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An Outcome Analysis of the Mills Act in Three Exemplar Cities

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An Outcome Analysis of the Mills Act in Three Exemplar Cities

By

Sean K. Gallegos

A Thesis Quality Research Project

Submitted in Partial Fulfillment of the

Requirements for the Masters in

PUBLIC ADMINISTRATION

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The Graduate School

San Jose State University

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INTRODUCTION

The Problem

Historic Preservation Tax Incentive legislation enacted by local, state and federal governments was essential for incentivizing and encouraging historic preservation through tax relief. While there has been considerable analysis regarding federal tax incentive programs like the Federal Rehabilitation Tax Credit program, there has been limited analysis of state incentive programs like the Mills Act, even though the programs were essential tools for preservation.

The State of California established the Mills Act in 1972 to permit cities and counties to establish incentive programs to support the preservation of qualified historic properties. In general, the program authorized a property tax abatement that decreased taxes over a fixed time, with an agreement with owners to preserve the historical integrity of a qualified historical property. Although the total number of Mills Act agreements has not been actively managed and tracked by the State of California, the State Office of Historic Preservation found 91 cities with 1,662 Mills Act agreements statewide (Narwold, Sandy, & Tu, 2008). According to the Santa Clara County Assessor's Office, there were 331 Mills Act agreements in 13 Santa Clara County cities (Santa Clara County Assessor, 2018).

Research Question and Purpose

The purpose of the research was to assess the outcomes of the Mills Act program in the cities of Gilroy, Santa Clara, and Mountain View, and to determine whether they are supporting the legislative intent of the program, including the use of the tax incentive program for its intended purpose of funding maintenance, restoration and preservation of the property, which will require determining the potential effects of the program on historic preservation. The research question for this study was the following:

Is use of the Mills Act correlated with positive preservation outcomes of designated historic properties in the cities of Gilroy, Santa Clara, and Mountain View?

The research may be relevant to local and state government, and the field of historic preservation, for two reasons. First, the research may determine and exemplify whether the activities of municipal agencies were consistent with the program's goals of preserving neighborhood character and increasing architectural integrity. Second, the research may enable municipal agencies and the State of California to refine the program goals and thus enable increased rehabilitation and preservation of historic properties.

Definitions

Frequently used terms in this paper and the research may potentially lead to confusion regarding assessment of the Mills Act tax incentive programs. Therefore, the following definitions have been provided.

Qualified Historical Property means a “privately owned property which was not exempt from property taxation and which meets either of the following” (City of Los Angeles, 2016, p. 30; Ryberg-Webster, 2015, p. 208; California State Legislature, 1985):

- (a) “Listed in the National Register of Historic Places or located in a registered historic district, as defined in Section 1.191-2(b) of Title 26 of the Code of Federal Regulations;” or
- (b) “Listed in any state, city, county, or city and county official register of historical or architecturally significant sites, places, or landmarks” (City of Los Angeles, 2016, p. 30; Ryberg-Webster, 2015, p. 208).

Certified Historic Structure means “a building (and its structural components) that is of a character subject to the allowance for depreciation provided in section 167 of the Internal Revenue Code of 1986 which is either (National Park Service, 2011):

- (a) Individually listed in the National Register; or
- (b) Located in a registered historic district and certified by the Secretary as being of historic significance to the district.”

Rehabilitation and/or Restoration Plan (RRP) means a ten-year plan for the maintenance and preservation work necessary to rehabilitate a qualified property. The plan includes expected maintenance, restoration and replacement of historic features on the property, not modernization, remodels, or construction of new elements. The *Rehabilitation and/or Restoration Plan* has various titles, including Rehabilitation and Maintenance Plan, and Preservation Plan.

BACKGROUND

Intent and Source of Historical Preservation Legislation

“Historic Preservation” legislation has as its central purpose the “preservation of our past as a constant reminder of our heritage and development” (Gammage, Jones, & Jones, 1975, p. 1). Generally, the preservation of historical sites and structures occurs through either private or public land use controls (Gammage, Jones, & Jones, 1975). Private land use control can occur through the purchase of a site and preserving the structure through a legal restriction on the property. Public land use controls occur through the passage of local, state and federal policies and laws that establish a framework for the preservation of historic sites and structures (Gammage, Jones, & Jones, 1975). The traditional legal source of governmental authority for public land use control occurs through either: “eminent domain, police power or the power to tax” (Gammage, Jones, & Jones, 1975, p. 31).

Historic Preservation at the Federal Level

At the federal level, Congress adopted the National Historic Preservation Act (NHPA) of 1966 as an essential tool for the protection of historic sites with national significance (National Historic Preservation Act of 1966, 2012). The NHPA established the Historic Preservation Fund (HPF), the Federal Historic Rehabilitation Tax Credit (HTC), and the Advisory Council on Historic Preservation (King, 2013). Based on the legislation, the National Park Service was assigned primary responsibility in implementing and overseeing historic preservation projects for the federal government (Ryberg-Webster & Kinahan, 2014).

The National Environmental Policy Act (NEPA) mandated that federal agencies evaluate environmental impacts from federally funded projects to cultural resources before final action by an agency. For many jurisdictions in California, historic preservation can be synonymous with

the environmental review process under NEPA or the California Environmental Quality Act (CEQA) (Lyon, 1982). This perspective occurs because the NHP, NEPA and CEQA required historic assessments of potential or identified qualified historic properties, which required understanding whether a historic site qualified (or continued to qualify) as a qualified historic property (Lyon, 1982). The Department of the Interior's (DOI's) National Register of Historic Places (NRHP) criteria for evaluating a property includes "the quality of significance in American history, architecture, archaeology, engineering, and culture is present in districts, sites, buildings, structure, and objects that possess integrity of location, design, setting, workmanship, materials, feeling, and association" (United States National Park Service, n.d., para. 1; Lyon, 1982).

Federal agencies also evaluate whether development sites qualify for placement on the NRHP and whether development negatively impacts the historical integrity of a historic site (National Historic Preservation Act of 1966, 2012). The Advisory Council on Historic Preservation had the responsibility for administering the regulatory process for the Section 106 review, which has required an evaluation and resolution of "adverse effects" through the creation of alternatives "to avoid, minimize, or mitigate the impacts to a historic resource" (Advisory Council on Historic Preservation, 2017, para. 6). The Section 106 process became an essential tool in supporting and encouraging the preservation of historic resources.

Under the legislation, the NHPA required the Advisory Council on Historic Preservation to develop a guideline for the rehabilitation and preservation of qualified historic properties; this guideline was titled the *Secretary of the Interior Standards* (Ryberg-Webster & Kinahan, 2014). Overall, the NHPA's impact on historic preservation transformed the governmental, corporate, and public approach to preservation as noted by the World Heritage Convention:

Passage of the National Historic Preservation Act in 1966 was a watershed event. It marked a fundamental shift in how Americans - and the federal government - regarded the role of historic preservation in modern life. Before 1966, historic preservation was mainly understood in one-dimensional terms, set aside from modern life as an icon for study and appreciation. NHPA largely changed that approach, signaling a much broader sweep that has led to the breadth and scope of the vastly more complex historic preservation mosaic we know today (World Heritage Convention, 2004, p. 11).

The NHPA established the State Preservation Office program which created an opportunity for partnership between local, state, and federal agencies. The National Park Service (NPS) manages the NRHP in coordination with the State Historic Preservation Offices (SHPO) (Gammage, Jones, & Jones, 1975). The SHPOs for each state have been appointed by the Secretary of the Interior in coordination with the Governor of each state.

The SHPO program became a tool to implement a national federal preservation program, and the state programs were central for the implementation of the federal preservation policy. The program's development was conceptualized during a period of cooperative federalism which envisioned the federal government as not pursuing coercive or competitive federalism to implement policy (Conlan, 2006). Instead, federal and state governments recognized the benefit of “cooperating with or complementing each other” in resolving policy concerns (Conlan, 2006, p. 664).

Through the implementation of the SHPO program, the National Park Service implemented a grant-in-aid program which the SHPOs implemented at the state level

(Hertfelder, Eric, 1987). The program and related grants were essential in supporting the development of historic preservation regulations, implementing a statewide Historic Preservation Plan to establish historical inventories for local jurisdictions, identifying historic properties, preserving “historic districts, sites, buildings, structures, and objects of State and local significance” and nominating eligible properties to the State and National Registers (Rose, 1981, p. 480)

The SHPO programs also implemented the Certified Local Government program which had a primary purpose that "ensured the broadest participation of local governments in the federal historic preservation program" (State of Hawaii, n.d., para. 1). SHPO programs were also required to be consistent with the NHPA and Secretary of the Interior's "Standards and Guidelines for Historic Preservation (SGHP)," and to coordinate and support local historic preservation programs' relationship with SHPO and to provide grant opportunities to fund historic inventory updates and preserve historic resources (National Park Service, 2007).

Historic Preservation Incentives at the Federal Level

As indicated by Listokin & Listokin-Smith (2012), historic preservation tax incentives was a "complex and historical strategy that has evolved" in response to societal and economic factors that impeded historic preservation (Listokin & Listokin-Smith, 2012, p. 288). Ryberg-Webster and Kinahan (2014) found historic preservation became an essential force in countering urban renewal which had been a primary factor in the destruction of traditional neighborhoods in urban areas throughout the United States in the 1950s and early 1960s.

Due to criticisms about the impact of urban renewal on the built environment, there was a movement in the 1960s and 1970s to move away from urban renewal programs that focused on destroying and reconstructing neighborhoods toward more community-oriented preservation

programs (Filion, Hoernig, Bunting, & Sands, 2004; Ryberg-Webster & Kinaha, 2014). This led to multiple new federal policies governing preservation. The National Environmental Policy Act of 1970 required the evaluation of impacts of federally funded projects to cultural resources. The Department of Transportation Act of 1966 aimed to prevent the destruction of historic resources in developing new infrastructure. Congress also adopted multiple historic incentive programs including the Tax Reform Act (TRA) of 1976, the Revenue Act of 1978 and Economic Recovery Tax Act (ERTA) of 1981 (Kinahan & Ryberg-Webster, 2014; Ryberg-Webster, 2015).

