Community & Economic Development Department
Planning Division

3900 Main Street, 3rd Floor • Riverside, CA 92522
(951) 826-5800
RiversideCA.gov/Planning

MILLS ACT PROGRAM

Thank you for your interest in the City of Riverside's Mills Act Program. In order for your property to be considered for a contract, it must be a designated historic resource listed on a city, county, state or federal register. City designations are: Landmark, Structure of Merit, and Contributor to a designated Historic District or Neighborhood Conservation Area. If you are unsure whether your property is included within any of these designations, or wish to seek designation of your property, contact us.

After the contract is recorded, you will be required to submit annual reports on completed project(s), along with photo documentation of the completed work, copies of receipts, and/or building permits where applicable. City shall inspect the interior and exterior of the premises prior to the approval of new contracts and at minimum every five years thereafter to determine the owner's compliance with the contract. Significant penalties may be imposed for breach of contract or failure to maintain the historic property.

This packet is designed to assist you in completing the Mills Act Application. The application packet is also available online at www.riversideca.gov. If you have any questions, please contact the Planning Division at 951-826-5800.

PROCEDURES

Application packages are accepted January 1st through the last business day in May and must be submitted by 5:00 pm. Incomplete applications will not be considered. The City of Riverside allocates an average of fifteen but no more than twenty Mills Act contracts per year – on average thirteen for residential properties and two for commercial properties. All contracts may be for residential properties if no commercial applications are filed. If the City receives more applications than the allocated contracts, the properties will be randomly selected for the program.

All applications are reviewed by Cultural Heritage Board staff. During which time, staff may request modifications to the submitted ten-year rehabilitation plan to show compliance with the Secretary of the Interior's Standards for Rehabilitation of Historic Properties. Additionally, staff will contact you during the month of August to set up an appointed for the initial inspection. Following the review of the application and the initial inspection, staff will submit a request to the City Attorney's Office to prepare the Mills Act Contract. You will be asked to sign the contract once it has been prepared, general the beginning of August. Staff will then prepare to refer contracts to the City Council for approval during the month of October. Once approved, the contract will be recorded on your property title with the county by the end of the calendar year.

FILING FEE

There are two fees associated with your Mills Act application a non-refundable application fee ($126) and a contract initiation fee ($957). The contract initiation fee must be included with the application via a post-dated check, dated November 1 of the current year.

SUBMITTAL REQUIREMENTS

_____ Completed Application Form

_____ Property Tax Adjustment Worksheet

_____ Ten-Year Plan for Property Improvements

_____ Grant Deed or Title Report, with Legal Description of Property, indicating that I am the property owner.
IMPORTANT NOTICE: All parties listed on the grant deed and spouses will need to appear in the Community & Economic Development Department during October to sign the contract. If any of the deed holders will be unavailable at any time during this month, please contact our office ahead of time so alternate arrangements can be made.

_____ Non-Refundable Application Fee and post-dated check for Contract Initiation Fee (Refer to current fee schedule, post-date check to December 1 of the current year)
IMPORTANT NOTICE: Include a check for the current Contract Initiation (currently $957), post-dated for November 1 of the current year. Following City Council Approval, staff will deposit the check provided. Should you wish to pay this fee via credit card, please contact staff prior to November 1 to make arrangements. Failure to pay the fee shall cause the City to void and cancel the contract—it will not be recorded and will not be of any force or effect.

_____ Copy of the Current Property Tax Statement or Coupons

MILLS ACT APPLICATION

Mills Act applications are accepted January 1st through the last business day in May and must be submitted by 5:00 pm. Thank you for your investment in the City of Riverside.

Property Address: _____

Assessor's Parcel Number(s): _____

Property Use: _____

CONTACT INFORMATION

Property Owner: _____

Address: _____ City: _____ State: _____ Zip: _____

Mobile: _____ Email: _____

Email: _____

I authorize the City of Riverside to act as my agent for the purpose of recording the Mills Act contract.

_____ _____

Property Owner Signature Date

PROGRAM ELIGIBILITTY

In order for your property to be considered for a contract you must have a designated historic resource from the list below:

Date of Designation: _____

- ☐ City Landmark
- ☐ City Structure of Merit
- ☐ County Landmark
- ☐ State Point of Historical Interest
- ☐ National Register
- ☐ National Historic Landmark
- ☐ Contributor to a Designated Historic District of Designated Neighborhood Conservation Area (NCA)

  Name of district or NCA: _____

PROPERTY TAX ADJUSTMENT WORKSHEET

This form is a fillable PDF. Please fill in the highlight boxes and the form will complete calculations.

