



Agenda Report

Meeting Date: June 5, 2025

Prepared By: Nick Zornes

Subject: Zoning Code Amendments – Historic Preservation, Mills Act, Design Review

COUNCIL PRIORITY AREA

- ☐ Public Safety
- ☐ Business Communities
- ☐ Circulation Safety and Efficiency
- ☐ Environmental Sustainability
- ☒ Housing
- ☒ General Government

RECOMMENDATION

Consider the draft ordinances and provide recommendation to the Los Altos City Council for the adoption of the proposed ordinances which include:

1. An Ordinance of the City Council of the City of Los Altos Adding Chapter 14.90 (Historic Preservation) to the Los Altos Municipal Code; and
2. An Ordinance of the City Council of the City of Los Altos Adding Chapter 14.91 (Mills Act Program) to the Los Altos Municipal Code; and
3. An Ordinance of the City Council of the City of Los Altos Adding Chapter 14.77 (Design Review) to the Los Altos Municipal Code; and
4. An Ordinance of the City Council of the City of Los Altos Repealing in its Entirety Chapter 14.76 and Chapter 14.78 for Existing Design Review Regulations; and
5. An Ordinance of the City Council of the City of Los Altos Repealing in its Entirety Chapter 12.44 for Existing Historic Preservation Regulations; and
6. An Ordinance of the City Council of the City of Los Altos Amending Chapter 14.01 (Administration of Zoning) to the Los Altos Municipal Code; and

Find that the proposed amendments are exempt from environmental review pursuant to Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines.

FISCAL IMPACT

Not Applicable.

ENVIRONMENTAL REVIEW

The proposed amendments are exempt from environmental review pursuant to Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines.

PREVIOUS COUNCIL CONSIDERATION

Not Applicable.

BACKGROUND

The Los Altos Municipal Code contains various ordinances for items that include Historic Preservation, and Design Review for development within the City. However, the Code does not include specific standards, processes or procedures for Mills Act Properties and the associated contracts for historic preservation.

The Historic Preservation Ordinance as a part of this Agenda Item aims to modernize and strengthen the process for identifying, designating, preserving, and regulating historic resources in the City of Los Altos. This update codifies existing best practices, integrates preservation into land use and development processes, and provides clear procedures and definitions for designations and alterations to historic properties. Much of the proposed ordinance language is consistent with existing standards within the Los Altos Municipal Code, however, are being relocated from Title 12 (Building and Safety Code) to Title 14 (Zoning Code).

The proposed Mills Act Chapter introduces an economic incentive program authorized by California Government Code §§50280–50290. It allows owners of qualified historic properties to enter into contracts with the City for reduced property tax assessments in exchange for commitments to restore and maintain those properties according to preservation standards. The proposed ordinance largely codifies existing practice, which is enabled by State law, however, is not contained within local ordinance. The integration of the proposed ordinance into the local code allows for consistency and integrity of the Mills Act program within the City.

Lastly, the proposed Design Review ordinance merges together two existing Chapters within the Los Altos Municipal Code, Chapter 14.76 and 14.78. The two existing chapters both necessitate amendments for consistency in the Los Altos Zoning Code. The two chapters are being proposed to be merged as the best practice for user experience and ease of application of the Code. The merger of the two chapters into a standalone chapter is common practice for the requirements of Design Review in most jurisdictions, as the process for permitting should be the same, and the district specific regulations are reflected elsewhere in the code. Specific provisions in the proposed ordinances are largely consistent with the existing two separate chapters, and existing practice within the City.

ANALYSIS

Historic Preservation Ordinance:

The Ordinance establishes a comprehensive regulatory framework for designating properties as historic resources or landmarks based on criteria related to age, integrity, and significance. Introduces formalized procedures for applications, reports, Historical Commission review, and City Council action. Defines a new Historic Alteration Permit process for review and approval of proposed changes to designated properties, ensuring compliance with the Secretary of the Interior's Standards for the Treatment of Historic Properties. Identifies ordinary maintenance activities exempt from permit requirements and emphasizes the duty to maintain designated historic properties in good repair. Clarifies appeal rights, enforcement mechanisms, and the option for joint public hearings with other review authorities.

