

# **COSTA MESA'S MILLS ACT PROGRAM**

The Mills Act is an agreement between the City of Costa Mesa and the property owner that provides for reduced property taxes on eligible historic property if the property owner agrees to maintain and preserve the property for a minimum of ten years.

## **Background**

Adopted by the California Legislature in 1976, the Mills Act gives local governments the authority to grant property tax relief to owners of qualified historic properties, including owner-occupied and income producing properties. In exchange for this relief, the property owners must agree by contract to maintain the properties in accordance with specific historic preservation standards and conditions. The overall intent of the legislation is to provide an incentive for owners to preserve and maintain the community's historic resources.

## **Key program elements**

- Is a completely voluntary program
- Is an economic incentive to encourage preservation of historic properties by reducing property taxes.
- Can be used by homeowners as well as income producing historic properties
- Includes a commitment to preserve and maintain the property for a minimum period of 10 years
- Is a contract between the City and the owner of a designated historic property

## **Expected program benefits**

The Mills Act serves as a financial incentive to owners to preserve and maintain their historic properties for the benefit of the entire community. The preservation of important resources and neighborhoods would have beneficial indirect effects on local contractors, businesses and community pride. Recent studies indicate that ongoing maintenance to maintain the integrity of historic homes increases both property values of the structure and the historic district in general.

## **Does your property qualify?**

Only certain properties can use this preservation incentive. Properties listed on an official federal, state, county, or city register, including the National Register of Historic Places, the California Register of Historical Resources, the California Register of Historical Landmarks, California Points of Historical Interest and local survey listings are eligible for Mills Act contracts.

Any architecturally or historically significant (contributing) properties listed in the City's Historic Survey

would be eligible to participate in the Mills Act Program.

### **Availability of program**

The Mills Act program implemented by the City Council limits the total number of Mills Act contracts at 20 new contracts per tax year. The City Planning Department maintains a waiting list, and applicants can apply throughout the year.

To see if you are eligible please contact City Planning Division staff at (714) 754-5245.