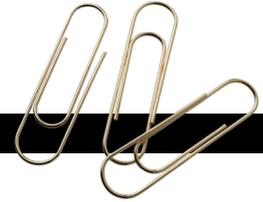


What to know when your home is part of a

Mills Act Contract

Whether you just recently entered into a Mills Act contract or your property had a Mills Act contract when you purchased it, or you've had your Mills Act contract for quite some time, we hope the information provided by this brochure is helpful to you.



Congratulations!

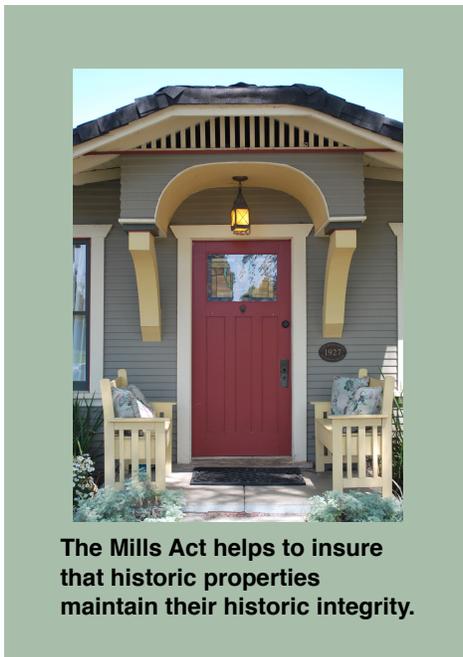
Congratulations on having a Mills Act contract for your historic property in Escondido. Entering this contract with the City of Escondido means that you have become part of a partnership to assure that your home or commercial building retains its historic integrity by reducing the amount of money you pay on your property taxes in order to help offset the costs of restoring and maintaining a historic property.

The Mills Act is a State law passed in 1972. Qualified properties include residential and commercial properties listed on the local, state or national historic register.

A Mills Act contract is in force for 10 years with automatic annual renewals after the 10 year period. The contract stays with the property each time it is sold. Subsequent owners are bound by the contract and should contact the City of Escondido Planning Division to determine the rights and obligations the contract creates.

Property improvements are subject to Planning Division review and should be consistent with the Secretary of the Interior Standards for Historic Preservation. The City of Escondido is predominantly concerned with exterior, street-visible improvements.

Also part of the contract, the property owner agrees to periodic inspections of the property by officials from the Planning Department.



The Mills Act helps to insure that historic properties maintain their historic integrity.

If an owner does not comply with the terms of the contract a penalty of up to 12.5% of the current assessed value of the home may be assessed.

Both the owner and local government may cancel the contract by filing a "notice of non-renewal," which would allow the contract to stop its annual renewal and "wind down" over the next ten years.

What about selling my property?

A Mills Act contract can be a selling point to a potential buyer because the Mills Act contract stays with the house; the new owner will automatically have lower property taxes, as well.

How much of a savings does a Mills Act contract provide?

Although the contract is between the property owner and the City of Escondido, the Assessor's Office must determine the actual assessed value based on a formula.

Typically property owners may receive up to 60% savings on their property taxes. Under State law, the lesser of 1) the current market value, 2) the Proposition 13 value or 3) the restricted value based on the rents will be used to calculate your property taxes.

Unaware that the property you purchased has a Mills Act contract?

If the previous owners of the home you purchased entered into a Mills Act contract, the contract continues to be in force. As a result, you are benefiting from reduced property taxes and obligated to abide by the contract's terms. You may, however, work with the Planning Department to modify the original list of improvements as needed.

If you no longer wish to have a property tax reduction, you may cancel the contract by filing a "notice of non-renewal;" contact the Planning Department for more information.

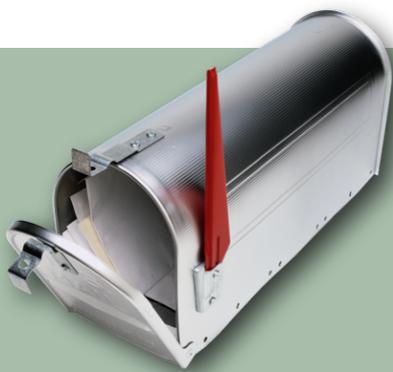
Mills Act Visits

A provision of every Mills Act contract calls for periodic evaluations of the property owner's preservation efforts during a visit to the subject property.

