penalty fee of which is a substantial 12.5% of the property's current fair market).

And finally,

- The City had rejected repeated requests for additional program funding over the years.

In sum, it appears that existing funding for the program was insufficient to effectively manage the number of contracts and bring the program into compliance with state law because it had been disastrously underfunded, understaffed and neglected by the City, which had failed to meet the needs of the program and serve its expansion.

Simply fiscally supporting the program as it should have been — by increasing the fees dedicated to the program via the implementation of a recommended annual contract maintenance fees for all Mills Act properties and collection of fees from non-compliant properties, with a concomitant increase in staff and the new database — would mean there is no need to sunset existing contracts to achieve stated equity goals.

Indeed, I have always greatly appreciated the ready assistance we've received from Lambert Giessinger as needs and questions arise, and know that we would gladly welcome the opportunity to work in more frequent and closer consult with him and other Mills Act Program staff to address concerns and find means to achieve shared goals for the Program and our historic properties.

Finally, I will not cite here the assessment's many flaws, which had been reported by other historic property owners in 2022 — except for two:

1. It appears everyone but the actual owners and residents of DTLA Historic Core properties with Mills Act contracts were surveyed for the report.

2. The report's claim that "50 percent of Mills Act savings went to Mills Act properties located in Downtown" is now being used as a cudgel against the owners of these properties, though one of the original intents of the statute establishing the Mills Act was clearly to revive a largely abandoned, deserted and blighted downtown.

I single these items out because I fear they reflect a larger issue; too often the City appears indifferent to the interests of and concerns expressed by DTLA property owners and residents about what's going on (or not) in their own neighborhoods — proffering short-sighted "solutions" to city-wide issues at the expense of those who actually live in DTLA. One refrain often heard is, "well you chose to live in DTLA," as if living here meant we are to expect and accept ongoing crime, property defacement and damage, neglect, and even indifference from our own representatives — instead of the support we should expect as tax-paying members of the community who have and are contributing to the city core's revitalization. (At one Planning Committee hearing on an unrelated issue, a committee member actually dismissed reasonable concerns voiced by a group of Historic Core property owners by telling them that they had to "suck it up." In another meeting, a committee member suggested that the owners of historical properties were spending their Mills

Act property tax savings to “vacay” rather than putting the funds into property improvements.) DTLA property owners deserve better and more respectful consideration.

As for the second issue noted above; the City Council itself determined that Historical Property Contracts would provide an incentive for the owners of the City’s Historic-Cultural Monuments ***to preserve*** their properties*, thereby providing a cultural benefit to the citizens of Los Angeles*. The statute explicitly states that certain eligibility standards for Historical Property Contracts shall be limited, *except within the Downtown Historic Core, the Hollywood Historic District or the Greater Downtown Los Angeles Area*, and established further exemptions regarding required minimum valuations for properties *located within the Downtown Historic Core, the Hollywood Historic District, or the Greater Los Angeles Downtown Area*.

DTLA was thus intentionally and singularly targeted to benefit from the Mills Act program — for good reason — and these expressly stated goals and intentions for revitalizing DTLA are nowhere near yet being realized.

Having a Mills Act contract makes historic properties a more appealing and more affordable option to first-time buyers. Many current owners (including me and my husband) based a good part of their decision to invest in such a property for this reason. This is our first and only home. Most of the historic properties cannot physically accommodate or offer the kind of amenities available in the newer properties. Our value lies in being historic gems, and our Mills Act contracts not only helps keep them that way — contributing to the preservation and maintenance of the unfortunately few remaining historic properties in DTLA — it also offers a homeowner a tax incentive and advantage that those other properties cannot.

The policy updates and recommendations address real and important issues and shortcomings regarding the current Mills Act Program. However, I fear that by adopting certain recommendations, such as sunsetting older contracts, the City risks repeating the mistake of abandoning DTLA — and those who actually live in DTLA historic properties, who care deeply about these properties, who continue to rehabilitate, make costly repairs to, and maintain these historic properties, who are making good-faith efforts to comply with their Mills Act contracts, who have contributed to, are invested in and hold hope for the still ongoing revitalization of DTLA, and who rely on Mills Act savings to continue doing so.

