



CITY OF RANCHO MIRAGE

DEVELOPMENT SERVICES

PLANNING DIVISION

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MILLS ACT PROGRAM

- Do you own a great historic-period building in Rancho Mirage?
- Is your property a designated Historic Resource or a contributor to a designated Historic District in the City?
- Are you interested in a financial incentive that can help you rehabilitate, restore and maintain your building?

THE CITY OF RANCHO MIRAGE CAN HELP!

Background. Enacted in 1972, the Mills Act legislation grants participating local governments (cities and counties) authority to enter into contracts with owners of qualified historic properties who actively participate in the restoration and maintenance of their properties to receive property tax relief. The California Office of Historic Preservation website states that "The Mills Act is the single most important economic incentive program in California for the restoration and preservation of qualified historic buildings by private property owners."

Qualified Historic Buildings. To qualify for the Rancho Mirage Mills Act Program a property must be one of the following:

- A designated Historic Resource under the City's local ordinance (Chapter 15.27 of the Municipal Code); or
- A contributing feature of a designated Historic District in the City.

The property must be designated by the time of application. Questions about the designation status of a property or the City's Historic Preservation Program may be directed to the Historic Preservation Commission Staff Liaison in the City's Planning Department.

Mills Act Program Benefits. Some of the benefits to entering into a Mills Act contract include the following:

- Mills Act participants normally realize substantial property tax savings each year.
 - The Mills Act program is especially beneficial for recent buyers of historic properties and for current owners of historic buildings who have made major improvements to their properties.
 - Typically, property owners can expect a 20% to 70% savings on their property taxes. Under State law, the lesser of 1) the current market value, 2) the Proposition 13 value, or 3) the restricted value based on the rents will be used to calculate your property taxes. However, it is possible that the Proposition 13 value may actually be lower than the restricted value and the property would receive no benefit.
- Qualifying homes have proven very attractive to real estate buyers. Neighborhoods that have a higher percentage of qualified homes tend to be well maintained with a great deal of charm and character, which strengthens community ties and increases property values.
- The Mills Act facilitates improvements to the property that enhance its value, character, and livability.



MILLS ACT PROGRAM BASICS

Duration. A Mills Act contract is for a minimum term of 10 years. It is automatically renewed each year on its anniversary date and a new 10-year term becomes effective. Contracts are transferred to new owners when the property is sold.

Alterations to a Property. Prior to performing any work on the property, the owner must give at least 60 days written notice to the Historic Preservation Commission Staff Liaison describing the work to be done. Alterations may also require permits from other City Departments and must comply with all applicable City regulations.

Maintenance Requirements. The property owner shall preserve, maintain, perform routine maintenance and repair of the Historic Property and, when necessary, restore and rehabilitate the property, as needed to retain its historical significance.

Periodic Examinations. With 30 days advance written notice, the owner must allow reasonable periodic examinations of the interior and exterior of the Historic Resource by the City, County Assessor, and/or State officials. The purpose of these inspections is to ensure that the historic significance of the property is being retained.

Termination. The property owner may terminate the contract by notifying the City at least 90 days prior to the annual renewal date. The City may terminate the contract by notifying the owner at least 60 days prior to the renewal date. The owner may make a written protest about termination by the City. The contract remains in effect for the balance of the term of the contract beyond the year of termination.

Breach of Contract. If the City determines that the property owner is in breach of contract, the City may cancel the contract and the owner is liable for a cancellation fee of 12.5% of the current value of the property as determined by the County Assessor.