The Tax Reform Act was established during a period of decentralization and increasing local control over federal programs including historic preservation (Ryberg-Webster, 2015). Section 2124 of the Tax Reform Act reduced incentives for the demolition of historic structures by deleting a prior tax deduction for expenditures related to the demolition and depreciation of a qualified local, state or federal resource (Ryberg-Webster, 2015). The TRA also provided incentives for donating a portion of or entire historical property to a charitable organization for historic preservation and permitted "rapid amortization or accelerated depreciation" for certified historic buildings (Ryberg-Webster, 2015; Silver, 1982, p. 888). In effect, the Act created greater consistency between the National Historic Preservation Act's goal of historic preservation and the Tax Code. Under The Tax Reform Act, the tax code no longer incentivized demolition of certified historic buildings.

While the Tax Reform Act advanced historic preservation, the Revenue Act changed the tax code to expand the existing investment tax credit (ITC) that was previously limited solely to "tangible personal goods (such as for machinery and equipment)," to encompass rehabilitated "certified historic structure" (Ryberg-Webster, 2015, p. 210).

Although the Revenue Act created a new tax incentive for historic preservation, the Economic Recovery Tax Act (ERTA) of 1981 also repealed disincentives including "rapid amortization or accelerated depreciation, and tax deductions for the demolition of noncertified historic structures" (Silver, 1982, p. 888). ERTA established a new incentive system that offered investment tax credits for the rehabilitation of certified historic structures subject to the limitation of the National Historic Preservation Act (Silver, 1982). These incentives included:

1. "A 15 percent credit for nonresidential buildings at least thirty years old,
2. A 20 percent credit for nonresidential buildings at least forty years old, and
3. A 25 percent credit for certified historic structures" (Ryberg-Webster, 2015; Silver, 1982, p. 889)

In the TRA of 1986, the ERTA 25 percent tax credit for the rehabilitation of certified historic structures was reduced to 20 percent (Listokin & Listokin-Smith, 2012)

Historic Preservation at the State Level in California

Under the Historic Preservation Fund Grants Manual, the California State Historic Preservation office (CSHP) was the agency responsible to "direct and conduct comprehensive state historic surveys, identify and nominate eligible properties to the National Register," and manage the Certified Local Government Program (CLG) (National Park Service, 2007, p. 302). The CSHP also provided federal grant programs for historic preservation and cooperated with the Advisory Council on Historic Preservation "to ensure historic preservation was considered during planning and development" (National Historic Preservation Act, 1966, para. 42). The CSHP was also known as the State Historic Preservation Offices (SHPO) and was part of the California Department of Parks and Recreation.

Municipal or county agencies taking part in the CLG program were required to have an established historical commission with primary responsibility for the review and approval of modifications to historic structures and a designation process for their historical registry. SHPO provides support for new or updated historical registers and creates or updates historical regulations and policies. The CLG program is relevant to the research question because local involvement in the program reflects a commitment to the strict standards of the NHPA and SGHP to safeguard historic resources, a standard required for Mills Act designated sites (Appler & Rumbach, 2016).

The California real estate market experienced significant pressure for development in the 1960s, which led the California legislature to establish the Land Conservation Act (1965), also called the Williamson Act (Goodenough, 1978). The goal of the legislation was to permit voluntary agreements between farmers and governmental agencies to limit the future use of land for agriculture reducing the overall conversion of farmland for development (Goodenough, 1978). Before the Williamson Act, there was pressure to sell farmland due to the increased property values related to the increase of urban development. The program resulted in the preservation of farmland and open space to avoid “leapfrog” urban development. The program's success resulted in the California legislature passing the Open Space Subvention Act to replace local property tax revenue partially.

Historic Preservation Incentives at the State and Local Level

Using the Williamson Act as a standard, the State of California established the Mills Act to enable municipal and county agencies to establish programs to support the preservation of historic resources (Narwold et al., 2008). In 1972, the California legislature and Governor Ronald Reagan approved Senate Bill (SB) 357 (also called the Mills Act) to permit cities and

counties to create Mills Act agreements with property tax incentives to restore, rehabilitate, and preserve qualified historical properties (Gammage, Jones, & Jones, 1975). The legislation also required public access to the properties and a twenty-year term for the contracts. A year later the State Board of Equalization found the Mills Act unconstitutional due to the legislature lacking the authority to enforce restrictions of the Mills Act.

In response to the Mills Act being found unconstitutional, Proposition 7 was passed in 1976 by California voters as a Constitutional Amendment to Article XIII, Section 8. It resolved that the California legislature had the authority to establish the enforcement restrictions of the Mills Act on properties that fell under the meaning of a qualified historic structure under the Revenue Taxation Code (State Board of Equalization, 2005). The Constitutional amendment was implemented by the passage of SB 380 in 1978 which synchronized the Constitutional Amendment with state law and permitted assessment valuations based on an income capitalization methodology.

In 1985, the California legislature amended the Mills Act to clarify the definition of a qualified historical property, reduced the Mills Act agreement length from twenty to ten years, voided the requirement for public access to qualified historic properties, and simplified the tax assessment of historic properties. In 1993, the legislature further modified the Mills Act to require consistency with the state historical building code and the historic preservation requirements from the State Office of Historic Preservation and the Secretary of the Interior Standards from the Department of the Interior.

The Mills Act offered a tax incentive program to support the rehabilitation of qualified historic properties which allowed cities and counties to enter into ten-year contracts with property owners for a reduction in property taxes. In return for the reduced property taxes,

property owners were required to use the savings for the “rehabilitation, restoration, and maintenance” of historic resources without diminishing the historical integrity of the resource (City of Gilroy, n.d., p. 1; Narwold A. J., 2008a).

The method used to calculate the assessed value under the economic incentive program was an income capitalization approach. County assessors’ value historic properties by the capitalization of income method which has been based on actual rents or market-based projected rents. According to Section 439 of the California Revenue and Taxation Code, assessed property values should be based upon fair rent values, and the fair rent income less certain expenses were divided by a capitalization rate (Office of Historic Preservation, 1977; State Board of Equalization, 2005). The assessment value may be reviewed on an annual basis to reflect changes in market rents and interest rates.

The first study that estimated the Mills Act revenue impact found the program reduced property taxes by approximately “40 to 80 percent, or an average of 50 percent” for properties with Mills Act contracts (Narworld, 2008; Narwold et al., 2008, p. 84; Clark & Herrin, 1997). A hypothetical property tax estimate has been provided in Table 1 and 2 below (City of Berkeley, 2018).

Table 1

Hypothetical Property Tax Estimate

Current Assessed Valuation =	\$250,000	
Current taxes =	\$3,125	(\$250,000 x 0.0125)

Table 2

Mills Act Assessment Method

Gross income	\$14,400	(\$1,200 X 12 mo.)
Less expenses	\$2,000	(insurance, repairs, utilities)
Net income	\$12,400	
Capitalization rate* =	13.66%	
New valuation	\$90,776	(\$12,400) (0.1366)
New taxes	\$1,135.00	(\$ 90,776 x 0.0125)
TOTAL ANNUAL SAVING	(\$1,990)	

The tax abatement program has been administered by city or county agencies. Local agencies may contract with the owners of qualified historic properties, if the local agency's Mills Act program and Mills Act agreement meets the legislative purpose of Article 1.9 (beginning at Section 439) of Chapter 3 of Part 2 of Division of the Revenue and Taxation Code. A Mills Act agreement shall be consistent with the California Government Code 50280-50290, which required the contract language include the following:

1. A contract term for ten years;
2. A requirement "for the preservation of qualified historical properties, when necessary, to restore and rehabilitate the property to conform to the rules and regulations of the Office of Historic Preservation of the Department of Parks and Recreation, the United States Secretary of the Interior's Standards for Rehabilitation, and the State Historical Building Code;"
3. A requirement for an inspection of the "interior and exterior" of the designated structure shall occur before any agreement, and "every five years after that, to determine the owner's compliance with the contract;" and

4. The contract shall be recorded with the county within six months of entering into a contract (State Board of Equalization, 2005, p. 2).

After the ten-year term of a Mills Act agreement expires, the property owner or local agency must file a request not to renew, or the agreement self-renews annually with automatic one-year extensions. If an owner petitions an agency to terminate their Mills Act agreement, the property owner must pay for terminating the contract "equal to 12.5 percent of the property's current market value, with the value being determined by the County Assessor" (State Board of Equalization, 2005, p. 10).

After notice and public hearing with an authorized local agency body, the local government agency may also terminate a Mills Act agreement for breach of contract or if the property has deteriorated to no longer qualify as a qualified historical property. Upon cancellation of the agreement, the property shall be assessed based upon the "1975 lien date or as of the date of the most recent change in ownership, whichever is later, adjusted by the annual inflation factor" or the current market value (State Board of Equalization, 2005, p. 6).

Historic Preservation at the Local Level

The organizations and procedures for historic preservation vary from jurisdiction to jurisdiction, but the typical organizations that exist at the local level include the following (Gammage, Jones, & Jones, 1975)

1. Historical Commissions (also called Landmark Commissions or Heritage Commissions) function to review alterations or demolitions to qualified historic properties, review and approve the eligibility designation of sites or properties as historical resources, establish historic districts, and recommend approval for Mills Act agreements for qualified historic properties.

2. City Council or County Board of Supervisors were the legislative bodies for a local agency with the authority to review and approve Mills Act agreements for qualified historic properties.
3. Private or Nonprofit Historical Preservation Organizations operate at a local, county, regional, or statewide level to support the preservation of a community's cultural heritage.

Although the Mills Act passed in 1972, the legislation was not significantly used by local jurisdictions until the contract term was reduced to ten years and the public access requirement was eliminated in 1984 (Narwold et al., 2008). According to the California Office of Historic Preservation (COHP), there was a total of “89 cities” with a total of “1,662 Mills Act contracts” (Narwold, 2008a). The Mills Act does not require jurisdictions to submit Mills Act agreements for recordation with the COHP.

In compliance with California Government Code 50280-50290, the cities of Gilroy, Santa Clara, and Mountain View historic preservation (Mills Act) agreements require the following in their agreements:

1. A contract term for ten years (California State Legislature, 2014, para 1);
2. An inspection of the “interior and exterior” of the designated structure must occur to confirm “compliance with the contract” (California State Legislature, 2014, para. 1);
3. Within thirty days of any request, an owner shall provide the City with all information requested by a City to show compliance with the terms of Mills Act agreement (California State Legislature, 2014, para. 1);
4. For the cities of Santa Clara and Gilroy only, a ten-year plan Rehabilitation and/or Restoration plan for the maintenance and preservation work necessary to rehabilitate

- a qualified property. This plan shall conform to the rules and regulations of the Office of Historic Preservation of the Department of Parks and Recreation, the United States Secretary of the Interior's Standards for Rehabilitation, and the State Historical Building Code” (City of Gilroy, 1997; City of Santa Clara, n.d.); and
5. Each city requires that contacts be recorded with the county within six months of entering into a contract (California State Legislature, 2012, para. 1).

