



County of Santa Cruz  
**Community Development &  
Infrastructure**

*Mills Act Contract Application Submittal Requirements*

A Mills Act  
Contract recorded  
prior to December  
31 will take effect  
the next tax year

## **Introduction**

A Mills Act Contract is an agreement between the County of Santa Cruz (County) and a property owner (Owner/s) of a historic building. The property owner benefits from a reduction in property taxes and the County is assured that the historic building is rehabilitated, maintained, and preserved. At this time, the National Register (NR) properties listed on the County's Historic Inventory designated NR-1, NR-2, NR-3, and NR-4, are eligible for Mills Act Contracts. However, any NR-5 and NR-6 historic properties may also be considered for the Program if the Board of Supervisors deems appropriate and said structure is formally re-designated as NR-1, NR-2, NR-3, and NR-4 by the Board of Supervisors<sup>1</sup> by December 31 of the prior year before submitting an application – i.e., if you plan to submit a Mills Act application in 2027 you will need to have an NR-5 or NR-6 property reviewed by the County and designated as an NR-1, -2, -3, or -4 in 2026). Residential properties with a market value greater than \$3 million and commercial/industrial properties with a market value greater than \$5 million at the time of application submittal will not be accepted for the Mills Act program.

The Contract will require that the historic elements of the property are maintained in good condition, which includes a plan for rehabilitation and maintenance and may include a program to restore deteriorated elements. All recipients of Mills Act contracts are required to implement a rehabilitation and maintenance plan and to submit an annual report to the Department specifying all work that has been done to maintain and preserve the historic resource over the preceding year in compliance with the approved maintenance plan. Depending on the structure, a qualified professional may be required to prepare the maintenance plan (County staff will determine if this will be necessary. Generally, structures requiring a professional to participate will be large, intricate and complex).

The contract rights and obligations are binding upon all successive owners of the property during the life of the contract, and the property retains the lower Mills Act tax rate when the property is sold. All Mills Acts Contracts have a term of 10 years and one year is added to the term annually upon each anniversary of the approval date, unless one or more parties has taken action to terminate the contact.

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<sup>1</sup> Decisions by the Board require review and approval by the Historic Resources Commission. This redesignation of a property to NR-1, -2, -3, or -4 is a separate procedure from the Mills Act program. Contact the Historic Resources Planner regarding the procedures and any fees to process.

## **Process Summary**

A Mills Act Contract recorded prior to December 31 will take effect the next tax year. To meet the December 31 deadline, a Mills Act Program application must be submitted to the County no later than July 31. This schedule provides sufficient time from receipt of application materials for the Historic Resources Planner to review the application and make any follow up requests for information, determine application completeness, prepare a staff report for the Board of Supervisors, and the County Recorder to record the contract. The Historic Resources Planner will make a recommendation to the Board of Supervisors to approve, approve with conditions, or deny the application. Upon approval of the contract, the contract will be transmitted to the County Recorder's Office, and the County Assessor will calculate the Mills Act values. A Mills Act valuation will not always result in tax savings. Contracts must be recorded prior to December 31 to affect the next tax year. For example, an application received December 31, 2026 and recorded May 2, 2027 would not be effective until 2028.

## Submittal Checklist

1. General Planning Application Form
  - Property owner signatures are required on all applications
  - Application fee
2. A property deed with a full legal description of the property
3. A rehabilitation and maintenance plan 10-year schedule for the historic resource prepared by or reviewed by a qualified professional (architect or architectural historian). The plan shall include a cost estimate of the work to be done.

### Example 10-year rehabilitation/restoration and maintenance plan

Example Work Items	Year of Completion										Cost Estimate
	'27	'28	'29	'30	'31	'32	'33	'34	'35	'36	
Repair dry rot on rafter tails											\$
Repaint exterior											\$
Repair water damaged dry rot on casement windows in master bedroom											\$
Repaint brick work on the main house, foundation, and porch											\$
Replace roof											\$
Replace windows											\$
Replace water pipes to main house, replace kitchen plumbing and sink fixtures											\$
Etc.											\$
Etc.											\$
Etc.											\$



COUNTY OF SANTA CRUZ  
COMMUNITY DEVELOPMENT & INFRASTRUCTURE  
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## Mills Act Program Application

**QUESTIONS?** Contact: Skyler Kriese, Historical Resources Planner at (831) 454-3172.

**1. Property Location** \_\_\_\_\_

Street Address

\_\_\_\_\_  
City/State

\_\_\_\_\_  
Zip Code

\_\_\_\_\_  
Assessor's Parcel No.

**2. Applicant** \_\_\_\_\_

Name

\_\_\_\_\_  
Telephone No.

\_\_\_\_\_  
Email Address

\_\_\_\_\_  
Mailing Address

\_\_\_\_\_  
City/State

\_\_\_\_\_  
Zip Code

**3. Property Owner<sup>2</sup>** \_\_\_\_\_

Name (if different from applicant)

\_\_\_\_\_  
Telephone No.

\_\_\_\_\_  
Email Address

\_\_\_\_\_  
Mailing Address

\_\_\_\_\_  
City/State

\_\_\_\_\_  
Zip Code

**4. Property Occupancy.**

- owner occupied  
 income-producing property (i.e., rented or leased)

**5. Historic Name of Property** (if any) \_\_\_\_\_

**6. Is Property Restricted by a Williamson Act contract?**  Yes  No

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<sup>2</sup> List all property owners and current mailing addresses. Names should appear in the same form that they are shown on deeds and other title documents. If the owner is other than an individual or individuals, identify those persons authorized to enter into a binding agreement for the property, and, as an attachment to the application, include a copy of the document establishing that authority. (Use additional pages if necessary to list all owners.)

**7. 10-Year Preservation Plan**

Attach a year-by-year schedule of preservation, restoration, rehabilitation and/or maintenance work to be conducted over the 10-year period (minimum) of the preservation contract. The itemized list must include cost estimates and a timeline for the completion of each work item. All work must conform to the Secretary of the Interior’s Standards for the Treatment of Historic Properties, the State Historical Building Code, County codes, and be focused on the preservation of the historic fabric and character defining features of the property. General property improvement work, such as new landscaping, decks, pools, patios, driveways and new construction is generally not work that qualifies for inclusion in the preservation plan, unless these have been identified in the DPR Form 523 to be part of the historical fabric of the property.

**8. Site plan.**

Attach a site plan of the property, including the main building and any other accessory buildings, structures or objects on the property and indicate the boundaries of the area proposed for inclusion in the Mills Act preservation contract.

**9. Current Photographs.**

Attach current, labeled, black and white or, ideally, color photographs depicting each elevation of the building(s), including details of character-defining features and any accessory buildings, structures or objects on the property proposed for inclusion in the Mills Act preservation contract.

**10. Copy of Property Deed.**

Attach copy of deed, including legal description for the property proposed for Mills Act contract.

**11. Acknowledgement (all owners of record as evidenced by deed).**

In filing this application, I understand that it becomes a part of the public record of the County of Santa Clara and hereby certify that all information contained herein, or subsequently submitted, is true and correct to the best of my knowledge.

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Applicant Signature

Date

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Property Owner Signature

Date

**Return application, along with required supporting documents to the County of Santa Cruz, Department of Community Development and Infrastructure (CDI), Attn: Skyler Kriese, Historical Resources Planner, 701 Ocean Street, 4<sup>th</sup> Floor, Santa Cruz, CA 95060. (831) 454-3172**

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