

CITY OF CALISTOGA

MILLS ACT HISTORIC PRESERVATION PROGRAM

The City Council has recognized the Mills Act as the single most important economic incentive program available in California for use by private property owners of qualified historic buildings. Enacted in 1972, the Mills Act legislation grants the City the authority to enter into contracts with owners of qualified owner-occupied or income-producing property who actively participate in the rehabilitation, restoration, preservation and maintenance of their historic property. In exchange, participating property owners may be eligible to receive a reduction in their property taxes. The City of Calistoga has established the following Mills Act Program to encourage private property owners to participate in the rehabilitation, restoration, preservation and maintenance of their historic property (City Council Resolution No. 2010-085).

1. ELIGIBILITY

- A. The property is located within the incorporated limits of the City of Calistoga.
- B. The property is privately owned.
- C. The property is not exempt from property taxation.
- D. The property meets at least one of the following criteria:
 - (1) The property listed in the National Register of Historic Places or located in a registered historic district; OR
 - (2) The property listed in any state, city, county, or city and county official register of historical or architecturally significant sites, places, or landmarks.

2. CONTRACT REQUIREMENTS

- A. The minimum term of a Mills Act contract is ten years.
- B. Each year on the anniversary date of the contract one year shall be automatically added to the term of the contract unless a notice of non-renewal is given.
- C. During the contract period, the owner is expected to restore/rehabilitate and/or maintain the property in accordance with the standards, rules and regulations of the Office of Historic Preservation of the Department of Parks and Recreation, the United States Secretary of the Interior's Standards for Rehabilitation and the State Historical Building Code.

- D. During the contract period, the owner shall allow for periodic examinations of the interior and exterior of the premises by the County Assessor, the Department of Parks and Recreation, the State Board of Equalization, and the City or its agent as may be necessary to determine the Owner's compliance with the Agreement.
- E. If it is determined that a breach of contract conditions has occurred, the City may cancel the contract. Cancellation of a Mills Act contract requires that the owner pay a cancellation fee equal to 12.5% of the current fair market value of the property.
- F. The contract shall remain with the property when transferred to a new owner, who would be bound by the contract and have the same rights and obligations as the original owner who entered into the contract.

3. APPLICATION AND ADMINISTRATION

- A. To apply for a Mills Act contract, a completed City application form and other information needed to determine the property's eligibility shall be submitted to the Planning and Building Department. A non-refundable application processing deposit of \$500 is required.
- B. Applications for a Mills Act contract are reviewed and approved by the City Council.
- C. Upon approval, the City will forward the contract to the County Assessor for reassessment of the historic property pursuant to Revenue and Taxation Code Section 439 et seq.
- D. All buildings, structures, yards and other improvements are required to be maintained in a manner which does not detract from the appearance of the immediate neighborhood during the term of the contract.
- E. The owner shall provide an annual report to the City describing any maintenance or improvement activities undertaken during the previous year.
- F. A Mills Act contract does not exempt a property from City regulations, including review procedures or permitting requirements.
- G. The City's Mills Act program allows for up to three contracts to be approved per calendar year.