The Planning Division managed and processed Mills Act agreements for each city. In general, the cities of Gilroy, Santa Clara, and Mountain View require submittal of an application form, description of the parcel, assessor parcel map, and fees. The cities of Gilroy and Santa Clara also require a ten-year plan for improvement, while the city of Mountain View does not document improvement to Mills Act designated properties (City of Gilroy, 1997; City of Santa Clara, n.d.). A historic preservation or Mills Act agreement was only authorized for a qualified historic property. A Mills Act agreement requires the review and approval of an agency’s legislative body (California State Legislature, 2012)

LITERATURE REVIEW

Literature on the relationship between historic preservation and local or state tax incentives reflects a gap in the literature in the field of state tax incentives for historic preservation. The majority of literature related to historic preservation was dominated by research about: 1) the objectives and effectiveness of historic preservation policies and programs by governmental agencies, and 2) the role of historic preservation policies and programs in increasing the values of properties in the surrounding community.

There was limited research on tourism and historic preservation, municipal authority, politics, urban revitalization, the evaluation of rehabilitation related to historic preservation, federal tax incentive policy implications for historic preservation and urban development, and the cultural value of historic designation. Academics and researchers have studied the impacts of historic preservation related to the gentrification of urban neighborhoods, the relationship between historic preservation and the upending of urban renewal policies, and the impact of historic preservation in creating inequity in development.

While there was significant scholastic work encompassing a multitude of fields and methods used to evaluate the implications of historic preservation, it was sufficiently clear that the study of historic preservation lacks empirical studies about the present-day relationship between local or state tax incentives and historic preservation.

The Role of Historic Preservation

The role of historic preservation has not been to preserve objects of the past to create “*one-dimensional terms, set aside from modern life as an icon for study and appreciation*” (World Heritage Convention, 2004, para. 3). Instead, historic preservation has been a more positive force

with a greater scope that encapsulates a more complex mosaic of historic and cultural conservation (World Heritage Convention, 2004).

Utley (1990) and Rose (1981) determined there were three distinct periods of historic preservation activity. The first period included passage of the Antiquities Act of 1906, the National Park Service Organic Act of 1916, and the Historic Sites Act of 1935. These Acts promoted the preservation of federal sites to provide “public benefit and enjoyment.” They also emphasized the properties’ relationships to “sites, structures, geographic areas, and valuable artifacts,” and relationships with “persons, events, historical periods, and ideas” (Walker & Israeloff, 1987, p. 61).

In the later twentieth century, a second phase of the heritage preservation movement evolved -- preservation of cultural resources that contributed to society’s past (Utley, 1990). This period came to include a pursuit of architectural and environmental preservation goals that retained elements from previous historical periods still operating today.

The third and more recent phase focused on procedural requirements for preserving the built environment. A central element of preservation during this period has been a focus on community-oriented evaluations of preservation, which has led to policies and procedures for preservation that focuses on “community building” (Rose, 1981, p. 492).

Historic preservation policy has been a valuable tool for preserving the heritage of our past; however, preservation regulations also raise some apprehensions. One concern is that increased regulation on historic properties, including through the Mills Act, can hurt the average values of historic properties compared to a similar non-historic property (Rypkema & Cheong, 2013).

The Role of Federal Historic Preservation Incentive Programs

While tax incentives were a relatively new approach to incentivize historic preservation, a 2012 Texas Law Review article evaluated justifications for tax incentive programs (Kohtz, 2012). Kohtz (2012) stated that the primary purpose of federal and state historic preservation incentives was to provide "carrots" to support historic preservation through incentivizing preservation of historic structures, while also providing "sticks" that eliminated the benefits of demolishing historic structures. In response to the article, Listokin and Listokin-Smith (2012) argued the analysis only outlined the basis for tax incentives in a general manner related to historic preservation. A weakness in Kohtz's analysis was it did not evaluate whether tax incentives were efficient, and if the incentive provided greater benefits (i.e. increased preservation) when compared to the overall cost of tax incentives (Listokin & Listokin-Smith, 2012).

In a recent article Ryberg-Webster (2015) evaluated Historic Rehabilitation Tax Credits (RTC) investments in Richmond, Virginia from 1997 to 2010 to understand whether RTC investments and urban revitalization, including historic preservation, were correlated (Ryberg-Webster, 2015). Based upon the geocoded data of the RTC program, it was found that between 1997 and 2000 investments spurred significant development in urban cores which later expanded outward from those cores (Ryberg-Webster, 2015).

The author found that tax incentives appeared to impact the development of new mixed-use and multi-family residential developments a majority of which were buildings rehabilitated with the tax credits. The author concluded the tax credit in Richmond, Virginia showed how the "private sector was responding to new demands for urban housing and mixed-use environments and was capitalizing on the distinctive character of the city's historic building stock" (Ryberg-Webster, 2014, p. 428). Whereas the research provided a detailed spatial-analysis of land-use

relationships that indicated the RTC tax credit program was impacting the built environment, the findings cannot be generalized to other urban areas without additional research in the field (Ryberg-Webster, 2014).

There was a better understanding of the impact of RTC credits based on the number of development projects, annual valuation of rehabilitation projects, and economic outcomes like employment rates and economic growth from rehabilitation expenditures in communities (Listokin & Listokin-Smith, 2012). For the fiscal year periods from 1978 through 2010, rehabilitation related to the twenty percent RTC tax credit created “\$104 billion in gross domestic product and over two million new jobs. The RTC program during this period also resulted in 432,000 housing units, including 114,000 units available to low- and moderate-income households” (Listokin & Listokin-Smith, 2012, p. 29). While there was extensive literature about historic preservation, there continues to be limited research about RTC’s encouragement of investment in neighborhood preservation and the redevelopment of historic properties.

The Role of State Historic Preservation Incentive Programs

Local and state agencies began to offer historic tax credits or property tax abatements to incentivize the rehabilitation and preservation of historic properties in response to the Tax Reform Act of 1976 and Economic Recovery Tax Act (ERTA). The academic literature on state incentive programs for the rehabilitation of historic structures lacks empirical findings about the present-day relationship between local or state tax incentives and historic preservation. The literature related to historic preservation incentive programs were limited to older academic articles focused on federal tax incentive programs or more recent academic articles with a limited analysis of state tax incentive programs.

Pianca and Schwartz (2001) provided a comprehensive review of state historic preservation incentive programs. They reviewed types of incentive programs, including real property tax and state income tax credit programs, that focused primarily on the rehabilitation of local, state and federal historic resources. The authors found a total of 34 states allowed property tax reductions to incentivize the rehabilitation of historic properties. The authors found incentives were beneficial in regions with high real estate values and real estate property tax burdens where property tax reductions were most beneficial (Pianca & Schwartz, 2001)

Higgins (2001) initiated his thesis to build upon the article by Pianca and Schwartz (2001) by expanding the depth of discussion and analysis about state tax incentive programs for historic preservation. The thesis explored the effectiveness of the state-run tax incentive programs for Connecticut, Maryland, Rhode Island, Arizona, Missouri, and North Carolina. The thesis findings were that effective tax incentive programs were made less effective by the difficult or lengthy application processes, strict maintenance contracts or façade easement, varying requirements for qualifying rehabilitation costs, and complex or unclear rules on the eligibility for tax incentives (Higgins, 2001, p. 61). Higgins found that historic preservation tax incentive programs could be successful with the following features:

- A lower threshold for the amount required to be spent on qualifying for rehabilitation;
- The larger the percentage of costs eligible for tax incentive credits, the higher the incentive to use the program;
- The ability to transfer, sell or allocate credits provide opportunities for funding the rehabilitation of historic properties;

- Programs that provide credits to be held for more extended periods or rolled-over from year to year to support the rehabilitation of historic preservation in states with low property tax rates or low real estate values; and
- Programs that actively promoted tax incentive programs created increased opportunities for the preservation of historic properties (Higgins, 2001).

Property Valuation

California's method to support historic preservation allowed for sites and structures to be chosen using a market-based process by supplying a tax benefit to specific qualified historic properties. In many states, specific qualified historic properties were grouped into a geographical area to form a historic district to increase the preservation of historic resources. There was a significant body of research about the effects of historical designation in relation to property values. While a designation of a historic property creates a public good for the community, the question was whether the benefit comes at a cost.

Narwold et al. (2008) evaluated the effects of the Mills Act on the city of San Diego and captured sales data for single-family houses in two different zip codes in San Diego County for the period of January 1, 2000, through December 31, 2005. A total of 2,251 houses was reviewed in the study, with 35 houses being qualified historic properties with Mills Act agreements (Narwold et al., 2008). Clark and Herrin (1997) evaluated the effects of historic district designations in Sacramento for the period of 1990 to 1994 (Clark & Herrin, 1997). Both studies used the hedonic price model for understanding the elements affecting property value. A hedonic price model uses regression analysis to understand the variables correlated with property values (Higgins, 2001). The model considered “housing as a composite commodity of variables, like

acreage, number of bedrooms, crime rate, location, quality of school district” (Higgins, 2001, p. 16; Narwold et al., 2008)

The Sacramento study found property values increased seventeen percent for houses in historic districts, and the San Diego study found property values were sixteen percent higher for Mills Act designated properties than non-historic properties (Clark & Herrin, 1997; Narwold et al., 2008). However, in Sacramento, increased property values within historic districts did not translate into benefits for houses immediately adjacent to the districts (Clark & Herrin, 1997).

Similarly, in another study Angjellari-Dajci and Cebula found that from the period of “2008 to 2013 in St. Augustine, Florida” the sale price of houses within National Historic Register Districts resulted in increased values between 72 and 121 percent (Angjellari-Dajci & Cebula, 2016, p. 89). The increased values of the qualified historic properties appeared to be related to the reduced number of National Register homes and their location, which could drive prices higher based on demand (Angjellari-Dajci & Cebula, 2016). Coffin’s research also found historic designations in two comparable cities in Illinois had moderate impacts on property values increasing overall values by six to seven percent (Coffin, 1989).

Due to the limited supply of historic structures, the aforementioned studies found that historic designations drive an increasing demand for properties with historic designation restrictions (Clark & Herin, 1997; Coffin, 1989; Narwold et al., 2008). Narwold et al. found the Mills Act program appeared to incentivize homeowners to “preserve and maintain their buildings” (Narwold et al., 2008, p.94).