Income[1]		
Monthly Rental Income	Even if property is owner-occupied, an estimated monthly rental income is needed as a basis for this formula. ***Estimates can be found on websites like Zillow or Redfin.***	
Annual Rental Income	Multiply Monthly Rental Income by 12	$ 0.00
Annual Expenses[1]		
Insurance	Fire, Liability, etc.	
Utilities	Water, Gas, Electric. Utilities may only be listed and deducted as permitted in a traditional landlord-tenant relationship, i.e. net lease vs. gross lease. Only include utilities if you as a landlord would pay as part of a lease agreement. ***Utilities are generally not included in Single-Family Residential leases.***	
Maintenance[2]	Includes: painting, plumbing, electrical, gardening, cleaning, mechanical, heating repairs, and structural repairs.	
Management[3]	Standard fee (usually 8% of rent)	
Other Operating Expenses	Security, services, etc. May also include special district assessments and special taxes; however, general levy property taxes are not allowed expenditures. Provide breakdown on separate sheet.	
TOTAL ANNUAL ALLOWED EXPENSES[4]	Add total expenses. ***Total expenses typically equal approximately 25% of annual rental income.***	$ 0.00
Net Operating Income	Annual rental income minus total expenses.	$ 0.00

Capitalization Rate		
Interest Component	Annually determined by the State Board of Equalization and based on the effective rate on conventional mortgages as determined by the Federal Housing Finance board. The interest component is announced annually in a Letter to Assessors. (6.25% for 2025)	6.25%
Historic Property Risk Component	Determined by property type. Single-family home = 4% All other property = 2%	4.00%
Property Tax Component	Fixed Component	1.00%
Amortization Component	From your most recent property tax statement enter value of **STRUCTURE**	
	From your most recent property tax statement enter **FULL VALUE**	1.00
	Enter **20** if the building is wood-framed (most likely construction type) Enter **50** if the building is masonry/concrete	20.00
	Total: STUCTURE/FULL VALUE * 1/(20 or 50)	0.00%
TOTAL CAPITALIZATION RATE		11.25%
Taxes		
Mills Act Assessed Value	Divide Net Operating Income by Capitalization Rate	$ 0.00
Current Tax[5]	General tax levy only – do not include bonded indebtedness, special district assessments, and special taxes, which are treated as allowed expenses. ***This amount is found on a current property tax invoice.***	
Tax under Mills Act	1% of Mills Act Assessment Value. (Multiply Mills Act Assessment Value by 0.01)	$ 0.00
ESTIMATED TAX REDUCTION	Subtract Tax under Mills Act from Current Taxes	$ 0.00

[1] Single-Family applicants may find that a property manager or realtor may assist in determining a monthly rental figure.
[2] If you are calculating for commercial property, remember to provide the following back-up documentation where applicable:
- Rent Roll (include rent for on-site manager's unit as income if applicable);
- Maintenance Records (provide a detailed break-down–all costs should be recurring annually).

[3] Include expense of on-site manager's unit and 5% off-site management fee; and describe other management costs–provide breakdown on separate sheet.
[4] Annual operating expenses do NOT include mortgage payments, general levy property taxes, depletion charges, corporate income taxes or interest on funds invested in the property.
[5] The Mills Act applies ONLY to general levy property taxes. Be sure to DEDUCT the portions of your tax bill that include sewer assessment, bond issues, etc. when calculating what portion of your property tax will be reduced by the Mills Act.

TEN YEAR REHABILITATION PLAN

YEAR	PROPOSED PROJECT*	ESTIMATED COST
1		$
2		$
3		$
4		$
5		$
6		$
7		$
8		$
9		$
10		$

**See attached for list of potential projects. Use additional sheets if necessary.*

To be attached to the Historic Property Preservation Agreement (Mills Act Contract) – Exhibit D.
NOTE: Projects may be interior or exterior but must utilize all of your tax savings. All projects that affect the exterior of the residence are subject to Cultural Heritage Board/Staff review and approval before work begins. Work must meet all City requirements and the *Secretary of the Interior's Standards for the Treatment of Historic Properties* (see attached). Retain copies of all receipts and permits for submittal with the required annual reports. Photograph the before and after condition of each project for submittal with the annual reports.

