

CITY OF LONG BEACH

CULTURAL HERITAGE COMMISSION

333 West Ocean Boulevard • Long Beach, CA 90802 • (562)570-6864 FAX (562)570-6068

November 4, 2004

CHAIR AND CITY PLANNING COMMISSION
City of Long Beach
California

SUBJECT: MILLS ACT HISTORIC PROPERTY CONTRACTS
640 West Eighth Street (Council District 1)

RECOMMENDATION

The Cultural Heritage Commission recommends that the City Planning Commission approve the execution of a Mills Act Historic Property Contract for 640 West Eighth Street, located in the Drake Park/Willmore City Historic District.

BACKGROUND

The Cultural Heritage Commission approved the execution of a Mills Act Historic Contract between property owners and the City at their meeting of October 20, 2004.

The Mills Act Historic Property Contract is a state law allowing a property tax reassessment and reduction for designated historic landmarks and contributing buildings in designated historic districts in return for certain historic preservation obligations. A legal contract is executed between the City and a property owner, and is recorded on the property title. The Mills Act Historic Property Contract is the only opportunity the City has to support a preservation-minded homeowner who needs financial assistance to restore and maintain an historic property. The tax savings helps to alleviate the extra financial costs of historic restoration and contributes to the public good by preserving the heritage of the community.

Since 1993, when the City adopted the Mills Act Historic Property Contract program, a total of 27 contracts have been enacted with individual owners of designated historic properties. Almost all of these are owner-occupied single-family homes; two are apartment buildings.

The subject property located at 640 West Eighth Avenue was built in 1924 and is owned by Michael LaPoint. This intact, ornate Colonial Revival four-plex is located in the Drake Park/Wilmore City Historic District, one of the City's first housing tracts. The first home within the tract was constructed in 1901. 640 West Eighth Street is a contributing structure to the District, which was designated as an historic district by the City Council in 1982 and the boundaries were expanded in 1990.

The applicant purchased the vacant property in November 2001 and has already begun to restore the Property. In two years he has completely restored the interior

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to meet current local building code while maintaining the integrity of the original architectural features. The building is now occupied and contributes to the renaissance of this important section of Long Beach. Mr. LaPoint is very appreciative of the historical and architectural qualities of the house, and applied for a Mills Act contract in order to be able to afford the proper standards for historic restoration and preservation. The age and materials of the house make it a challenge to preserve and maintain. The owner anticipates the following work program over the next ten years:

Re-point brick façade	(2005 – 2006)
Provide landscaping	(2006)
General upkeep and maintenance	(2005 – 2007)

The commitment of the owner to historic preservation and the high level of significance of this property make it a good candidate for the Mills Act contract.

The Mills Act contracts run for ten years; however, they are automatically renewed each year and can potentially continue in perpetuity, unless cancelled by either an owner or the City. There is a revenue loss for the City, equal to its share of the property tax. The County assumes most of the property tax loss. The concept behind the Mills Act is that the revenue loss is compensated by the public benefit obtained in maintaining and restoring a historic resource.

The City Council must also approve the execution of the Mills Act contracts. The City's Budget Officer considers the fiscal impacts of an action at that time.

IT IS RECOMMENDED THAT THE PLANNING COMMISSION

Recommend that the City Council approve the execution of Mills Act Historic Property Contracts between the City and the owner of 640 West Eighth Street.

RESPECTFULLY SUBMITTED,

LAYNE JOHNSON
CHAIR, CULTURAL HERITAGE COMMISSION

By: _____
Cindy Thomack
Neighborhood and Historic Preservation Officer

Attachments

Michael LaPoint
644 West Eighth Street
Long Beach, CA 90813

September 14, 2004

City of Long Beach
Historical Preservation Office
333 W. Ocean Blvd.
Long Beach, CA 90802

Attn: Ms. Cindy Thomack
Historical Preservation Officer

Re: Application for Mill's Act Property Tax Reduction
Location: 640 West Eighth Street, Long Beach

Dear Ms. Thomack:

This letter is in regard to my application for a property tax reduction (enclosed) on the building located at 640 West Eighth Street, in the Wilmore City Historical District of Downtown Long Beach.

I purchased the four-unit building, built in July of 1924, because of it's unique architectural features and location. At the time of my purchase, the deteriorating area was undergoing major changes, with property owners working hard to reclaim the area from the ravages of crime and drugs. I feel I could make a dramatic contribution to the renaissance of this important section of Long Beach, as my property is located at the intersection of Eighth Street and Maine Avenue at the south main entrance to Drake Park.

When I took possession of the building in November of 2001, it was vacant. In just under two years' time, I have completed restoration of the interior and have brought it up to meet current local building code standards, while maintaining the integrity of the original architectural style. The building is now occupied and I am preparing to restore the ornate brick facade on the exterior of the two-story structure. Unfortunately, this exterior work will be very costly, so any financial assistance at this time would directly impact my ability to complete restoration of the building.

