



Administrative Report

H.13., File # 25-1486

Meeting Date: 11/4/2025

To: MAYOR AND CITY COUNCIL

From: MARC WIENER, COMMUNITY DEVELOPMENT DIRECTOR

TITLE

APPROVE HISTORIC PROPERTY PRESERVATION AGREEMENTS FOR THE PROPERTIES LOCATED AT 217 AVENUE F AND 102 N BROADWAY FOR A TERM OF TEN YEARS WITH AUTOMATIC ONE-YEAR RENEWALS

The Mills Act is a State law that enables cities to enter into preservation agreements with the owners of officially designated historic buildings. In exchange for assuring continued preservation, property owners qualify for a property tax reduction. At this time, Historic Property Preservation Agreements (aka Mills Act Agreements) are being sought for the properties at 217 Avenue F and 102 N Broadway, both of which were voluntarily designated as Historic City Landmarks.

BACKGROUND

Since October 1992, the City Council has supported the approval of Mills Act Agreements with owners of properties designated as Local Historic Landmarks. This program has become an incentive for property owners to apply for Local Historic Landmark designation under the City's Preservation Ordinance. The number of Redondo Beach property owners interested in the Mills Act Program has increased each year as more property owners have become aware of its availability and benefits. This item provides the opportunity for the City Council to consider Historic Property Preservation Agreements for the following properties:

217 Avenue F

The property at 217 Avenue F is a 2,031 square foot, R-1 zoned, Single-Family Residential parcel. The existing two-story residence was built in 1937. This dwelling is a well-designed example of early architecture in the area, featuring characteristics such as smooth stucco, terra cotta roof tiles, and an ornamental wrought iron balcony. This home is identified in the City's Historic Resources Survey as a "B" rated Spanish Colonial Revival structure and was voluntarily presented for consideration as a Local Historic Landmark by the owner. The property was designated by the Preservation Commission as a City Landmark on December 11, 2024.

102 N Broadway

The property at 102, 104, 106 North Broadway, and 401, 403, 405 Emerald Street (APN 7505-007-023) was built in 1925 and is a well-preserved, classic example of a bungalow court in the Spanish Colonial Revival style, a residential typology that is increasingly rare in the City. The property consists of seven buildings, with nine residential units, and is situated on a block with several adjacent, designated landmarks, suggesting its potential contribution to a future historic district. The

property had been previously identified in the City's 1986 Historic Survey as an "A" structure, indicating its high potential for historic significance and possible National Register eligibility. The property was voluntarily presented for consideration as a Local Historic Landmark by the owner and designated by the Public Amenities Commission as a City Landmark on April 9, 2025.

Historic Property Preservation Agreement

The proposed Historic Property Preservation Agreements are identical to agreements previously approved by the City Council. The following is a description of the most pertinent provisions of the Mills Act Agreements.

The Mills Act requires that the initial term of the Agreement be ten years. On the anniversary date of the Agreement, it is automatically renewed for an additional year so that it has a continual ten-year time horizon. The City, or the owner, may call for the Agreement to not be renewed prior to the established anniversary date. If this happens, the Agreement continues in effect until its current term expires, but the property will gradually be assessed more each year, incrementally raising the assessed value to match the market value until the Agreement expires.

The Agreement requires that the subject building be maintained and preserved in keeping with its historic character for the life of the Agreement. As a designated landmark, exterior alterations will be subject to review and approval by the Public Amenities Commission. The Mills Act requires the Agreement to "run with the property," and is binding for all subsequent property owners. The City may cancel the Agreement immediately (different from non-renewal) if it is found that the owner has failed to comply with the Agreement's terms, or if the structure has been allowed to deteriorate to the point where it is no longer a qualified historical structure. Cancellation carries with it a penalty equivalent to 12.5% of the property's full market value.

The primary benefit of the Agreement to the owner is the reassessment of the historic property by the County Assessor's Office based on a special formula within the Mills Act. The County Assessor, however, will not determine the actual reduction in assessed value until after the Agreement is recorded.

Since the City's Historic Preservation Program is completely voluntary, it is dependent on providing tangible incentives to property owners. The Mills Act is proving to be the primary incentive to encourage owners to list their homes as landmarks and fulfill the program's objective of preserving Redondo Beach's historic character and identity. Since older homes are often in need of more upkeep, the tax benefits of the Mills Act provide owners with additional resources to complete this work.

COORDINATION

The Agreements were produced in coordination with the City Attorney's Office as well as the property owners.

FISCAL IMPACT

Based on reassessments, which have been made for other properties in Redondo Beach seeking Mills Act agreements, a typical residence would be reassessed at approximately 60% of its current market value. This would reduce the owners' annual property taxes by approximately 40%. The actual amount of the tax reduction is dependent upon the property's current assessed value. For

example, if the property is currently valued at \$1,000,000, the reduced property assessment would be in the range of \$600,000.

The City currently receives 16.6% of the total property taxes collected on a given property. Based on the above calculation, the annual loss in property tax revenue to the City would be approximately \$400 for a \$1,000,000 property reassessed at \$600,000.

APPROVED BY:

Mike Witzansky, City Manager

ATTACHMENTS

- Agmt - Historic Property Preservation Agreement, 217 Avenue F
- Application for Landmark Designation, 217 Avenue F
- Site Photos of Properties, 217 Avenue F
- Reso - No. 2024-12-PA-04 Historic Landmark Designation, 217 Avenue F
- Agmt - Historic Property Preservation Agreements with Landmark Resolutions, 102 N Broadway, and 401, 403, 405 Emerald Street
- Application for Landmark Designation, 102 N Broadway, and 401, 403, 405 Emerald Street
- Site Photos of Properties, 102 N Broadway, and 401, 403, 405 Emerald Street
- Resolution No. 2025-04-PA-02 Historic Landmark Designation, 102, 104, 106 North Broadway, and 401, 403, 405 Emerald Street