

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

RESOLUTION NO. _____

On the motion of Supervisor _____
duly seconded by Supervisor _____
the following Resolution is adopted:

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY
OF SANTA CRUZ ESTABLISHING THE COUNTY'S PARTICIPATION IN
THE MILLS ACT PROPERTY TAX ABATEMENT PROGRAM**

WHEREAS, the Board of Supervisors hereby finds that the protection, enhancement, perpetuation and use of structures, districts, lands, and neighborhoods of historic, architectural, and engineering significance, located within the County of Santa Cruz, are of cultural, economic, and aesthetic benefit to the community; and

WHEREAS, the County of Santa Cruz 2024 General Plans [2024 General Plan Implementation Strategy ARC-8.2i] directs the County to consider adopting the Mills Act to grant property tax subsidies to recognized historic structures to encourage their rehabilitation and maintenance; and

WHEREAS, on December 17, 2024, the Board of Supervisors directed the Community Development and Infrastructure Department (CDI) to develop a local Mills Act program; and

WHEREAS, the Historic Resources Commission met on February 10, 2025, to consider the Mills Act and submitted their recommendations to the Board of Supervisor contained herein; and

WHEREAS, the Mills Act Property Tax Abatement Program will apply to historic resources identified in the County's adopted Historic Inventory and limited to those designated as National Register (NR) NR-1, NR-2, NR-3, and NR-4; and

WHEREAS, the County of Santa Cruz has chosen to participate in and support the Mills Act Property Tax Abatement Program according to California Constitution Article XIII, Section 8 and California Government Code, Article 12, Sections 50280-50290 and California Revenue and Taxation Code Sections 439-439.4; and

WHEREAS, to control the financial impact to the County, the Mills Act Property Tax Abatement Program will be limited to 20 total contracts; and

WHEREAS, the Board of Supervisors finds that participating in the Mills Act Property Tax Abatement Program is consistent with the County of Santa Cruz Historic Preservation Code Chapter 16.42, and the General Plan Agriculture, Natural Resources and Conservation Element Implementation Strategy ARC-8.2i, that reads, "Consider adoption of the Mills Act, to grant local property tax subsidies to recognized historic structures to encourage rehabilitation"; and

WHEREAS, the Program is exempt from CEQA based on CEQA Guidelines Section 15308, *Actions by Regulatory Agencies for Protection of the Environment – Class 8.*

Class 8 consists of actions taken by regulatory agencies, as authorized by state or local ordinance, to assure the maintenance, restoration, enhancement, or protection of the environment where the regulatory process involves procedures for protection of the environment. Construction activities and relaxation of standards allowing environmental degradation are not included in this exemption; and

WHEREAS, the Program is exempt from CEQA based on CEQA Guidelines Section 15331, *Historical Resources Restoration / Rehabilitation – Class 31.*

Class 31 consists of projects limited to maintenance, repair, stabilization, rehabilitation, restoration, preservation, conservation or reconstruction of historical resources in a manner consistent with the Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring, and Reconstructing Historic Buildings (1995), Weeks and Grimmer; and

WHEREAS, the Program is exempt from CEQA based on CEQA Guidelines Section 15061(b)(3), which states,

The activity is covered by the common-sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors hereby:

1. Incorporates the foregoing Recitals as findings as though set forth within the body of this Resolution.
2. Directs staff to adopt standard protocols implementing the Mills Act Property Tax Abatement Program to include: (1) the Mills Act Contract, (2) Mills Act application form, and (3) County Assessor's Office protocols;
3. Makes the Mills Act Property Tax Abatement Program available to the historic properties ranked NR-1 thru NR-4, as listed in the County's approved Historic Inventory.
4. Limits the total number of contracts to 20.
5. Limits the Mills Act Property Tax Abatement Program to residential buildings with a value of \$3,000,000 or less.
6. Limits the Mills Act Property Tax Abatement Program to commercial buildings with a value of \$5,000,000 or less.

7. Finds and determines that the proposed Mills Act Property Tax Abatement Program is consistent and compatible with and will not frustrate the objectives, policies, general land uses, and programs specified in the Santa Cruz County General Plan and all components of the Local Coastal Program.
8. Finds and determines that the proposed Mills Act Property Tax Abatement Program is consistent with the Coastal Act and its goals and policies, including the protection of the overall quality of the coastal zone environment and its natural and artificial resources.
9. Directs staff to record a CEQA Notice of Exemption with the County Clerk and the state per CEQA Guidelines Section 15062(c).
10. Directs staff to evaluate the Mills Act Property Tax Abatement Program every year for the first three years of the program, and every five years thereafter, to verify efficacy of the program and to determine if changes to the Mills Act Property Tax Abatement Program are warranted.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California, this 20th day of May, 2025, by the following vote:

AYES: SUPERVISORS:
NOES: SUPERVISORS:
ABSENT: SUPERVISORS:
ABSTAIN: SUPERVISORS:

Chair, Board of Supervisors

ATTEST: _____
Clerk of the Board

APPROVED AS TO FORM:

Signed by:

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ASSISTANT COUNTY COUNSEL

cc: County Counsel
 Community Development & Infrastructure Department