Your consideration of my application is greatly appreciated. If you should have any questions or concerns, please do not hesitate to contact me at (714) 404-7877. I look forward to your response.

Sincerely,


Michael LaPoint

enc.



CITY OF LONG BEACH

DEPARTMENT OF PLANNING & BUILDING

333 W. OCEAN BLVD. • LONG BEACH, CA 90802 • (562) 570-6194 FAX (562) 570-6068

ZONING DIVISION

June 24, 2004

Michael La Point
644 W. 8th Street
Long Beach, CA 90813

RE: 640 W. 8th Street

Dear Michail:

This office has reviewed your request to determine the historic status of the above-mentioned address. The structure is located in the Drake Park/Willmore City Historic District. I have attached a copy of the ordinance (C-7538) and a district boundary map for your records.

Your building is located in the Drake Park Neighborhood area, which, as stated in the district ordinance, is the City's first housing tract. The first home was constructed in 1901. Your building is an intact ornate Colonial Revival 4-plex that was constructed in 1924. The building is an important element in the integrity of the historic district and is most definitely a "contributing structure" in the overall ambiance of Historic District and neighborhood.

If you have any question regarding this matter, please contact me at (562) 570-6607.

Sincerely,

Harold Simkins
Neighborhood and Historic Preservation Office

APPLICATION FOR MILLS ACT HISTORICAL PROPERTY CONTRACT
APPLICANT INFORMATION

owner's name Michael Timothy LaPoint
address 644 West 8th Street
city state zip code Long Beach, Ca 90813
phone numbers daytime 714-404-7877 evening 562-432-0500

HISTORIC PROPERTY INFORMATION

name of historic property Colonial Revival 4-plex
address 640 West 8th Street, Long Beach zip code 90813
assessor's parcel number APN 7271-623-027 Lot 7 Block K Knoll Park
legal description 4 Residential units

PROPERTY TAX INFORMATION

This exercise is intended to assist an applicant in determining their potential tax savings as well as for the City to identify the loss of public revenue. The actual Mills Act tax assessment, as determined by the County Tax Assessor, may be different. This is only an estimate.

1. Current annual property tax \$2917⁶⁹

Estimation of Mills Act property valuation:

2. Annual gross income (estimated or actual) \$29,200⁰⁰

3. Annual expenses (insurance, utilities, repairs) \$8,900 2004 YTD

4. Annual net income \$20,300⁰⁰

Capitalization rate: 15.5% for owner-occupied single-family wood frame home; 11.5% for masonry buildings. Divide the annual net income by the capitalization rate to obtain the new property valuation under the Mills Act contract.

5. Mills Act property valuation: \$1,309⁶⁷

6. Mills Act taxes: 1.17% X Mills Act property valuation \$1,532³²

7. Property tax savings with Mills Act contract: (subtract line 6 from line 1) \$1385³²

8. Tax loss to City = line 7 x 24%: \$332⁴³

HISTORIC REHABILITATION PROGRAM

Please list in **priority order** any improvements or rehabilitation work you plan to undertake over the next ten years:

YEAR / DESCRIPTION

- 1 2005/2006 Re-point Brick facade
- 2 2006 install planters, Trees
- 3 continue general upkeep and maintenance of Building
- 4 to preserve renovation completed at this point of time.
- 5 _____

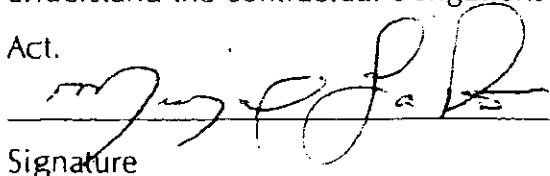
Above years are approx. depending on funding

ATTACHMENTS

Please attach the following documentation to your application:

1. A cover letter explaining your objectives with your property and the reasons for your interest in the Mills Act.
2. A complete and detailed set of color photographs of the property. Photographs should depict each side of the house on the exterior, and details of all architectural features.
3. A copy of your most recent property tax bill.
4. A copy of your grant deed for the property.
5. Application fee of \$375

I certify that I have read the legal contract and written material pertaining to the Mills Act and fully understand the contractual obligations for which I will be responsible under the terms of the Mills Act.


Signature

09 123 104

Date

AMERICAN TITLE CO.