Thank you for your consideration,

Linda Cordeiro
Owner
Pan American Lofts

cc: Ysabel Jurado, Councilmember CD 14 Jurado@lacity.org

Kevin Ocubillo, CD14 Planning Director kevin.ocubillo@lacity.org

Lambert Giessinger, Architect/Mills Act Contract Manager lambert.giessinger@lacity.org

Claudia Oliveira, President, Downtown Los Angeles Neighborhood Council (DLANC) claudiaoliveira.dlanc@gmail.com

Debbie Zhou, Chair of the Planning & Land Use Committee DLANC debby.zhou@dlanc.com

Planning CHC <chc@lacity.org>

Mills Act Preservation

1 message

Martine Lindner <onlyleavesknow@gmail.com> Thu, Apr 24, 2025 at 8:28 AM
To: chc@lacity.org

4/24/2025

Dear Ms. Otero,

As a Downtown Los Angeles resident, I am writing to express concerns about the proposed amendments to the Mills Act Historical Property Policy.

The architecture in the Historic Core of Downtown Los Angeles is a fragile asset. The Los Angeles Business Journal has reported that 17 million people visit Downtown Los Angeles on an annual basis. Downtown supports more than 15% of annual travel to Los Angeles. It is a vital part of the tourist economy in an imperiled part of the city with architecture of surreal beauty.

After traveling to Downtown Los Angeles for two decades, I permanently relocated here in 2023. As a recent Downtown resident, I have been dismayed to witness the closure of several businesses and an increase in vacant storefronts. There is a great deal of underutilized property in Downtown Los Angeles that needs both regulations and incentives to remain viable.

I am concerned about the negative effects of increasing property taxes in an area of the city where housing costs are already high and where the quality of life isn't suitable for everyone. On the City Controller's Opportunity Map linked in the proposed amendment, the building where I live is in a low-resource neighborhood that is surrounded by high-poverty and segregated communities. And yet, the goals of the Mills Act, as outlined in your report, are being met by multi-housing residents in historic properties Downtown. I am writing to uplift them in the review of this amendment. The commitment of my neighbors to the community and structures that define urban living is inspiring. The Mills Act has bettered the city, and it shouldn't be taken for granted.

The sustainability of urban density and adaptive reuse is exemplified by the condominium where I live in the Douglas Building. Maintaining a structure erected in 1899 by the architects James and Merritt Reid, who built the famous Hotel Del Coronado a decade earlier in San Diego, is not a small investment. Our community of 50 residents and two commercial tenants has been aware that those costs are offset by a reduction in property taxes that allows us to maintain a property and district for the enjoyment of everyone.

I am surprised that there is no suggestion in the proposed amendment to prioritize large-scale structures that provide multi-housing for longer or repeated Mills Act terms. If you are committed to keeping rents stabilized and housing costs affordable, raising taxes on historic buildings that offer multi-housing downtown is contrary to that goal.

Condominiums change hands more frequently than other dwellings, and this transfers the savings and financial responsibilities of historic properties to a new group of stewards. I purchased my condominium with the understanding that the added costs of maintaining a historic property would be offset by the Mills Act.

Moreover, additional consideration should be provided for our oldest structures in the city, those built in the 19th Century, that require more complex conservation efforts than structures built in the 20th century.

Thank you for your time and attention to this letter. I am sorry I couldn't send it sooner. I trust those reviewing this amendment will keep equity and the preservation of the city's historic core in mind.

sincerely,

Davora Martine Lindner
The Douglas Building
257 S Spring Street
Los Angeles, CA 90012

Planning CHC <chc@lacity.org>

Support for the Mills Act extension

1 message

PT Black <ptblack@gmail.com> Wed, Apr 23, 2025 at 6:04 PM
To: chc@lacity.org

Attention: Denise Otero, Commission Executive Assistant &
Hon. Barry Milofsky,
President
Los Angeles City Planning &
Cultural Heritage Commission

Re: April 24, 2025 at 10:00 am, Cultural Heritage Commission

Dear Los Angeles City Planning & Cultural Heritage Commission members:

As a first-year renter in Downtown Los Angeles, I want to express strong support for maintaining Mills Act protections in our historic core. I recently chose DTLA as my home—despite moving to California to work in Orange County—specifically because of its vibrant, diverse and historic character, which is only possible thanks to the Mills Act's economic incentives for preservation.

I know the value of historic preservation incentives because I have lived my whole life in dense downtowns with strong historic preservation mechanisms - I grew up in downtown Boston (Beacon Hill), launched my career in Shanghai (Former French Concession) and lived most recently in Amsterdam (Centraal district). In each city, various approaches to historic preservation and in the downtown core have led to strong anchors for the cities at large. My experience in each of these places has showed me the value of intentional and inclusive historic preservation to both preserve the past and enable vitality and lively urbanism in the present and future. Smart preservation tools like The Mills Act create dynamic, efficient, diverse and robust communities. DTLA stands proudly among these neighborhoods, and it was the unique blend of history and energy in this neighborhood that drew me in.

