



THE CITY OF SAN DIEGO

Historical Resources Board

MILLS ACT

PROPERTY TAX REDUCTION BENEFIT

FOR

HISTORICALLY DESIGNATED STRUCTURES

The City of San Diego adopted City Council Policy 700-46 on July 18, 1995, to implement the Mills Act, a State of California program for owners of historically designated properties inside the city limits of San Diego, except for the College Community Redevelopment Project area. The Council Policy can be viewed at the following website address:

http://clerkdoc.sannet.gov/RightSite/getcontent/local.pdf?DMW_OBJECTID=09001451800AB977

. The County Tax Assessor's Office assesses the property's value differently after the agreement is processed by the Historical Resources staff in the City's Planning Department and recorded at the County Recorder's office. If the owner has owned the property since before March 2, 1975 (Proposition 13) the Mills Act agreement may not be of any benefit.

The amount you save will depend on your property's location, size and comparable rents in the area. The value continues to be assessed by the County Tax Assessor's office using a formula and procedures contained in state law. Property tax reductions result when the property tax amount that is based on the Mills Act value is compared to the previous property tax amount. The savings vary from property to property, and have ranged from 20% to 70% based on the County Tax Assessor's property valuations in accordance with the state law formula.

The terms of Mills Act agreements are established by state law. The initial term of the agreement is ten years. The agreement is automatically renewed each year for an additional year, and changes the expiration date so that 10 years is still left in the term of the agreement. The agreement will thus continue in effect indefinitely unless notice is served by either party for the automatic renewals to stop. If either party serves notice for the automatic renewals to stop, the agreement will expire on the agreement's current expiration date, which would be about ten years after the notice is recorded.



Planning Department

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The owner's responsibilities under the Mills Act agreement are the same as are required for any historically designated property, which is to maintain the historicity of the structure(s). Generally, the property owner is required to maintain and preserve the site in accordance with the Secretary of the Interior's Standards.

Your property must first be a designated historical site. After designation, if your property is not inside a Redevelopment Area, submit a one-page letter to the Historical Resources Board Secretary requesting a Mills Act agreement for property tax reduction. Include the address and assessor's parcel number and the HRB site number along with the exact name(s) of all owners as they appear on the title. An agreement will be prepared and mailed for your notarized signature. The agreement must be signed, notarized, and returned to the Board Secretary with the required one-time fee. The deadline for Mills Act agreement requests is October 1 of each year. If you submit the request letter before October 1, and follow the procedures to execute the agreement in a timely manner, the agreement will be recorded by December 31 of that year. Any Mills Act agreement that is recorded with the County of San Diego by December 31 of a given calendar year will go into effect for a potential tax adjustment in the following tax year.

Within a Redevelopment Area, the request for a Mills Act along with any other information required by the Redevelopment Area must first be submitted to the Redevelopment Agency staff. If the Redevelopment Agency approves the Mills Act, then you would submit proof of their approval along with a one-page letter requesting a Mills Act agreement for property tax reduction to the Historical Resources Board Secretary. The rest of the processing information above would apply.

For more information you can contact Historical Resources staff by phone at 619-235-5224 or email HistoricalResources@sandiego.gov.

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