The relationship between properties with historic designation or Mills Act designation and increased demand for historic properties appeared to be partially related to the reduced availability of historic properties, the financial benefit of a historic property with a Mills Act

designation, and the unique qualities of a historic structure. The desirability of a historic structure increased despite the cost and restrictions related to the purchase of a qualified historical property thereby preserving or increasing the overall value of the site.

METHODOLOGY

The purpose of this study was to explore the implementation and outcomes of the Mills Act and its effect on preservation in the cities of Gilroy, Santa Clara, and Mountain View. This research examined whether there was a relationship between the Mills Act and preservation outcomes of qualified historic houses in the cities of Gilroy, Santa Clara, and Mountain View. This research assessed outcomes of the Mills Act program in Gilroy, Santa Clara, and Mountain View and whether these cities were supporting the legislative intent of the program. This required an assessment of use of the taxation program for its intended purpose of funding maintenance and restoration and preservation of the property. The outcome analysis was based on Sylvia and Sylvia (2012).

The outcome analysis also included determining the intent of the legislature in establishing the Mills Act Program including specific program goals and functions, to understand whether there was a relationship between the program's intent and outcomes (Siddiq, 2012; Sylvia & Sylvia, 2012). The intent of the Mills Act was to preserve neighborhood character, increase the architectural integrity of qualified historical properties, and stabilize and enhance property values of qualified historical properties.

Implementation of the Rehabilitation and/or Restoration Plan (RRP) reflected a commitment and obligation to preserve a qualified historical property. Proximate indicators reflect how the program were being implemented and whether it was accomplishing expected implementation (Sylvia & Sylvia, 2012). Four proximate indicators used in this study include: 1) the extent of implementation of the RRP, 2) a review of the receipts and documentation to confirm implementation of the RRP, 3) the frequency of quinquennial city inspections of Mills Act properties, and 4) the level of compliance by property owners and city staff.

An attitudinal indicator was used to understand “client and staff perception of program operations” (Siddiq, 2012; Sylvia, 2012, p. 128). This indicator assessed the compliance of clients, staff, and public officials in the implementation of the Mills Act. Structured interviews were conducted with staff from the cities of Gilroy, Santa Clara, and Mountain View. Anonymous online surveys were conducted with property owners with Mills Act agreements. The interviews and surveys assessed the differences between expectations, actual experience regarding perceived roles and responsibilities, and local management of the Mills Act.

Analyzing Mills Act program’s outcomes was critical to assessing program impacts and was central to the outcome evaluation strategy (Sylvia & Sylvia, 2012). In identifying outcomes for the Mills Act program, it was essential to understand the legislative intent, goals, and benefits of the program. This includes understanding whether the Mills Act designated properties were using their property tax savings for maintenance, restoration, and rehabilitation of historic properties.

The final element of the outcome evaluation model was to quantify whether the outcomes have a positive or negative valence. In evaluating outcomes for the cities of Gilroy, Santa Clara, and Mountain View, an outcome valence was used to help frame the findings for each city. For example, a negative valence would indicate outcomes did not correlate with the goals and objective of the Mills Act program.

This study ultimately has been undertaken to determine whether policy recommendations should be required for the Mills Act program. Table 3 below provides the relationship between program goals, functions, indicators, and measures. Table 4 below outlines projected outcomes.

Table 3

Relationship Between Program Goals and Outcomes

Theoretical Goal T ₁ : To provide for the use, maintenance, and restoration of historic properties to retain their characteristics as properties of historical significance.			
Program Goals	Program Functions	Proximate Indicators	Program Measures
G ₁ : To Preserve Neighborhood Character (T ₁)	F ₁ : Assess whether Mills Act properties were using their property tax savings for maintenance, restoration, and rehabilitation of historic properties. (G ₁ and G ₂)	I ₁ : Review the RRP to confirm compliance with the maintenance, restoration, and rehabilitation program (F ₁)	M ₁ : Frequency of properties following their RRP (I ₁)
G ₂ : To increase Architectural Integrity (T ₁)	F ₂ : Confirm the use of a Mills Act designated structure was consistent with its historic characteristics. (G ₁ and G ₂)	I ₂ : Review of receipts/documentation confirming expenses for RRP (F ₁)	M ₂ : Frequency of properties submitting documentation of their compliance with the RRP (I ₂)
		I ₃ : Determine frequency of quinquennial city inspections of Mills Act properties (F ₁ and F ₂)	M ₃ : Frequency quinquennial inspections of Mills Act properties (I ₃)
		I ₄ : Level of compliance by clients and staff (F ₁ and F ₂)	M ₄ : Mills Act improved the ability of homeowners to preserve and revitalize historic properties (I ₄) M ₅ : Staff members were knowledgeable of the Mills Act program and its requirements (I ₄) M ₆ : Client level of support calculated for positive and negative responses (I ₁ -I ₄)

Table 4

Relationship Program Measures and Projected Outcomes

Measures	Anticipated Outcomes
M ₁ : Frequency of properties following their RRP (I ₁)	O ₁ : Increased maintenance, and restoration of historic properties to retain their characteristics as properties of historical significance (M ₁ -M ₆)
M ₂ : Frequency of properties submitting documentation of their compliance with the RRP (I ₂)	O ₂ : Increased community support for Mills Act designations (M ₅ - M ₆)
M ₃ : Frequency quinquennial inspections of Mills Act properties (I ₃)	O ₃ : Stabilized or enhanced property values of qualified historic properties with Mills Act agreements
M ₄ : Mills Act improved the ability of homeowners to preserve and revitalize historic properties (I ₄)	
M ₅ : Staff members were knowledgeable of the Mills Act program and its requirements (I ₄)	
M ₆ : Client level of support calculated for positive and negative responses (I ₁ -I ₄)	

Participants, Data, and Analyses

City Selection. The cities selected for the research necessitated a comprehensive review of the cities with Mills Act programs within Santa Clara County. According to the Santa Clara County Assessor's office, thirteen cities had Mills Act programs, with 313 properties under contract (Santa Clara County Assessor, 2018). The Mills Act submittal requirements were consistent for the thirteen cities, with each city requiring an application form, description of the parcel, assessor parcel map, photographs, and preservation plan. The Mills Act agreement for each city required compliance with the Secretary of the Interior's Standards for Rehabilitation and an RRP being approved by a Historical (Heritage) Commission and/or the City Council. The criteria for selecting a city focused on the following:

1. Cities with a minimum of fifteen properties with Mills Act agreements; and
2. Cities with populations under 150,000

The first criteria, *cities with a minimum of fifteen properties with Mills Act agreements*, reduced the number of cities under consideration from thirteen to four cities. In reviewing the cities, eight had a median of four properties with Mills Act agreements, while the city of San Jose had 76 properties, Santa Clara had 149 properties, Mountain View had 22 properties, and Gilroy had fifteen properties with Mills Act agreements.

The second criteria, *Cities with Populations under 150,000*, the three remaining cities of Santa Clara, Mountain View and Gilroy each have a population under 150,000. Therefore, the cities considered in the study were narrowed to the cities of Santa Clara, Mountain View, and Gilroy.

Governmental Records. Public records were obtained from the Santa Clara County Assessor and the cities of Gilroy, Santa Clara, and Mountain View, and the research was designed to assess and analyze their records regarding their Historic Registry Program and Mills Act Program between 2012 and 2017. An examination of the records, including inspection records, provided information to assess the activities related to historic preservation and the Mills Act, the program goals, program functions, and outcomes of the programs.

Personal Interviews. Structured interviews were conducted with staff from the cities of Gilroy, Santa Clara, and Mountain View to gain an understanding of their perceived role and duties regarding the Mills Act program, their perceptions regarding the Mills Act program goals and functions, their compliance with their role under the laws, and the implementation of the program. The interview instrument has been provided as Appendix A.

Interviews with City Staff. Interview participants were selected based upon their specific involvement with the Mills Act program. First, interviewed staff must be assigned the responsibility to work with property owners of Mills Act designated properties and the city's

Historic Preservation Commission. Second, the staff members must have the requisite responsibility or participation in the program to access governmental records related to the Mills Act program. Staff interviews provided an overall picture of the implementation and management activities of the Mills Act program in each city. These activities were related directly to the program goals which were outlined in Tables 1 and 2 below. The interviews had proximate indicators that examined the program's implementation and measured whether the program accomplished the expected outcomes. The interviews also provided attitudinal indicators of the perceived success of the program and the satisfaction of the Mills Act property owners.

Surveys to Clients of the Mills Act Program. The results of the study were based on anonymous online surveys from property owners with Mills Act agreements. The Mills Act agreement owner information was available through a California Public Records request from the cities of Gilroy, Santa Clara, and Mountain View. Due to the small size of the Mills Act agreement population, the entire population for each city was sampled. The survey instrument was comprised of “ordinal, nominal and open-ended questions” regarding the Mills Act program and its implementation by the cities. The purpose of the survey was to understand the implementation and management activities of the Mills Act program in each city, and the overall compliance with the Mills Act program. The survey instrument has been provided as Appendix B. The Statistical Package for Social Sciences (SPSS 23) was used to complete all statistical tests. Quantitative data analysis in the form of descriptive statistical analysis was employed.

FINDINGS

The objective of the research was to assess the outcomes of the Mills Act program in the cities of Santa Clara, Mountain View, and Gilroy by examining their ability to support the legislative intent and program goals of the Mills Act program where:

- a. Municipalities confirm maintenance, restoration, and preservation of historic properties was occurring consistent with the Secretary of the Interior's Standards for Rehabilitation by confirming compliance through inspections every five years; and
- b. Municipalities confirm that maintenance, restoration, and preservation of historic properties have been occurring by confirming compliance with the RRP.

The research methods' Findings and their relationships were discussed and tied to the overall research question indicated in Table 5 below. The research methods provided sufficient data about the program's outcomes to be able to identify and assess the program impacts, which was the central purpose of the outcome evaluation strategy (Sylvia & Sylvia, 2012). In identifying outcomes for the Mills Act program, it was essential to understand the legislative intent, goals, and benefits of the program.

Table 5

Summary of primary research methods used to answer key research questions.

