Planning and Building Agency
Planning Division
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HISTORIC PROPERTY
PRESERVATION AGREEMENT

I.   What is a Historic Property Preservation Agreement?

In 1972 California State legislators adopted the Mills Act, granting local governments the authority to grant property tax relief to owners of "qualified" historic properties. To pursue this historic preservation tax credit incentive program, an owner of a qualified historic property must enter into a Historic Property Preservation Agreement with the City of Santa Ana. Under this contract agreement, the property owner agrees to protect, preserve, and maintain the property in accordance with specific preservation standards and other conditions in exchange for property tax credits.

II.   How does a property owner pursue a preservation agreement?

A preservation agreement with the City of Santa Ana is required in order to enjoy the tax credit benefits authorized by the Mills Act. The application form included in this package is to be completed and submitted to the Planning Division. The Historic Property Preservation Agreement will be in the form of a contract, which must be reviewed and approved by the City of Santa Ana Historic Resources Commission and the City Council.

III.   What are the key points of the Mills Act?

Once approved, a formal preservation contract agreement is to be in effect for a minimum of ten years, automatically renewed every year, and automatically transferred to new property owners when the property is sold or exchanged.

Should the property owner maintain the property in accordance with the terms of the contract, the property owner is eligible to receive tax credit benefits through the Mills Act program. As property values and tax rates vary, the exact savings will also vary from property to property. Attached is a sample calculation sheet for illustrative purposes.

For additional information, please contact the Planning Division at (714) 647-5804.