When it is time for a visit, you will be notified by letter. A copy of the Mills Act improvements specified within your contract will be included with your letter for your review. You may consider revising the list of improvements as needed during a meeting with a representative from the Planning Division. Please respond to the letter promptly by calling to make an appointment for the evaluation visit. If you have any questions, we will answer them at that time. Every effort will be made to accommodate your schedule; two or three Historic Preservation Commissioners will meet you at your property and it will take less than an hour to complete the visit.

FREQUENTLY ASKED QUESTIONS – MILLS ACT VISITS

1. **Where can I get a copy of my Mills Act contract?**
Call the Planning Department for one - 760-839-4671.
2. **How long will a visit take?**
Most likely less than an hour
3. **Who will be visiting?**
Two or possibly three members of the Escondido Historic Preservation Commission
4. **What is the purpose of the visit?**
To meet with the property owner and evaluate the status of your contract and maintenance efforts as well as to share resource information with you.
5. **What will the commissioners be looking at?**
They will be considering the physical condition of the listed structures, inside and out. They will be looking at general maintenance and improvements and can point out areas of concern and discuss ways to remedy any problems that could also affect your home's value to you and the community. They will also be able to explain the responsibilities and provisions under the Mills Act contract as well as to confirm that improvements listed therein are on schedule.
6. **Will the visit cost anything?**
No, a Mills Act visit is free of charge.



Please respond promptly to our letter in order to schedule an appointment for a Mills Act visit at your earliest convenience.



Maintaining Your Historic Property

Historic properties face a variety of threats that place them at risk. Your property tax reduction is intended to offset the costs of appropriate restoration and maintenance of your historic property.

The greatest threats to a historic structure are weather, earth movement, vegetation, and fire although sometimes a problem is man-made; inappropriate or un-permitted alterations. The following list can help you find and correct threats to your property before they become serious and more expensive to correct.

1. Foundation

- Cracking
- Water damage
- Dampness or wet spots
- Discoloration or stains
- Finish worn away by splashing or soaking
- Water draining toward the building

2. Wood Siding and Trim

- Cracked, split or missing siding
- Crumbling, flaking, blistering, peeling, or missing paint
- Inappropriate paint colors
- Water damage
- Dampness or wet spots on the exterior or interior
- Discoloration or stains
- Clinging vines or plants growing into structure
- Splitting, cracking, missing shakes or shingles
- Rodent or insect damage or evidence of presence

3. Masonry

- Deteriorating bricks or mortar
- Crumbling, cracking, missing chunks of brick or mortar
- Water damage
- Constant dampness or wet spots on the exterior or interior
- Discoloration or stains
- Finish worn away by splashing or soaking
- Crumbling, flaking, blistering, or peeling paint
- Exposed rebar

4. Stucco

- Cracks or bulges where the stucco has separated from the outer wall
- Crumbling, flaking, blistering, or peeling paint
- Exposed wire mesh

5. Roofs

- Water damage
- Constant dampness or wet spots
- Discoloration or stains on ceilings or walls
- Light shining through to the underside
- Missing or broken shakes, shingles, or tiles

6. Porches

- Permanent screens, clear or darkened glass, or other permanent enclosures

7. Doors

- Water damage
- Leaks water or wind
- Caulking damaged
- Constant dampness or wet spots around the opening or frame
- Discoloration or stains on walls around door frame
- Rotting door or pieces of the frame
- Replacement door or hardware doesn't match the original style
- Missing, rusted, or broken hardware; hinges, lock, latch
- Crumbling, flaking, blistering, missing, or peeling paint
- Sticking

8. Windows

- Broken panes
- Water damage
- Leaks of water or wind
- Caulking damaged
- Constant dampness or wet spots around the opening or frame
- Discoloration or stains on walls around window frame
- Crumbling, flaking, blistering, or peeling paint
- Rotting pieces of the sash or frame
- Replacement windows that do not match the original style of the building
- Missing, rusted, or broken hardware, cranks, hinges, locks

