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## ***Do you own a historic property? You may be eligible for the Mills Act!***

### ***How can property owners use the Mills Act Property Tax Abatement Program?***

The Mills Act can reduce property taxes for historic properties if the owner signs a contract with the local government—the County of Alameda— agreeing to repair and maintain the historic character of the property.

The Mills Act is a voluntary program. The Mills Act contract is between the County and the owner of a designated historic structure.

The initial contract is for 10 years; at the end of each year the term is automatically extended one year, unless the owner or the County gives notice to not renew the contract. If the notice is given, the contract remains in effect for the balance of the current 10-year contract.

*The penalty for breach of contract is 12.5% of the current property value.*

The contract stays with the property, that is, the contract automatically transfers to each new property owner and the property is not reassessed to its full market value upon sale.

Upon receipt of an executed contract, the County Tax Assessor is directed by State law to re-assess the value of the property, which may result in a reduction of property tax.

The reduction will vary depending on a number of factors. Studies have shown that the largest property tax reductions occur for properties purchased or reassessed in recent years.

Each property owner should get financial and legal advice before entering into a Mills Act agreement.

The application deposit is \$500.00. The selection process will seek a variety of historic properties representing various areas throughout the County, including residential, commercial and industrial buildings.

### ***Who is eligible?***

Owners of historic properties (as listed below):

- A property on the National Register of Historic Places (individually or in a district);
- A property listed on the California Register; and
- A property listed on the Alameda County Register of Historic Resources (landmarks or contributing resources within historic preservation districts).

### ***What kind of work is covered?***

Mills Act contracts require an approved 10-year work program, indicating how the tax savings will be used to preserve/repair the historic property, and are limited to exterior

work on the historic property. The work program could include improvements such as window repair/replacement, maintenance/repair of exterior materials, repair/restoration of front porches, reversal of inappropriate building modifications, foundation work, etc. Any proposal for the work program must retain the historic character of the property.

## **Mills Act Benefits**

The Mills Act assists property owners in reaping the benefits of historic rehabilitation and preservation.

### *Economic*

- Reduces property taxes
- Allows use of the State Historical Building Code
- Stabilizes and enhances property values
- Increases marketability since the lower tax rate is passed on to future owners

### *Building Safety*

- Includes improvements for seismic and code compliance

### *Environmental*

- Conserves materials and energy embodied in existing building stock

### *Neighborhood*

- Preserves neighborhood character
- Maintains historic properties
- Increases architectural integrity
- Encourages neighborhood revitalization
- Attracts quality infill development
- Builds pride of ownership

### *Our Communities*

- Generates construction jobs

For more information regarding designating your property and/or an application for a Mills Act contract, please contact:

## **ALAMEDA COUNTY PLANNING DEPARTMENT**

Alameda County Parks, Recreation and Historical Commission

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