

# CONTRACT REVIEW PROCESS

## **MILLS ACT CONTRACT PROCESS:**

Below is the typical processing of a Mills Act contract, requiring a review by the City's Cultural Heritage Commission and final action by the City Council. Processing time may vary between 6 to 8 weeks.

**PRE-APPLICATION:** The applicant meets with staff to become familiar with the application requirements.

**SUBMITTAL:** The applicant submits a complete application package to the Planning Department.

**STAFF REVIEW:** Staff reviews the status of the property's historic designation and conducts a field inspection to verify condition of the property. Staff prepares the draft contract.

**CULTURAL HERITAGE COMMISSION:** The Cultural Heritage Commission reviews the property condition, draft contract, and historic status and forwards a recommendation to the City Council.

**CITY COUNCIL:** The City Council takes final action to enter into the Mills Act Contract.

**RECORDATION:** The applicant pays recording fees and the City Clerk arranges for recording the contract with the County Recorder.

**Ask Us First?** Contact the City's Community Development Department at (949) 443-6331 if you have any questions about the Mills Act Contract process!

*Community Development Department Mission Statement: "To preserve the small, village-like character of the community through high quality design, diverse housing, and the preservation of cultural resources, open space, natural creeks and ridgelines in a manner that will enhance the quality of life for the City's present and future residents."*



Your Guide to Understanding  
the  
**MILLS ACT  
CONTRACT  
PROCESS**



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# MILLS ACT CONTRACT PROCESS

Under California Government Code Section 50280 et seq. (known as “the Mills Act”), the City is authorized to enter into contracts with the owners of qualified historical properties to provide for the appropriate use, maintenance, and rehabilitation so that such properties retain their historic characteristics.



The Stroschein House,  
recent Mills Act Contract.

Qualified properties include those listed on the National Register of Historic Places, California Register, or the City’s Inventory of Historic and Cultural Landmarks (IHCL). As an incentive to entering the contract, the provisions of the Act allow the County Tax Assessor to assess the property using a different formula which typically results in a lower tax bill.

In return the Act requires homeowners to enter into a minimum ten (10) year contract with the City.

A Mills Act Contract for use with Historic Landmark properties within the City, contains the following provisions:

- Creates a ten (10) year contract term.
- Establishes provisions for automatic annual renewal.
- Includes minimum property maintenance standards and incorporates the “Secretary of the Interior’s Standards for treatment of Historic Properties.”
- Requires owners to furnish information to determine agreement compliance.
- Grants the City authority to cancel the agreement.
- Establishes provisions for enforcing the agreement for cause.
- Binds the property owner and successors in interest to the agreement.
- Provides for notice.
- Indemnifies and holds the City harmless from all claims.
- Requires the agreement to be recorded with the County Recorder.

## SUBMISSION REQUIREMENTS

In order for the City to process a Mills Act application request, the property owner must submit the following:

- An “Application for Mills Act Contract” form.
- Existing site/plot plan showing all existing improvements.
- A “building condition assessment,” for structures which are presently in a state of disrepair, which includes specific recommendations for improvements consistent with the Secretary of the Interior’s standards for treatment of Historic Properties.
- Tax valuation/assessment information for the most recent tax year.
- Any other information deemed necessary by the Planning Director to conduct a complete review of the request.
- Recording of fees as determined by the County of Orange Recorder’s Office (following a City Council action, the applicant must contact the City Clerk’s Office to determine the necessary fee).