RECORDING REQUESTED BY

AND WITNESS: DOUBLED MAIL TO:
Michael LaPoint
306 N. Starling Way
Anaheim, CA 92807

01 2137304

A.P.N.: 7231-013-017

Order No.: 9803351-13

Expense No.: 23807-1

GRANT DEED

THE UNDERSIGNED GRANTEE(S) DECLARE(S) THAT EXCERIMENTARY TRANSFER TAX IS: COUNTY \$264.00.
 computed on full value of property conveyed, or
computed on full value less value of liens or encumbrances remaining at time of sale.
unincorporated area; City of Long Beach, and

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FOR A VALUABLE CONSIDERATION, Receipt of which is hereby acknowledged,
California Western Financial Corporation, a California Corporation

hereby GRANT(S) to Michael LaPoint, a Single Man

the following described property in the City of Long Beach, County of Los Angeles State of California:

The West 80 feet of Lot 7 in Block "K" of Knoll Park, in the City of Long Beach, County of Los Angeles, California
as per map recorded in Book 2, Page 90 89, of Maps in the Office of the County Recorder of said County.

California Western Financial
Corporation, a California Corporation

By: *[Signature]*
G. Gordon Bell

Document Date: August 6, 2001

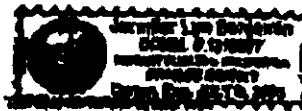
STATE OF CALIFORNIA
COUNTY OF Orange

On this 6th day of August, 2001, before me, Jennifer Benjamin, Notary

personally known to me and proved to me on the facts of satisfactory evidence to be the persons whose names they subscribed to the within instrument
and acknowledged to me that he executed the same in his/her authorized capacity and that he is/they is/are an individual
and provided me the only copies of which the presently used, corrected the instrument.

WITNESS my hand and official seal

Jennifer Benjamin



Mail This Statement to: SAME AS ABOVE or Address Noted Below

2003

ANNUAL PROPERTY TAX INFORMATION STATEMENT 2003

CITIES, COUNTY, SCHOOLS AND ALL OTHER TAXING AGENCIES IN LOS ANGELES COUNTY

SECURED PROPERTY TAX FOR FISCAL YEAR JULY 1, 2003 TO JUNE 30, 2004

MARK J. SALADINO, TREASURER AND TAX COLLECTOR

FOR ASSISTANCE CALL (213) 974-2111 OR (888) 807-2111

ASSESSOR'S ID. NO. CK

7271 023 027 03 000 87

PROPERTY IDENTIFICATION

ASSESSOR'S ID. NO.: 7271 023 027 03 000

OWNER OF RECORD AS OF JANUARY 1, 2003
NAME AS BELOW

BILLING ADDRESS

LAPOINT, MICHAEL
306 N STARLING WAY
ANAHEIM CA 92807-2932

Change of Address?
644 West 8th St
Long Beach, Ca 90813

ELECTRONIC FUND TRANSFER (EFT) NUMBER

DN: 19 7271 023 027 7 YEAR: 03 SEQUENCE: 000 7
N: 3093

American Express, Mastercard and Visa payments call (888) 473-0835
I have available the EFT number listed above. Service fees will be charged.
For check payments, please write the EFT number above on your check.

SPECIAL INFORMATION

PROPERTY LOCATION AND/OR PROPERTY DESCRIPTION
140 W 8TH ST LONG BEACH

EX OF MINING RIGHTS

ROLL PARK W 50 FT OF
LOT 7 BLK K

ASSESSOR'S REGIONAL OFFICE

REGION #10 INDEX: 0088 TRA: 11934
SOUTH DISTRICT OFFICE
1401 E WILLOW STREET
SIGNAL HILL CA 90755
(562) 256-1701

ACCT. NO.: 572 PRINT NO.: 510450 BILL ID.: IB

DETAIL OF TAXES DUE FOR

AGENCY	AGENCY PHONE NO.	RATE	AMOUNT
GENERAL TAX LEVY		1.000000 \$	2,380.40
ALL AGENCIES			
VOTED INDEBTEDNESS			
COUNTY		.000992 \$	2.36
METRO WATER DIST		.006100	14.52
FLOOD CONTROL		.000462	1.13
COMMUNITY COLLEGE		.011705	27.86
UNIFIED SCHOOLS		.042849	101.99
DIRECT ASSESSMENTS			
SANITATION # 3	(562) 699-7411		201.60
FLOOD CONTROL	(626) 458-3945		23.42
COUNTY PARK DIST	(213) 728-2883		45.51
MWD WSC - 8	(800) 756-6864		12.16
TRAUMA/EMERG SRV	(562) 587-2862		106.74

INFORMATION ONLY

TOTAL TAXES DUE	\$2,917.69
FIRST INSTALLMENT TAXES DUE NOV. 1, 2003	\$1,460.12
SECOND INSTALLMENT TAXES DUE FEB. 1, 2004	\$1,457.57

VALUATION INFORMATION

ROLL YEAR 03-04	CURRENT ASSESSED VALUE	TAXABLE VALUE
LAND	81,600	81,600
IMPROVEMENTS	163,200	163,200
PERS PROP	240	240
TOTAL		245,040
LESS EXEMPTION: HOME		7,000
NET TAXABLE VALUE		238,040





