

REQUIREMENTS

In order for your property to be considered for a contract you must have a designated historic resource. City designations are: Landmark, Structure of Merit, and contributor to a designated Historic District. Property may also be listed on the California Register of Historic Resources or the National Register of Historic Places.

The City of Santa Barbara can accept up to eight (8) Mills Act contracts per year – six residential and two commercial, or up to eight residential if no commercial applications are submitted. Applications will be accepted during the months of January through June and must be submitted with a non-refundable application fee. Some properties may not qualify due to the cap limits on the total assessed property valuation (currently 1.5 million). Contracts that propose to exceed these limits can be granted only if an exception is approved by City Council.

A ten-year rehabilitation plan is required as part of the application and will be re-evaluated every five (5) years or as needed. Planning staff will assist you in finalizing the rehabilitation plan. It is necessary that you submit the necessary photo documentation on the current condition of the property. You may be required to submit annual reports on completed project(s), along with copies of receipts and building permits where applicable. City staff may conduct property inspections at any time to ensure that proposed work has been completed per contract agreement and meets all applicable City standards. The application packet is also available on line at www.SantaBarbaraCA.gov. If you have any questions please contact Nicole Hernandez, Urban Historian, at (805) 564-5470 ext. 4557 or email at NHernandez@SantaBarbaraCA.gov.

REVIEW PROCESS

The processing of a Mills Act Contract requires the review by the Historic Landmarks Commission

Pre-application: The applicant meets with the Urban Historian to become familiar with the application requirements

Submittal: The applicant submits a complete application package to the Planning Division by June 30th each year.

Historic Landmarks Commission (HLC) Review: The HLC reviews the property condition and the Ten-Year Rehabilitation Plan and recommends approval of the contract.

Recordation: Staff prepares the contract and once signed records the document with the County Assessor. The contract takes effect on January 1 of each year.

Submittal to County Assessor: All information is submitted to the County Assessor in January for the County Assessor to evaluate the new annual tax.



The Spanish Colonial Revival Building was constructed in 1931 West Beach neighborhood.

MILLS ACT

Tax Incentive for Preserving
and Rehabilitating Locally Designated
Historic Properties.



Constructed in 1918 in the Mission-Pueblo Revival Style by noted artist Carl Oscar Borg.

How You Can Reduce Your Property Tax



CITY OF SANTA BARBARA
Community Development Department

www.SantaBarbaraCA.gov

630 Garden Street
Santa Barbara, CA 93102

MILLS ACT PROGRAM

The Mills Act is the single most important economic incentive program available in California for private property owners of qualified historic buildings. The Mills Act is a state sponsored legislation enacted in 1972 is a self directed, economic incentive program for owners of historic buildings that are listed in the National Register of Historic Places California Register or designated a Santa Barbara Structure of Merit or City Landmark, or a contributing structure to a Historic District. It is also applicable to income producing properties. A Mills Act program must be developed according to two California State Codes: California Government Code, Article 12, Sections 50280-50290 and California Revenue and Taxation Code, Article 1.9, Sections 439-439.4.

- Under the program, property owners receive a significant reduction in local property taxes in exchange for their promise to actively participate in restoring, rehabilitating, repairing and preserving their properties. Participants enter into a perpetual 10-year contract with the City.



This Craftsman Bungalow was constructed in 1926 in the West Side neighborhood.

- Contracts are automatically renewed each year and may be transferred to new owners when the property is sold.
- City, county, or state officials may periodically inspect properties to ensure proper maintenance.
- Penalties may be imposed for breach of contract or failure to maintain the historic property.
- The county assessor's office re-assesses property taxes based on a capitalization of income formula rather than on market value. Mills Act participants may realize a property tax savings of approximately 30 to 60% each year depending on property value, net operating income, and other variables.

Additional Mills Act information can be found online at [www.SantaBarbaraCA.gov/Mills Act](http://www.SantaBarbaraCA.gov/MillsAct).



Constructed in 1873, the Italianate House recently completed a 5 year restoration under the Mills Act program.



Constructed in 1905 in the Craftsman Style with its original decorative shingle siding.

SUBMITTAL REQUIREMENTS

The following information is required for the processing of a Mills Act Contract:

Completed Application Form

- Mills Act Program Application
- Mills Act Program Ten-Year Rehabilitation Plan
- Mills Act Program Financial Analysis Form
- Mills Act Program Tax Adjustment Worksheet
- Exterior Photographs of the Property
- Copy of Grant Deed with legal description of property
- Non-Refundable Application Fee*
- A filing fee is due at the time of signing the contract*

**See staff for current fee Schedule.*