

LEGISLATIVE DIGEST

[Administrative, Planning Codes - Historical Property (Mills Act) Contracts and Fee Reduction]

Ordinance: 1) amending the San Francisco Administrative Code, Chapter 71, entitled "Mills Act Contract Procedures" to: a) amend Section 71.2 to add limitations on eligibility, b) amend Section 71.3 to add application deadlines, c) amend Section 71.4 to add a time limit for receipt of the Assessor-Recorder's report, d) amend Section 71.5 to require use of a standard form contract, and e) adding new Section 71.7 to require departmental monitoring reports; 2) amending the San Francisco Planning Code Section 356 to reduce the application fee for Mills Act contracts; and 3) making findings, including environmental findings and findings of consistency with the General Plan and Planning Code Section 101.1(b).

Existing Law

Chapter 71 of the San Francisco Administrative Code contains local provisions implementing the state Mills Act program. The Mills Act, California Government Code Sections 50280 *et seq.*, allows a local government to reduce property taxes on a qualified historic property where the property owner enters into a historical property contract with the local government. In such contracts, the property owner agrees to do certain rehabilitation and maintenance work to the historic property in exchange for a property tax reduction. The contract is recorded against the property and is for a 10-year rolling term.

Amendments to Current Law

The proposed legislation amends Chapter 71 of the Administrative Code to require that a property have been designated prior to December 31 of the year before the property owner applies for a Mills Act contract. It adds monetary limitations on eligibility for a Mills Act contract, which limitations would require that a property have an assessed value of \$3,000,000 or less for single family residential property or \$5,000,000 or less for a commercial, industrial, or multi-family residential building. These requirements can be waived by the Board of Supervisor, and the Historic Preservation Commission may recommend such waiver to the Board of Supervisors.

The proposed legislation would also add a May 1 application deadline and add a time limit for receipt of the Assessor-Recorder's report on the proposed contract. The legislation would require use of a standard form contract, and require departmental monitoring reports.

Additionally, the proposed legislation would amend the San Francisco Planning Code to reduce the application fee for Mills Act contracts.