

MILLS ACT PROGRAM

Eligibility

Qualifying properties include:

- Individual local landmarks or contributing structure to a local historic district
- Individual landmark listed on the National Register of Historic Places or contributing structure to a National Register District

Ineligible properties include:

- Properties with outstanding code violations and/or Orders-to-Comply issued by the Building Division. All code violations must be corrected before an application is accepted or processed.
- Properties with delinquent taxes.
- Properties with an ownership change prior to date of recordation (will be nullified by the County since the ownership on the date of recordation will not match the ownership as listed on the contract).

Criteria

A property must meet at least three of the following criteria:

- Necessity – investment in the property is needed to ensure its preservation (work done in the previous year may be considered)
- Uniqueness – the property is unique
- Investment – the owner is committed to investing in the property to ensure its preservation
- Affordability – the project will result in the development or maintenance of low- or moderate-income dwellings
- Employment – the project will provide employment to low- and moderate-income persons

Property Valuation Limits

- Tax Assessed Value of \$1,500,000 for Single-Family Dwellings
- Tax Assessed Value of \$3,000,000 for
 - Multi-Family (2 units or more)
 - Commercial
 - Industrial Properties
 - Revenue loss to the City will not exceed \$200,000 for the entire program (all contracts)

Exemptions to Valuation Limits are granted if:

- Exceptional example of architectural style or represents a work of a master architect
- Granting will assist the preservation and rehabilitation of a property that has excessive and/or unusual maintenance requirements and is otherwise in danger of demolition (requires Historic Structure Report)

Contract Terms

- Contract runs for a minimum term of 10 years and automatically renews annually for the minimum term
- Pre-Contract and periodic property inspections are performed by the City
- The entire property is covered under a contract, including building exterior and exterior, landscaping and grounds
- Contract runs with the land and is transferred to new owners when a property is sold
- All rehabilitation work shall be completed within the first 10-year period of the Contract
- If property sells within the first 10-year period of the Contract, the new owner is obligated to complete any unfinished rehabilitation work in the time remaining on the initial term
- Property must be rehabilitated and maintained in accordance with the Secretary of the Interior's Standards for Rehabilitation and the California Historical Building Code
- Failure to rehabilitate or maintain the property may cause cancellation of the Contract and a penalty of 12.5% of current fair market value levied against the property. An Owner or the City may issue a Notice of Non-Renewal to opt out of the Contract
- Notice of Non-Renewal sunsets the Contract after 10 years
- Taxes are readjusted to the Base Year Value over the remaining 10 years
- No penalties will be assessed for non-Renewal

Review Authority

The Mills Act Program is under the authority of the Director of Development Services

- The Director, or his designee, reviews and approves alterations to properties
- The City Council may initiate cancellation

Application Process

Complete application contains:

- Application Form
- Criteria Worksheet
- Exemption Form (if applicable)
- Historical Property Description, including photos if available
- Historical Property Contract
- Rehabilitation/Restoration/Maintenance Plan, including estimated costs
- Estimated Tax Benefits
- Notary Acknowledgement Form
- Property Documentation, including site plan and photographs
- Copy of most-recent tax bill
- Copy of the grant deed
- Fee

Staff Review to Determination Eligibility

- Appeal available for Rejected Applications
- Pre-Contract Execution Property Inspections

- Contracts Presented to City Council for Approval

Application Fees

Single-Family Residential Dwelling:	\$TBD
Multi-Family (2+ units), Commercial & Industrial Properties:	\$TBD
Valuation Exemption:	\$TBD
Appeal of Staff Determination of Ineligibility	\$TBD
Contract Execution Fee:	
• Single-Family Residential Dwelling:	\$TBD
• Multi-Family (2+ units), Commercial & Industrial Properties:	\$TBD