Potential Projects may include but are not limited to:

- Access Modifications – Exterior
- Access Modifications – Interior
- Accessory Structure Repair or Replace
- Annual Maintenance & Repairs
- Appliance Vent
- Architectural – Remove Non-historic Feature & Restore to Original
- Architectural Trim – Repair
- Architectural Trim – Replace
- Architectural Trim – Install New
- Balcony/ Decks – New Railings
- Balcony/ Decks – Repair or Replace
- Basement – Access – Repair or Replace to Code
- Basement – New or Rebuild
- Cabinets – New Built-in Bathroom
- Cabinets – New Built-in Kitchen
- Cabinets – New Built-in Other
- Carpentry – Remove window & reframe shower including Siding/Caulking
- Chimney – Inspect and Clean
- Chimney – New
- Chimney – Rebuild or Repair
- Code Repair Item
- Column – Replace or Rebuild
- Corbels/ Structural Brackets Replace or Repair
- Door – Repair or Replace Screen Door
- Door – Hardware
- Door – New Basement Hatch Cover and Base
- Door – Repair
- Door – Replacement
- Drain for Deck – Install & or Repair
- Drainage Protection or Correction
- Dry-Rot Remove, Repair and or Replace
- Electrical – Rewire or Install New Outlets
- Electrical – Complete Rewire and Service Upgrade
- Electrical – Ground & Service Entry
- Electrical – Install New Circuits
- Electrical – Lighting Fixtures
- Electrical – New Service Lines to Garage
- Electrical – Security Lighting and Alarm
- Electrical – New Outlets
- Fence – Repair or New
- Flashing
- Floor Furnace – Remove or Restore floor
- Flooring – Carpet
- Flooring – Repair
- Flooring –Repair Wood Floors
- Flooring – Replacement
- Foundation – Bolting and Seismic Work
- Foundation – New
- Foundation – Repair
- Gable or Attic – Re-screening
- Garage Door
- Gutters & Downspouts
- House Relocation
- HVAC – Complete New System
- HVAC – Maintenance & Replacement/Plumbing Service & Painting
- Insulation – Walls – Blown-in
- Insulation – Attic
- Interior Trim – Refinish
- Kitchen – New Counters
- Masonry – New
- Masonry – Repair or Replace Tile Hearth
- Masonry – Repair or Repoint
- Masonry – Repoint Brick
- Mechanical – Air Conditioning
- Mechanical – Heating Unit
- Mechanical – Ventilation – New Kitchen/Bath Fan & Duct Work
- Mechanical – Venting & Duct
- Mechanical – Venting & Duct Work
- Minor Painting and Exterior Repairs
- Painting – Exterior
- Painting – Interior
- Painting – Removal of Lead Based Paint
- Painting – Exterior Trim
- Patio – Repair
- Plastering – Remove, Replace, or Refinish
- Plumbing – DWV, Drain, Waste & Vent
- Plumbing – Fixtures
- Plumbing – Install new supply lines
- Plumbing – Install Sump Pump & Discharge Drain
- Plumbing – Minor Repairs
- Plumbing – New Supply
- Plumbing – Service Lines
- Plumbing – Sewer
- Plumbing Repairs
- Porch - Ceiling replacement
- Porch – Rebuild or Replace
- Porch – Repair
- Porch – Repoint Brick
- Porch Railing – Repair or Replace to Code
- Porches – Resurface
- Remove Substandard Construction (Tin Shed)
- Repair Eaves and/or Overhangs
- Repair Exterior Stucco
- Repair Garage
- Replace Garage
- Replace Non-Historic Feature
- Roof- Minor Repair
- Roof- Reroof
- Roof- Strip and Install New
- Security Lighting and Alarm System
- Seismic Retrofitting – Other than Foundation
- Siding – Remove Asbestos Siding & Restore
- Siding – Repair
- Skylights – Replace
- Stair – Repair
- Stair – Replacement
- Stonework
- Stoop – Repair
- Stoop – Replacement
- Structural – New Framing or Repairs
- Structural Bracing
- Structural Modifications
- Structural Repairs – Roof and/or Ceiling Joists
- Termite Treatment
- Termite Treatment and Repair
- Tile – Replace, Repair or Repoint
- Utility Enclosure – New
- Ventilation – Attic Fan
- Waterproofing
- Weatherproofing
- Window – Screens or Hardware
- Windows – Repair
- Windows – Replacement in kind