9. Gutters and Downspouts

- Loose or missing pieces
- Leaks, rust
- Debris or leaves
- Need paint
- Drains onto walls, trim, or foundation either directly from a downspout or overflowing gutter
- Grade allows water to flow toward the structure

10. Architectural Details/Ornaments

- At risk due to lack of paint
- Loose or missing pieces
- Replacement pieces that do not match the original style
- Inappropriate items added to create false sense of history

11. Chimney

- Cracks, damaged, or missing mortar or brick
- Spark arrestor if used or top screened to prevent access by birds or animals if not
- Leaning

12. Retaining Walls

- Cracked, leaning, or falling

13. Landscaping

- Not properly maintained
- Trees not pruned, limbs growing into or threatening structures

14. Interior

- Serious cracks in walls/ceiling
- Indications that chimney needs cleaning
- Signs of water damage to floors or ceiling
- Area next to outlets/fixtures blackened
- Water heater unsecured
- Improper use of extension cords or other electrical hazards
- Mold on walls and/or ceiling
- Smoke alarm missing or obviously non-functioning
- Evidence of rodent or insect damage

15. Signage (Commercial Properties)

- Supports rusting
- Broken or missing components
- Electrical issues

Good to Know

Certificate Of Appropriateness

Are you preparing to perform maintenance on your property or other work that will include any modifications to the exterior? If so, you will need a Certificate of Appropriateness (COA) issued by the Planning Division before you begin the work. It's required for the alteration, restoration, construction, removal, relocation in whole or in part, of a property on the Local, State, or National Register of Historic Places, or within a historical district (i.e., Old Escondido Neighborhood or in the Downtown Specific Planning Area).

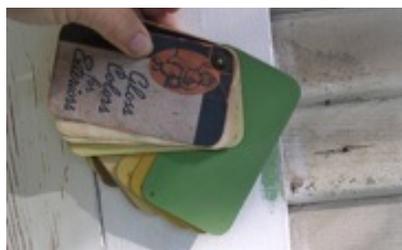
A COA is required for any new construction, modification, and alteration that would affect the exterior appearance of a designated historical resource even when a building permit is not otherwise required. Such exterior modifications include, but are not limited to, repainting (even in the same colors), re-roofing, adding/modifying architectural details, porches, window replacement/additions, and fencing.

A COA is available at no cost and an application with more information is available to download at the City's Web site.

Beware - if you attempt to do the work without a Certificate of Appropriateness posted, stop work orders can be issued and other costs imposed. The COA is available at no charge to you and can incorporate more than one project; please take the time and effort to obtain one.

Thinking of Painting?

The paint color is probably the first thing that most people notice when looking at your historical property. While it may be considered "temporary," odds are that the color you choose will be there for several years, affecting the look of your structure as well as the feel of the neighborhood. The very best option is usually to do some research and paint a historic building its original color. If that's not possible, consider working with a professional colorist. If you're unable to hire a professional colorist to help you choose the perfect period-appropriate colors for your building, look into the historic palettes available from many paint companies. Contact the Planning Department to view their notebook of palettes from a range of time periods and paint companies. Then, make sure that you obtain a Certificate of Appropriateness for the colors you choose prior to the start of your work.



Thinking of Replacing Windows?

As stated by the National Trust for Historic Preservation, "The original windows of older and historic homes and buildings are what make them places that matter... Windows are character-defining features of any home. Everything from their size, placement, proportional relationship to the wall space, style, and materials contribute to how a building looks and feels."

Energy savings and sound-deadening are often touted as reasons to replace original windows with "new and improved" windows but a closer look at the facts will show that the loss to the historic integrity as well as the expense of replacing perfectly good windows doesn't pencil out. Never replace the windows in a property with a Mills Act contract before consulting with the Planning Division and applying for the required building permit.

Useful Web Sites

Escondido Historic Preservation www.escondido.org/historic-preservation.aspx
 Old Escondido Historic District www.oldscondido.org
 National Trust for Historic Preservation www.preservationnation.org
 Save Our Heritage Organisation www.sohosandiego.org



This information is provided by the City of Escondido and the Historic Preservation Commission
 For more information, contact the Escondido Planning Division at 760-839-4671