Research Method				
Research Question	Is the Mills Act correlated with positive preservation and property value outcomes of designated historic properties in the cities of Gilroy, Santa Clara, and Mountain View?			
PROGRAM GOALS	Program Measure	Research Method		
		Data	Interview	Survey
G1: To Preserve Neighborhood Character (T1), G2: To increase Architectural Integrity (T1)	M1: Frequency of properties following their RRP (I ₁)	x	x	x
	M2: Frequency of properties submitting documentation of their compliance with the RRP (I ₂)	x	x	x
	M3: Frequency quinquennial inspections of Mills Act properties (I ₃)	x	x	x
	M4: Mills Act improved the ability of homeowners to preserve and revitalize historic properties (I ₄)		x	x
	M5: Staff members were knowledgeable of the Mills Act program and its requirements (I ₄)		x	
	M6: Client level of support calculated for positive and negative responses (I ₁ -I ₄)		x	x

Government Records

Public records were obtained from the Santa Clara County Assessor and the cities of Gilroy, Santa Clara, and Mountain View to identify and analyze their practices in implementing the Mills Act Program between 2012 and 2017. The research included a review of public policy records, historic preservation ordinances, and documents. These documents include the inspection records, Mills Act agreements, RRPs, receipts collected to confirm implementation of the RRP, historic preservation regulations, and other historic policies related to the Mills Act. Examination of the records provided information to assess the activities related to historic preservation and the Mills Act, program goals, program functions, implementation of the programs, and outcomes of the programs.

City of Gilroy. The city of Gilroy adopted the Mills Act program in 2001, and it has authorized a total of sixteen properties to participate in the program. Consistent with the intent of the Mills Act, the city's program required property owners to "preserve, repair and maintain historic properties and their character defining features" (Page & Turnbell, 2019). A Mills Act Agreement policy was adopted by the city in 1997 requiring the following:

1. Contracts shall be for ten years and will automatically renew on an annual basis;
2. The owner shall submit a ten-year RRP of proposed improvements to the property, with revisions every five years;
3. Property owners shall maintain their properties consistent with the Secretary of the Interior's Standards for Rehabilitation;
4. The owner shall make improvements to the historic structures related to the infrastructure and structural improvements, and exterior maintenance, but it shall not include interior cosmetic improvements; and
5. Property owners shall allow reasonable period inspection of historic properties (City of Gilroy, 1997).

City of Santa Clara. The city of Santa Clara executed its first historical preservation agreement (Mills Act agreement) in 1994 and the last contract occurred in 2017. Currently, the city has approved 116 properties with Mills Act agreements. The program and Mills Act agreement requires that property maintenance, repair, and rehabilitation work on a historic building comply with the Secretary of the Interior's Standards for Rehabilitation. Consistent with state law, the Mills Act agreement requires owners to permit inspections of interiors and exteriors every five years (City of Santa Clara, n.d.). A review of public records, including Mills

Act agreements, and the RRP led to the following key findings about the Mills Act program (City of Santa Clara, n.d.):

City of Mountain View. The city of Mountain View adopted the Mills Act program in 2001, and it has authorized a total of 23 properties to participate. Consistent with the intent of the Mills Act, the city’s program required property owners to “preserve, repair and maintain historic properties and their character defining features” (Page & Turnbull, 2019). The City’s Mills Act program did not establish submittal requirements to qualify properties for the program. Instead, the city permits any property listed on the federal, state, county or city register to enter the Mills Act program (Hutar, 2005). The city’s Mills Act agreement required property maintenance, repair, and rehabilitation work on a historic building to comply with the Secretary of the Interior’s Standards for Rehabilitation (City of Mountain View, 2018). According to Mountain View Municipal Code Chapter 36, Article XVI, Division 15, the agreement required property owners to preserve the characteristics of historical significance to maintain its designation on the Mountain View Register of Historic Resources for the duration of the agreement, and it required periodic examinations of the properties.

Finding. A review of the government records for the cities of Gilroy, Santa Clara, and Mountain View led to the following Findings regarding the program measures in the outcome evaluation:

M1: *Frequency of properties following their RRP.*

- Prior to 2018, the cities of Gilroy and Santa Clara had not requested or received updated RRP from owners to reflect the proposed improvements to historic properties, and the owners were utilizing outdated RRP from their original contracts.

- In the cities of Gilroy and Santa Clara, the existing RRP's were not consistent with the Secretary of the Interior's Standards for Rehabilitation or the City's Mills Act Agreement policy to limit improvements to "infrastructure and structural improvements, and exterior maintenance."
- The city of Mountain View did not require, and had never requested, an RRP from owners of Mills Act designated properties to confirm whether improvements were consistent with the Secretary of the Interior's Standards for Rehabilitation.

M₂: Frequency of properties submitting documentation to comply with RRP's.

- Prior to 2018, the cities of Gilroy and Mountain View had not requested documentation to confirm compliance with their RRP's.
- The city of Mountain View does not require RRP's with Mills Act agreements, and it had never required documentation to confirm that improvements were occurring to historic structures in the Mills Act program.

M₃: Frequency of quinquennial inspections of Mills Act properties.

- Prior to 2018, the cities of Gilroy, Santa Clara and Mountain View had not conducted any inspections of Mills Act properties, which was inconsistent with the city's policy to conduct periodic inspections of the Mills Act properties and the California Government Code 50280-50290 which requires inspections every five years.
- The three cities had not conducted inspections of the Mills Act properties every five years, which was inconsistent with California Government Code 50280-50290.

Interviews with City Staff

Structured interviews were conducted with staff from the cities of Gilroy, Santa Clara, and Mountain View who managed the Mills Act program. The objective of the interview instrument was to gain an understanding of perceived roles and duties with the Mills Act program, compliance with these roles under the laws, and implementation of the program. A universal interview instrument was designed with identical questions asked of every interviewee. The interviews lasted thirty minutes to one hour. The interviews led to the following Findings (the full interview instrument was provided as Appendix A).

Q1: Over that last ten years - How often did the city interact with the Mills Act designated property owners in implementing the Mills Act program?

- a. Never
- b. Once a Year
- c. Once every two to three years
- d. Once every four years
- e. Once every five years
- f. More than five years

Findings. The purpose of the question was to assess whether a jurisdiction had maintained oversight of Mills Act programs and conducted oversight consistent with legislative intent and program goals. The following program measures were used to assess outcomes:

M₁: Frequency of properties following their RRP.

M₂: Frequency of properties submitting documentation to comply with RRP.

M₃: Frequency of quinquennial inspections of Mills Act properties.

- The three cities did not interact with property owners in management of the Mills Act program except if the owner pursues modifications to a site and/or structure that requires city review and approval of a permit.

- Prior to 2018, the cities of Gilroy and Santa Clara did not contact homeowners regarding the Mills Act program nor did they request inspections of properties or updated RRP. In 2018 the cities completed audits of Mills Act programs which required contacting homeowners for inspections and documentation to confirm compliance with their RRP.
- The Mills Act program had not been a policy priority for the three cities; therefore, the cities lack the resources to implement the Mills Act program.

Q2: Did the city require an RRP for a Mills Act designated historic property? If yes, what are the requirements of the plan? Is there a template?

Q3: Over the last years ten years - How often did the city request an updated RRP for your historic property?

Q4: Over the last ten years - Did the city require documentation to confirm compliance with the RRP? Did the city require receipts to verify preservation of the historic site?

Q5: Over the last ten years – How often did the city require exterior inspections of Mills Act designated historic properties?

Findings. The purpose of the research questions was to understand whether a jurisdiction had conducted oversight of the Mills Act program and implemented the program consistent with program goals. As discussed above, three cities did not conduct inspections of properties with Mills Act agreements, and the cities of Gilroy and Santa Clara had not required updated RRP. The city of Mountain View’s Mills Act program does not require the submittal of an RRP for participation in the program, submittal of documentation to confirm historic preservation expenditures, or inspections every five years.

Under the Mills Act, the State of California authorized cities and counties to create tax incentive programs that require historical preservation agreements. While an RRP had not been

required under state law, an RRP allows jurisdictions to confirm whether reduced property taxes were used for historic preservation. In return for reduced property taxes, property owners should use the savings for the “rehabilitation, restoration, and maintenance” of historic resources without diminishing the historical integrity of the resource (City of Gilroy, n.d., p. 1; Narwold A. J., 2008a). A rehabilitation and restoration program can be an important tool to confirm whether public funds (the reduced taxes) had been redirected for historic preservation and had been spent consistent with the legislative intent of the Mills Act.

In 2018, the cities of Gilroy and Santa Clara completed audits of their Mills Act programs, which required contacting homeowners for inspections and documentation to confirm compliance with their RRP. While the city of Mountain View did not require documentation to confirm the condition of Mills Act properties, it was their opinion that the properties complied with the Mills Act. The following program measures were used to assess outcomes:

M1: Frequency of properties following their RRP.

M2: Frequency of properties submitting documentation to comply with RRP.

M3: Frequency of quinquennial inspections of Mills Act properties.

- The three cities did not require documentation to confirm that tax incentive savings were being used to preserve their historic structure.
- Prior to 2018, the cities of Gilroy and Santa Clara did not require updated RRP every five years or upon their expiration.
- Prior to 2018, the three cities did not conduct inspection of historic properties every five years.
- The three cities did not conduct oversight of the Mills Act program, and they rely upon property owners to self-manage their compliance with the Mills Act program.

Q6: What were the barriers and constraints the city faced to implement the Mills Act program?

Q7: Based upon your experience - What actions should be taken by your City to implement an effective Mills Act program?

Findings. The purpose of questions six and seven were to understand the constraints hindering implementation of the Mills Act program, and potential solutions from a homeowner's perspective. The primary staff responses focused on the lack of resources, the lack of staffing, and the Mills Act program not being a priority for the three cities. It was found that the Mills Act program did not have a dedicated line of funding in each community for managing the program. As a result, the Community Development Departments that conducted oversight of the program struggled with balancing their mandated priorities while also managing ancillary programs, like the Mills Act. Responses to questions connected the following program measures to the following Findings regarding outcomes:

M1: Frequency of properties following their RRP.

M2: Frequency of properties submitting documentation to comply with RRP.

M3: Frequency of quinquennial inspections of Mills Act properties.

- The Community Development Departments managed the Mills Act program but appeared to be significantly understaffed for the range of activities managed and implemented by each organization.
- The three cities needed to dedicate resources and staffing to manage the tax incentive program (i.e. Mills Act) in order to maximize the benefit of historic preservation in the community.

- The three cities needed to increase communication between line-staff, administration and elected officials about the lack of oversight of the Mills Act programs.

Q8: In your opinion - Did the Mills Act agreement property tax reduction improve your ability to preserve or revitalize historic properties?

Q9: In your opinion - Did the Mills Act program contribute to stabilized or enhanced property values of historic properties?