Mills Act Ordinance:

The Ordinance establishes eligibility requirements for entering into historic property preservation contracts, limiting participation to properties designated on local, state, or national registers. Sets out a robust application process including a 10-year maintenance plan, cost estimates, photographs, proof of eligibility, and property tax assessment projections. Requires formal contract review and execution by the City Council, subject to compliance with applicable codes and preservation standards. Mandates periodic inspections and documentation (every five years) to ensure ongoing compliance with preservation obligations. Includes provisions for nonrenewal, amendment, and cancellation of contracts, consistent with state law and local enforcement authority. As previously noted, the proposed Mills Act Ordinance is codification of existing practices which are enabled by State law. The proposed ordinance further provides process and procedures for review, approval, and enforcement of the Mills Act for the City of Los Altos.

Design Review Ordinance:

The Ordinance consolidates two standalone ordinances for design review within the City of Los Altos, one for the Single-Family Districts, and one for all other Districts. The two standalone ordinances necessitate updates for consistency with the Los Altos Municipal Code based on several recently completed code amendments. The merger of the two chapters allows for best practice and what is commonly seen in other codes within the industry. Regulations contained within the newly proposed Chapter are largely the same as what exists today, and existing practices of the City of Los Altos.

DISCUSSION

The revised Historic Preservation Ordinance and the new Mills Act Chapter function in tandem to preserve the City's cultural and architectural heritage through both regulatory oversight and financial incentives. The operative framework provides the following:

- **Designation to Protection:** Properties must first be designated as Historic Resources (via the Historic Preservation Ordinance) to become eligible for Mills Act contracts. The preservation ordinance provides the process and criteria for such designation, ensuring resources meet thresholds of significance and integrity.
- **Alterations and Integrity:** Once designated, any significant changes to a property must go through the Historic Alteration Permit process to protect character-defining features. This ensures that physical modifications do not compromise historical integrity.
- **Financial Incentives and Long-Term Maintenance:** The Mills Act contract offers a property tax reduction in exchange for a binding 10-year plan to rehabilitate and maintain the historic property. City inspections verify ongoing compliance, while cancellation provisions protect the public interest and further ensure that a reduction in the property tax levy is only commensurate with the need to upgrade or restore the historic property.
- **Enforcement and Oversight:** Both ordinances include clear roles for staff, the Historical Commission, and the City Council in reviewing, approving, and enforcing regulations or contracts. Joint hearing procedures further streamline multi-authority reviews where necessary.

- The synergy between the updated preservation regulations and the Mills Act program is essential for advancing Los Altos' historic preservation goals. Together, they reflect a comprehensive and balanced approach that recognizes the value of cultural resources while providing meaningful incentives for private stewardship.

The consolidated Design Review Ordinance ensures consistency and adherence to the City of Los Altos established rules and regulations for development. The existing two standalone chapters do not speak to each other, and in some areas fall short of the prescriptive compliance that is necessary for a well-established regulatory framework. The amendments are proposed based on the existing practices of the City of Los Altos, and industry standards which are known for this municipal function in Planning and Zoning. Overarchingly the amendments streamline the review process for all parties, which is crucial as Design Review is the City's single most application requested and reviewed by the Development Services Department.

ATTACHMENTS

- 1. Draft Ordinance – Historic Preservation**
- 2. Appendix A**
- 3. Draft Ordinance – Mills Act**
- 4. Appendix A**
- 5. Draft Ordinance – Design Review**
- 6. Appendix A**
- 7. Draft Ordinance – Repeal Chapter 14.76 & 14.78**
- 8. Appendix A**
- 9. Appendix B**
- 10. Draft Ordinance – Repeal Chapter 12.44**
- 11. Appendix A**
- 12. Draft Ordinance – Administration of Zoning 14.01**
- 13. Appendix A**