

# Mills Act Background & Criteria

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CITY COUNCIL

AUGUST 22, 2024



# Mills Act - Background

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Legislation enacted in 1972 - Authority for Local governments to enter contracts with owners of qualified historic properties who **actively participate in the restoration and maintenance of their historic properties** according to the US Secretary of Interior Historic Standards, in exchange for receiving property tax relief.

Each local government establishes their own criteria and determines how many contracts they will allow in their jurisdiction.

Applicants must complete a 10-year Property Improvement Plan which details proposed projects by year and cost. Appendix A of the Mills Act Manual is a guide for qualifying projects.

# Mills Act Update

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Staff seeking Council's approval on updating Mills Act Manual to have clearer eligible improvements in the work plan. Updated Appendix A categorizes improvements as either contributing to "Structure Integrity", "Architectural/Historical Integrity" or Ineligible.

- **January 24, 2024:** CRPC recommends approval of updated guidelines
- **March 27, 2024:** Additional input received from an existing property owner/Mills Contract that there should be no changes - primarily interior improvements
- **April 11, 2024:** City Council directs staff to conduct additional outreach to existing Mills Act contract owners. City staff contacted 20 applicants for feedback, met with property owners, and Sandpiper HOA representative. Feedback resulted in revision to Appendix A to say *"If HOA Fees submitted are for a scope of work that is eligible in another section of Appendix A, the fees may be eligible."*
- **June 26, 2024:** CRPC recommends approval with revisions: Water heaters, contributing landscaping and hardscape, and repair of swimming pools should be deemed eligible.

# Appendix A

SCOPE OF WORK	ELIGIBLE		INELIGIBLE
	Structure Integrity	Architectural and/or Historical Integrity	
<b>Interior</b>			
1. New/repair appliances			X
2. New/repair carpet			X
3. New/repair countertops			X
4. New/repair flooring		X	
5. Interior painting			X
6. Changes to interior walls			X
7. Carpentry restoration work (example: Windows, molding, framing)		X	
<b>Roofing</b>			
8. Patch/Repair Roof		X	
9. New Roof (different material)	X		
10. New roof (original material)		X	
11. Altering Building Roof (ridge, dormers, gables, etc.)		X	
12. Repair roof framing	X		
13. Repair of eaves/overhangs	X		
14. Flashing/waterproofing	X		
15. Install rooftop photovoltaic system (Solar panels)			X
<b>Windows/Doors/Awning/Shutters</b>			
16. Replace exterior doors and/or windows		X	
17. Alteration/creation of window or door opening			X
18. Replacement/repair of shutters or awnings		X	
19. Install or remove shutters or awnings			X

20. Whole house exterior painting		X	
21. Touch up paint		X	
22. Re-stucco (like for like)		X	
23. Stucco repair (like for like)		X	
24. Repair, restore, or repaint masonry		X	
25. Cleaning of walls		X	
26. New/replacement wall cladding		X	
<b>Architectural Elements</b>			
27. Repair, remove, or alter existing patios, balconies, and/or chimneys		X	
28. Construct new patio, balcony, and/or chimney			X
29. Construct new attached wall			X
30. Repair or replace gutters and downspouts	X		
31. Repair existing architectural element		X	
32. Add new architectural element			X
<b>Mechanical</b>			
33. New HVAC system(s)	X		
34. New venting or duct work	X		
35. New water heater		X	
36. New fans			X
37. HVAC system maintenance/repair	X		
<b>Electrical</b>			
38. New electrical outlets, circuits, panels	X		
39. Whole house rewiring	X		
40. Electrical panel upgrade			X
41. New service lines to detached structure			X
42. Electric vehicle charger			X
43. Battery storage or generator			X
44. Security lighting and/or alarm system			X
45. Exterior lighting fixtures		X	
46. Interior lighting fixtures			X
<b>Plumbing</b>			
47. Whole house repiping	X		
48. New plumbing fixtures (sink, tub, shower, faucets)			X
49. Plumbing repairs	X		
50. New service or supply lines			X
<b>Fire Protection</b>			
51. Install fire sprinkler system	X		
52. Install smoke/CO2 alarms			X
<b>Structural/Foundation</b>			
53. Foundation bolting, wall bracing, and related seismic work	X		
54. New/repair foundation			
55. Seismic retrofitting			

56. Repair or reinforce wall/ceiling framing or bracing			
<b>Drainage/Water Protection</b>			
57. Flashing	X		
58. New/repair Exterior Drains			
59. Water damage repair (interior/exterior)			
60. Re-grading of property for drainage purposes			
<b>Accessory Structures</b>			
61. New/repair of walls or fences		X	
62. Contributing landscaping and hardscape		X	
63. ADU or JADU construction			X
64. Install/remove swimming pool			X
65. Repair contributing swimming pool		X	
66. Construct/repair/removal of original accessory structure		X	
67. Construct/repair/removal of non-original accessory structure			X
<b>General Maintenance</b>			
68. HOA Fees for Ineligible Items			X
69. HOA Fees for Eligible Items*		X	
70. Regular common area or landscaping fees			X
71. Termite Treatment	X		
72. Mold remediation			
73. <del>Abestos</del> <u>Asbestos</u> remediation			
74. Radon gas prevention/remediation			
75. Lead-based paint removal			

\*If HOA Fees submitted are for a scope of work that is eligible in another section of Appendix A, the fees may be eligible.

# Recommendation

- Updated manual incorporates feedback from CRPC, residents, and the City Council
- Other revisions to manual include outdated references and updated contract
- Would be used for applications submitted in 2024