Findings. The purpose of questions eight and nine was to assess whether perceived outcomes of the Mills Act were consistent with the intent and program goals of the program. Upon analysis, each jurisdiction provided similar responses with limited variance. It can be concluded that all individuals perceived similar outcomes from the Mills Act program in their jurisdiction. The following responses were given for the measure to assess outcomes:

M4: *Did the Mills Act improve the ability of homeowners to preserve and revitalize historic properties.*

- The program provided an incentive for homeowners to preserve their property.
- The majority of property owners were complying with the intent of the Mills Act to preserve their historic structures.
- Two interviewees believed the program potentially stabilized or enhanced the property values of Mills Act designated properties.
- The program spurred property owners to comply with the intent of the Mills Act to preserve their historic structures, thereby enhancing property values.

Q10: Considering the Mills Act program overall - What did you think were the main goals for the program?

Findings. The purpose of question ten was to assess whether each jurisdiction understood their role with and/or the goals of the Mills Act program. Answers reflect that staff understood the legislative intent and program goals, and there was little variation in responses by jurisdiction. Responses to questions connected to program measure number five produced the following Findings regarding outcomes:

M5: Staff members were knowledgeable of the Mills Act Program.

- To improve the architectural integrity of historic properties
- To stabilize or enhance property values of historic properties and immediate neighborhoods
- To preserve neighborhood character
- To increase community support for Mills, Act designated properties
- To improve partnerships between the city and property owners in historic preservation

Q11: What was your city's experience in the implementation the Mills Act?

Findings. The purpose of question eleven was to assess the city's experience with the implementation of the Mills Act program, which included compliance with the Mills Act agreement. A common response from city staff was that implementation of the program required a lot of time. Staff also stated that it was difficult to provide program oversight due to lack of staff and funding, and the Mills Act program was not being a priority for the city administration. A staff member from one city indicated that overall implementation of the program had been a

positive experience without really any negative effects; however, the staff member acknowledged that their Mills Act program did not require confirmation of expenditures for maintenance or improvements and the city did not conduct inspections. Responses to questions connected to program measure number five produced the following Findings regarding outcomes:

M5: Staff members were knowledgeable of the Mills Act Program.

- The staff members responded with knowledge regarding the Mills Act program.
- The Mills Act program was not a priority in two cities due to the lack of funding and staffing to manage oversight over the program.
- The Mills Act program was not a policy priority for three cities; therefore, they lack the resources to implement the Mills Act program.

Q12: How did the Mills Act affect the overall community?

Q13: How did the city promote the Mills Act program?

Q14: What was the city's motivation in implementation the Mills Act program?

Findings. The purpose of question twelve was to assess an interviewee's understanding of the potential impact of the Mills Act on the community, and whether their experiences had been consistent with the intent and program goals of the Mills Act program. The purpose of question No. 13 was to confirm the sources used by property owners to learn about the Mills Act program in their community. Question No. 14 was intended to understand an owner(s)'s motivation in using the Mills Act program. Responses to questions connected to program measure numbers five and six led to the following Findings regarding outcomes:

M5: Do staff members have knowledge of the Mills Act Program.

M6: Clients' level of support for the Mills Act.

- The city and community organizations supported the Mills Act.
- The Mills Act supported pride in ownership by allowing property owners to reinvest forgone property taxes into historic resources.
- The three cities did not pursue promotion of the program through a city entity nor coordinated with a local organization.
- A primary motivation for the three cities to implement the Mills Act program was that it was an essential tool to incentivize maintenance and preservation of historic properties.

Surveys of Property Owners

An anonymous online survey was sent to property owners with Mills Act agreements in the cities of Santa Clara, Mountain View, and Gilroy (the survey instrument was provided as Appendix B). San Jose State University provided access to an online survey software program called Qualtrics to administer the survey.

Property owners were sent three mailers requesting completion of the survey. First, survey respondents were mailed letters that provided anonymous web addresses and QR codes that linked to the survey instrument. Due to the complex nature of the anonymous web link, property owners were unable to access the survey instrument. In response, a Mills Act website was created with a simplified web address to improve access to the survey. The website provided a short introduction to the Mills Act research study, and it included a button that linked directly to the survey instrument. The second and third mailers were sent by postcard, and they provided the Mills Act website address which greatly facilitated access to the survey instrument (a static version of webpage was provided in Appendix C).

As indicated in Table 6, for the cities of Gilroy and Mountain View, respectively, 63% and 65% percent of property owners completed the survey. In the city of Santa Clara, 28% of property owners completed the survey.

Table 6

Participants and Survey Response Rate

City	Total Participants	Participants Completing Survey	Survey Response Rate
Gilroy	16	10	63%
Mountain View	23	15	65%
Santa Clara	116	36	31%
Count	155	61	39.3%

Findings. Based upon initial difficulties in implementing the survey, the following key Findings were made regarding design of the survey instrument:

- The design of the survey instrument should have considered the potential technological experience of the interviewees.
- The design of the survey instrument should have provided alternative technologies to access and/or take the surveys, including the use of anonymous links, personal links, QR codes, and private websites.
- The design of the survey instrument should have provided interviewees without access to technology an option to complete a paper survey.

Q1: Do you own a historic designated property?

Q2: In which city do you own the historic property?

Q3: Do you own a historic property with a Mills Act Contract

Findings. The responses to the first three questions confirmed whether each property was part of the targeted population. The questions were necessary to confirm the accuracy of the data. Upon review of the survey responses, one hundred percent of the respondents indicated their properties were part of historic inventories, properties with Mills Act contracts, and located within one of the three surveyed cities. While the cities provided a list of properties with Mills Act contracts, a Mountain View property owner advised that his property had left the Mills Act program and this property owner was removed from the survey response set.

Q4: How did you learn about the Mills Act program?

- City advertisement or contact (1)
- Real Estate Agent / Broker (2)
- Co-worker (3)
- Friend (4)
- Other: (5)

Findings. The central purpose of the question was to understand whether cities promoted the program to historic property owners. The survey collected information on sources of Mills Act program promotion (indicated below in Table 7). There was a broad pattern indicating the three local cities did not promote the tax incentive program. In the city of Gilroy, 30% of property owners reported learning about the Mills Act from friends, and 70% learned about it from other sources. An additional source of promotion for the city of Gilroy was the Gilroy Historical Society. In the cities of Mountain View and Santa Clara respectively, 14% and 17% learned about the Mills Act from city advertisements, 17% and 24% percent learned about the

program from real estate agents or brokers, and 20% and 17% learned from other sources.

Another source for the city of Mountain View was city staff and for the city of Santa Clara's it was neighbors.

Table 7

How did you learn about the Mills Act program?

						Total	
		City Advertisement	Real Estate Agent/Broker	Friend	Other		
City	Gilroy	Count	0	0	3	7	10
		% within City	0%	0%	30%	70%	100%
	Mounta in View	Count	5	7	0	3	15
		% within City	33%	47%	0.0%	20%	100%
	Santa Clara	Count	5	17	7	6	35
		% within City	14%	49%	20%	17%	100%
Total		Count	10	24	10	14	58
		% within City	17%	42%	17 %	24%	100%

Findings from the survey question indicated the following:

- The three cities did not pursue promotion of the program through a city entity or in coordination with a local organization.
- The primary tool for the promotion of the program was word-of-mouth communication from existing property owners with Mills Act agreements to other property owners.

Q5: Over that last ten years - How often did you interact with the city regarding your Mills Act designated property?

- Never (1)
- Once a year (2)
- Once every two to three years (3)
- Once every four years (4)
- Once every five years (5)
- More than five years (6)

Findings. Responses to question No. 5 indicated the frequency of contact from each jurisdiction (see Figure 1 below). In Gilroy, 37.5 percent of respondents indicated that the city had never interacted with them regarding their Mills Act property, followed by interactions once a year (12.5 percent), once every two to three years (25 percent), once every five years (12.5 percent), and more than five years (12.5 percent). In Mountain View, 33 percent of respondents indicated that the city had never interacted with them regarding their Mills Act property, followed by interactions once a year (33 percent), once every two to three years (20 percent), once every five years (7 percent), and more than five years (7 percent). In Santa Clara, three percent of respondents indicated that the city had never interacted with them regarding their Mills Act property, followed by interactions once a year (65 percent), once every two to three years (23 percent), once every four years (three percent), once every five years (six percent), and more than five years (0 percent).

Figure 1

How Often did the city interact with property owners?

There were significant variances among the jurisdictions regarding their interaction with city staff concerning the Mills Act program. These responses conflict with public records collected with each jurisdiction and interviews with city staff. While the jurisdictions did not conduct organized outreach programs for Mills Act property owners, the County of Santa Clara Assessors' Office did contact property owners annually to confirm their expenditures for rehabilitation and restoration activities during the year. Responses indicated the following outcomes related to the listed measures:

M₁: Frequency of properties following their RRP.

M₂: Frequency of properties submitting documentation to comply with RRP.

M₃: Frequency of quinquennial inspections of Mills Act properties.

- The three cities did not conduct consistent outreach to Mills Act property owners.

- An outreach program either did not exist for the Mills Act programs or the cities have not implemented their outreach programs consistently from year to year.
- The survey did not consider potential confusion about the County of Santa Clara Assessor's Office's annual audit report, which may be construed by property owners as interaction by a jurisdiction.

Q6 Did the City require an RRP for your Mills Act designated historic property?

- Yes (1)
- No (2)

Q7 Over the last years ten years - How often did city request an updated RRP for your historic property?

Never (1)

- Once a year (2)
- Once every two to three years (3)
- Once every four years (4)
- Once every five years (5)
- More than five years (6)

Q8 Over the last ten years – Did the city require documentation to confirm compliance with the RRP?

- Yes (1)
- No (2)

Q9 Over the last ten years - How often did the city require documentation to confirm compliance with the RRP?

- Never (1)
- Once a year (2)
- Once every two to three years (3)
- Once every four years (4)
- Once every five years (5)
- More than five years (6)

Findings. The purpose of the research question was to understand whether a jurisdiction conducted oversight of the Mills Act program and implemented the program consistently with the program's goals. These responses to questions Nos. 6-9 conflict with public records collected for each jurisdiction and interview responses from city staff, which indicated that cities did not conduct outreach to property owners. The city of Mountain View did not require RRP's,

and it had never collected documentation from historic property owners with Mills Act agreements. While the cities of Gilroy and Santa Clara requested RRP's when implementing a Mills Act agreement, the jurisdictions' Mills Act programs did not solicit updated RRP's upon their expiration after ten years, or documentation to confirm their implementation. As discussed previously, the County of Santa Clara Assessor's Office did contact property owners annually to confirm their expenditures for rehabilitation and restoration activities during the year. The Assessor's annual report was not related to a jurisdiction's management of its Mills Act program, but it was a separate process required independently by the Assessor's Office. Based upon responses from homeowners, it appeared that homeowners were assuming that the Assessor's annual request was related to each city's management of the Mills Act, which it was not.