The Mills Act is crucial not just for owners, but for renters like me: it enables the restoration and maintenance of these one-of-a-kind buildings, keeps rental costs more reasonable, and ensures that downtown remains accessible and lively for a diverse mix of residents. Without these protections, the cost of living here would rise, and the community might lose much of its character and affordability. Or ever worse, some of the buildings might fall into disrepair and reverse the hard fought progress of this community to being a healthy downtown anchor that serves all of greater LA.

Please continue to support the extension of the Mills Act in DTLA. Its impact reaches far beyond property owners—through them it ripples out to the decisions made by renters, business owners, shoppers and visitors. And through them to the city overall.

Thank you,
Peter Thomas Black

Ptblack@gmail.com
714 227 1513
Douglas Lofts
257 S Spring St

Planning CHC <chc@lacity.org>

Proposed Mills Act Changes - comments form Tahmores Zandi

1 message

Tommy Zandi <tahmores.zandi@gmail.com> Thu, Apr 24, 2025 at 12:22 AM
To: "chc@lacity.org" <chc@lacity.org>

Dear Commissioners,

I've been a resident of Downtown Los Angeles for nearly 18 years and an architect working in the area just as long. This is home for me. I moved here because I believed in the spirit of this neighborhood and was excited by its transformation.

My first experience living downtown was in a 1920s rental building at the corner of Spring and 6th. That building and others like it drew me in. I saw an opportunity—not just to live in a city—but to be part of a living piece of history. After a few years, I was able to save enough to purchase a loft in the historic Pan American Lofts, a building protected under the Mills Act and listed on the historic register.

Like many others, I was surprised by the high HOA fees that didn't correspond with traditional amenities. But thanks to the Mills Act, I could still manage my mortgage and contribute to upkeep costs without compromising the building's historic integrity.

I now serve on the HOA Board. We've tried every way we can to cut operating costs, but that's nearly impossible in a building of this age. The infrastructure requires constant maintenance, and many systems are original or irreplaceable, making even basic repairs a financial strain on homeowners.

Moves to eliminate or limit the Mills Act would have a devastating impact—not just on individual buildings like ours, but on the future of Downtown itself. This is a time to make the area more inviting, not less. After the setbacks of the pandemic, prolonged retail vacancies, and growing safety concerns, we need incentives to bring people back—not new barriers that discourage investment in these historic properties.

Downtown once represented progress and revival. Let's not reverse that momentum now.

I urge you to continue supporting the Mills Act and preserve the buildings and communities that give Downtown LA its identity.

Thank you for your time and commitment.

Sincerely,

Tahmores Zandi, AIA

253 S. Broadway St, Unit 301
Los Angeles, CA 90012
T: 310.498.7732

Planning CHC <chc@lacity.org>

Changes to Mills act ordinance

1 message

Tricoast Editing Laptop <strath@tricoast.com> Wed, Apr 23, 2025 at 3:41 PM
To: chc@lacity.org
Cc: marcy Levitas hamilton <marcy@tricoast.com>, Laura Meyers <lauramink@aol.com>, "daveraposa@aol.com" <daveraposa@aol.com>

Hello,

My Name is Strath Hamilton. My wife and I own 3 residences in West Adams, One we have a Mills Act contract for at 2508 9th Ave 90018 and 2 we will be applying for new contracts - the 2234 West Adams 90018 property we just bought is a major city mansion, on old mansion row, that calls out for full restoration and historical tours.

To show you how committed we are to the Mills Act. When our Mills Act Property at 2508 9th Ave suffered **Major fire damage** on September 28th 2020, We had a Drone carrying Lidar record the original architecture touch points, and then spent over 2 million dollars and two years restoring the house to it's original 1910 glory, all of the wood was milled by hand and the stained glass imported from the east coast. The house is now a showpiece that we have had on the Waha tour, and invite anyone who's interested to visit and experience the real charm of the Arthur Heinemann designed arts & crafts.

Please do not do away with the older Mills Act Contracts.

Please make it easier for us to apply for new contracts.

We all want Los Angeles to preserve these wonderful old mansions it is an integral p[art of our history.

Let me know if I can be of any assistance, or if you want me to speak to the Mills Act benefits, and support Lambert's wonderful team.

Strath Hamilton
CEO, TriCoast Worldwide
strath@tricoast.com
+13108048409