As indicated in Tables Nos. 8 and 9 below, the responses to questions Nos. 7 and 8 had considerable variation regarding whether a city required an RRP, or the frequency with which a city required an update to an RRP. In Mountain View, 20 percent of the respondents were required to provide an RRP. The city requested an updated RRP from respondents: never (50 percent), once a year (16.7 percent), once every two to three years (16.7 percent), and more than five years (16.7 percent). In Gilroy, 80 percent of the respondents were required to provide an RRP. The city requested an updated RRP from respondents: never (67 percent) and once a year (33 percent). In Santa Clara, 94 percent of the respondents were required to provide an RRP. The city requested an updated RRP from respondents: never (21 percent), once a year (46 percent), once every two to three years (12 percent), once every four years (three percent), once every five years (six percent) and more than five years (12 percent).

Table 8

Did the city require an RRP for your Mills Act designated historic property?

City	Yes	No
Gilroy	80%	20%
Mountain View	20%	80%
Santa Clara	94%	6%

Table 9

Over the last 10 years - How often did the city request an updated RRP for your historic property?

		Never	Once a year	Once every two to three years	Once every four years	Once every five years	More than five years
Gilroy	% within city	50.0%	25%	12.5%	0%	0%	12.5%
Mountain View	% within city	67%	33%	0.0%	0%	0%	0%
Santa Clara	% within city	21%	46%	12%	3%	6%	12%

As indicated in Table Nos. 10 and 11 below, the responses to the questions had considerable variation regarding whether a city required documentation to confirm compliance with the RRP. In Gilroy, 25 percent of the respondents were required to provide documentation to confirm compliance with the RRP, followed by requests for documentation: once a year (50 percent) and once every two to three years (50%). In Mountain View, 33 percent of the respondents were required to provide documentation to confirm compliance with the RRP, followed by requests for updated documentation: more than five years (100 percent). In Santa Clara, 91 percent of the respondents were required to provide documentation to confirm compliance with the RRP, followed by requests for updated documentation: never (three

percent), once a year (61 percent), once every two to three years (18 percent), once every four years (three percent), once every five years (nine percent) and more than five years (six percent).

Table 10

Over the last 10 years – Did the city require documentation to confirm compliance with the RRP?

			Yes	No	
City	Gilroy	% within city	25%	75%	100.0%
	Mountain View	% within city	33%	67%	100.0%
	Santa Clara	% within city	91%	9%	100.0%

Table 11

Over the last 10 years - How often did the city require documentation to confirm compliance with the RRP?

		Never	Once a year	Once every two to three years	Once every four years	Once every five years	More than Five Years
Gilroy	% within city	0%	50%	50.0%	0%	0%	0%
Mountain View	% within city	0%	0%	0%	0%	100%	0%
Santa Clara	% within city	3%	61%	18%	3%	9%	6%

The responses led to the following Findings related to the listed program measures:

M1: Frequency of properties following their RRP.

M2: Frequency of properties submitting documentation to comply with RRP.

- The city of Mountain View did not require an RRP to confirm property taxes transferred to property owners were used for the “rehabilitation, restoration, and maintenance” of the historic property (City of Gilroy, n.d., p. 1; Narwold, 2008a).
- The cities of Gilroy and Santa Clara Mills Act programs did not pursue updated RRP upon their expiration.
- The cities of Gilroy and Santa Clara Mills Act programs did not pursue documentation to confirm maintenance, preservation, and restoration activities occur with Mills Act designated properties.
- The survey did not consider the potential confusion regarding the County of Santa Clara Assessors’ Office annual audit report which may be construed by property owners as interaction by a jurisdiction.

Q10 Did the city require exterior inspections of your Mills Act designated historic property?

- Yes (1)
- No (2)

Q11 How often did the city require exterior inspections of your Mills Act designated historic property?

- Never (1)
- Once a year (2)
- Once every two to three years (3)
- Once every four years (4)
- Once every five years (5)
- More than five years (6)

Finding. The purpose of the question No. 10 was to confirm compliance with the California Government Code 50280-50290, which required that cities conduct inspection every five years. The purpose of question No. 11 was to clarify the frequency of inspections of historic properties. In Gilroy, 75 percent of the participants responded that the city required inspections of their historic property within the last ten years, with the frequency of inspections: never (16.7

percent), once a year (16.7 percent), once every two to three years (16.7 percent), and more than five years (50 percent). In Mountain View, 27 percent of the participants responded that the city required inspections of their historic property within the last ten years, with the frequency of inspections: never (25 percent), once a year (25 percent), once every two to three years (25 percent), and more than five years (25 percent). In Santa Clara, 94 percent of the participants responded that the city required inspections of their historic property within the last ten years, with the frequency of inspections: never (3.4 percent), once a year (66 percent), once every two to three years (17 percent), once every four years (3.4 percent), once every five years (seven percent) and more than five years (3.4 percent).

Again, these responses conflict with public records collected with each jurisdiction and interview responses from city staff, which indicated that the cities did not conduct inspections of historic structures previous to 2018. The responses led to the following Findings regarding the listed program measures:

M3: Frequency of quinquennial inspections of Mills Act properties.

- The three cities did not require inspections every five years to confirm whether property taxes transferred to property owners were being used for the “rehabilitation, restoration, and maintenance” of the historic property (City of Gilroy, n.d., p. 1; Narwold, 2008a).
- The survey did not consider the potential confusion regarding the County of Santa Clara Assessor’s Office annual audit report and the 2018 audits completed by the cities of Gilroy and Santa Clara. The interview questions should have narrowed the period of inspection to prior to 2018.

Q12 Did the Mills Act agreement property tax reduction improve your ability to preserve or revitalize your historic property?

- Yes (1)
- No (2)

Findings. The purpose of the question was to understand whether each jurisdiction understood their roles and/or the goals of the Mills Act program. The respondents showed little variance in their responses from city to city. In the cities of Gilroy, Mountain View and Santa Clara respectively, 100 percent, 93 percent and 97 percent of property owners believed the Mills Act agreement improved their ability to preserve and revitalize their historic property.

Table 12:

Did the Mills Act agreement property tax reduction improve your ability to preserve or revitalize your historic property?

			Yes	No
In which city do you own the historic property?	Gilroy	Count	10	0
		% within city	100.0%	0.0%
	Mountain View	Count	14	1
		% within city	93.3%	6.7%
	Santa Clara	Count	34	1
		% within city	97.1%	2.9%
Total	Count		58	2
	% within city		96.7%	3.3%

The responses led to the following Findings regarding the program measures:

M4: Mills Act improved the ability of homeowners to preserve and revitalize

historic properties

- The program provided an incentive for homeowner to preserve their property.
- The majority of property owners believed the program supported the intent of the Mills Act to preserve their historic structures.

Q13 Did the Mills Act program contribute to stabilized or enhanced property value of your historic property?

Findings. The purpose of the question was to assess whether perceived outcomes of the Mills Act related to stabilized and enhanced values of historic properties were consistent with the purpose of the research. The respondents had variance in the response in their answers by city.

In Gilroy, ninety percent of property owners responded that the Mills Act improved the ability to preserve and revitalize the properties, while 10 percent did not. In Santa Clara, 71 percent of property owners responded that the Mills Act improved the ability to preserve and revitalize the properties, while 3 percent did not, 23 percent found the basis for improved preservation and restoration of their house was unknown, and three percent responded that preservation and revitalization occurred by another factor. In Mountain View, 47 percent of property owners responded that the Mills Act improved their ability to preserve and revitalize the properties, while 13 percent did not, 33 percent found the basis for improved preservation and restoration of their house was unknown, and seven percent responded that preservation and revitalization occurred by another factor.

Table 13

Did the Mills Act program contribute to stabilized or enhanced property value of your historic property?

			Yes	No	Unknown	Another factor:	
In which city do you own the historic property?	Gilroy	Count	9	1	0	0	10
		% within city	90%	10%	0%	0%	100%
	Mountain View	Count	7	2	5	1	15
		% within city	47%	13%	33%	7%	100%
	Santa Clara	Count	25	1	8	1	35
		% within city	71%	3%	23%	3%	100%

The interview responses led to the following Findings regarding the program measures listed:

M4: Mills Act improved the ability of homeowners to preserve and revitalize historic properties.

- The program potentially stabilized or enhanced the property values of Mills Act designated properties.
- The program spurred property owners to comply with the intent of the Mills Act to preserve their historic structures, which potentially enhanced property values.

Q14 Considering the Mills Act program overall, what did you think should be the main goals for the program? Check ALL that apply.

- ☐ To improve the architectural integrity of historic properties (1)
- ☐ To stabilize or enhance property values of historic properties and immediate neighborhoods (2)
- ☐ To preserve neighborhood character (3)
- ☐ To increase community support for Mills, Act designated properties (4)
- ☐ To improve partnerships between the City and property owners in historic preservation (5)
- ☐ Other: (6) _____

Findings. The purpose of the question was to understand whether property owners in each jurisdiction understood their role and/or the goals of the Mills Act program. The answer reflected whether the property owners understood the legislative intent and program goals for the program, and there appeared to be little variation across the property owner responses. The interview responses led to the following Findings regarding the program measures listed:

M₆: Clients' level of support for the Mills Act.

- The Mills Act program was perceived to contribute to improved architectural integrity of historic properties.
- The Mills Act program was perceived to anecdotally contribute to stabilized or enhanced property values of historic properties and immediate neighborhoods.
- The Mills Act program was perceived to preserve neighborhood character.
- The Mills Act program was perceived to increase community support for Mills Act designated properties.
- The Mills Act program was perceived to improve partnerships between the city and property owners in historic preservation.

Q15: What motivated you to participate in the Mills Act Program? Check all that apply.

- Property tax savings (1)
- Reduce costs to restore and/or preserve my historic property (2)
- Increased opportunity to restore and/or preserve my historic property (3)
- Preserve neighborhood character (4)
- Other: (5) _____

Findings. The purpose of question No. 15 was to understand a property owner's motivation for participation in the Mills Act program, and whether his motivation was consistent or similar to the goals of the Mills Act program. As indicated in Table 14, a majority of respondents reflected consistency with the overall goals of the program. Based upon the results of the survey question, it can be resolved that property owners with Mills Act designated properties understood the purpose of the Mills Act. The following Findings were based on responses to the questions connected with each program measure indicated:

M6: Clients' level of support for the Mills Act.

- The Mills Act served to preserve neighborhood character.
- The Mills act provided the ability to reduce costs through property tax savings to restore and preserve historic properties and to increase architectural integrity of historic properties.

Table 14

Motivation to participate in the Mills Act

	Cases					
	Gilroy		Santa Clara		Mountain View	
	N	Percent	N	Percent	N	Percent
Property tax savings	5	50%	7	12%	58	100.0%
Reduce Costs to restore and/or preserve my historic property	34	59%	24	41%	58	100.0%
Increased opportunity to restore and/or preserve my historic property	27	47%	31	53%	58	100.0%
Preserve neighborhood character	42	72%	16	28%	58	100.0%
Other	6	10%	52	90%	58	100.0%
Total	58	100.0%	0	0.0%	58	100.0%

ANALYSIS

The purpose of the research was to assess the implementation practices and outcomes of the Mills Act program in the cities of Santa Clara, Mountain View, and Gilroy, to determine whether the activities of the municipal agencies were consistent with the program goals to preserve neighborhood character and increase architectural integrity. A secondary goal of the research was to enable municipal agencies and the State of California to refine the program goals, thus enabling increased rehabilitation and preservation of historic properties. As discussed previously, there were three elements of the research:

- a. Governmental Records – An examination of records, including inspection records, was used to assess activities related to historic preservation and the Mills Act, and the program’s goals, functions, and outcomes.
- b. Personal Interviews – a review and analysis of personal interview responses measured the frequency of properties that followed their RRP, the frequency of properties submitting documentation to confirm compliance with their RRP, and the frequency of quinquennial inspections of Mills Act properties. These measures were important to understand whether staff implementing Mills Act programs understood the program goals, and to understand the limitations in implementing and achieving the program’s goals to preserve neighborhood character and maintain the architectural integrity of historic structures.
- c. Surveys of Clients of the Mills Act Program - Quantitative data analysis in the form of descriptive statistical analysis was employed to understand the frequency of properties that followed their RRP, the frequency of properties submitting documentation to confirm compliance with their RRP, and the frequency of quinquennial inspections of Mills Act

properties. These measures helped assess whether property owners understand their role in supporting the program's goals to maintain architectural integrity of historic structures.

Government Records and Interviews with Staff

Based on Sylvia and Sylvia's (2012) technique, proximate indicators and program measures were established and documented (Ramirez, 2012). In conducting the outcome analysis, the recorded activities and responses measured whether the three jurisdictions were meeting the goals of the Mills Act program and having a measurable and positive outcome for each community.

The intent of the Mills Act was to preserve neighborhood character and increase the architectural integrity of qualified historical properties. Based on the outcome evaluation, governmental records reflect that no activities occurred to meet the program goals or to have a discernable and quantifiable effect on the community. Findings from the outcome analysis have been summarized in Table 15, and it concluded that none of the cities was meeting the goals of the Mills Act program.

Table 15

Outcome Evaluation - Governmental Records

Measures	Cities	Actuals	Anticipated Outcomes
M ₁ : Frequency of properties following their RRP (I ₁)	Gilroy Santa Clara Mountain View	None None No available data	O ₁ : Increased maintenance, and restoration of historic properties to retain their characteristics as properties of historical significance (M1-M6)
M ₂ : Frequency of properties submitting documentation of their compliance with the maintenance, restoration, and rehabilitation program (I ₂)	All Cities	None	O ₂ : Increased community support for Mills Act designations (M5- M6) O ₃ : Stabilized or enhanced property values of qualified historic properties with Mills Act
M ₃ : Frequency of quinquennial inspections of Mills Act properties (I ₃)	All Cities	None	O ₁ : Increased maintenance, and restoration of historic properties to retain their characteristics as properties of historical significance (M1-M6)

All cities understand their part in implementing the Mills Act and the underlying purpose of the Mills Act, which is to preserve and rehabilitate historically significant structures. Staff interview testimonies reflect that city staff appeared very knowledgeable about the Mills Act, Mills Act agreements, and inspection requirements. Assessment of staff members' knowledge of the Mills Act program, Mills Act agreements, and inspection requirements was based on self-reporting. While it was possible to test the interviewees on their knowledge of the Mills Act and the Secretary of the Interior's Standards for Rehabilitation, the research question was not about their knowledge but rather their implementation of the Mills Act program.

While self-reports may be less valid, governmental records and the surveys of property owners was also used to assess implementation of the Mills Act. A majority of staff members acknowledged using historic professionals to confirm preservation, rehabilitation, restoration,

and long-term maintenance improvements comply with the Secretary of the Interior's Standards for Rehabilitation.

The governmental records and interview responses conveyed whether the cities of Gilroy, Santa Clara and Mountain View met the Mills Act programs objectives and goals. For the first objective, it was found that none of the municipalities conducted inspections to confirm whether improvements complied with the Secretary of the Interior's Standards for Rehabilitation every five years, prior to 2018. Therefore, the agencies did not meet the first objective.

It was also found that while the Mills Act program includes oversight requirements for jurisdictions adopting a Mills Act program, the three jurisdictions were not providing an oversight function related to the Mills Act program. Instead, the property owners were obligated to self-manage their compliance with the Mills Act program and their Mills Act agreements.

For the second objective, it was found that the two cities with RRPs did not confirm that maintenance or improvements to historic resources complied with their RRP. Staff responses indicated that the city of Mountain View did not require RRPs, and it had never collected the documents to confirm that improvements comply with the RRPs and the Secretary of the Interior's Standards for Rehabilitation. While the cities of Gilroy and Santa Clara request RRPs when implementing a Mills Act agreement, the jurisdictions' Mills Act programs did not solicit updated RRP's upon their expiration after ten years, or documentation to confirm whether improvements comply with the RRPs and the Secretary of the Interior's Standards for Rehabilitation.

An attitudinal indicator was used to understand the "staff's perception of Mills Act programs." The interview responses reflected that staff appeared knowledgeable of the Mills Act

and believe the Mills Act improved the ability of homeowners to preserve and revitalize historic properties (Siddiq, 2012, p. 17; Sylvia, 2012, p. 128).

An analysis of the interviews also reflected that no activities occurred to meet the program goals or to have a discernable and quantifiable effect on the community. An overview of the analysis was reported in Table 16. The analysis indicates that the Cities of Gilroy, Santa Clara, and Mountain View were not implementing their Mills Act programs consistently with the goals and purpose of the program.

Table 16

Outcome Analysis: Personal Interviews

Measures	Cities	Actuals	Anticipated Outcomes
M ₁ : Frequency of properties following their RRP (I ₁)	Gilroy	None	O1: Increased maintenance, and restoration of historic properties to retain their characteristics as properties of historical significance (M1-M6)
	Santa Clara	None	
	Mountain View	No available data	
M2: Frequency of properties submitting documentation of their compliance with the RRP (I ₂)	All Cities	None	O2: Increased community support for Mills Act designations (M5- M6)
M3: Frequency of quinquennial inspections of Mills Act properties (I ₃)	All Cities	None	O1: Increased maintenance, and restoration of historic properties to retain their characteristics as properties of historical significance (M1-M6)
M4: Mills Act improved the ability of homeowners to preserve and revitalize historic properties (I ₄)	All Cities	Yes	O ₃ : Stabilized or enhanced property values of qualified historic properties with Mills Act
M5: Staff members have knowledge of the Mills Act program and its requirements (I ₄)	All Cities	Yes	O1: Increased maintenance, and restoration of historic properties to retain their characteristics as properties of historical significance (M1-M6)
			O2: Increased community support for Mills Act designations (M5- M6)

Surveys to Property Owners

The final part of the outcome analysis was based on the survey responses which provided further information about whether the cities of Gilroy, Santa Clara, and Mountain View met Mills Act programs goals. For the first objective, it was found that none of the municipalities conducted inspections to confirm whether improvements to historic structures complied with the Secretary of the Interior's Standards for Rehabilitation, prior to 2018. Therefore, the agencies did not meet the first objective.

For the second objective, it was found that the two cities with RRP (Gilroy and Santa Clara) did not confirm that maintenance or improvements to historic resources complied with their RRP. The cities of Gilroy and Santa Clara completed audits of their Mills Act programs in 2018, which required contacting homeowners for inspections, and documentation to confirm compliance with their RRP. However, the audit did not confirm whether the work was completed consistently with the Secretary of the Interior's Standards for Rehabilitation, which raised concerns regarding the research methodology and validity of the audit report conclusions. The audit report did not lead to programmatic changes that would require the two cities to improve their compliance with the second objective.

The city of Mountain View did not require an RRP, and the program did not require documentations for improvements to historic structures in the program. While the state authorized Mills Act law did not mandate property owners to upgrade their properties as a condition for reduced property taxes, a governmental entity continues to have a duty to confirm whether governmental funds redirected or transferred to property owners to rehabilitate historic structures occurs consistent with the intent of the Mills Act. Therefore, the three agencies did not meet the second objective.

An overview of the analysis is presented in Table 17, and the analysis reflected that no activities occurred to meet the program goals or to have a discernable and quantifiable effect on the community. The results of the research suggest that the cities of Gilroy, Santa Clara and Mountain View were not implementing their Mills Act programs consistently with the goals and purpose of the program.

Table 17

Outcome Analysis: Survey of Clients

Measures	Cities	Actuals	Anticipated Outcomes
M ₁ : Frequency of properties following their RRP(I ₁)	Gilroy Santa Clara Mountain View	None None No available data	O ₁ : Increased maintenance, and restoration of historic properties to retain their characteristics as properties of historical significance (M1-M6).
M2: Frequency of properties submitting documentation of their compliance with the maintenance, restoration, and rehabilitation program (I ₂)	All cities	None	O ₂ : Increased community support for Mills Act designations (M5- M6) O ₃ : Stabilized or enhanced property values of qualified historic properties with Mills Act.
M3: Frequency of quinquennial inspections of Mills Act properties (I ₃)	All cities	None	O ₁ : Increased maintenance, and restoration of historic properties to retain their characteristics as properties of historical significance (M1-M6).
M4: Mills Act improved the ability of homeowners to preserve and revitalize historic properties (I ₄)	All cities	100%	O ₃ : Stabilized or enhanced property values of qualified historic properties with Mills Act.
M6: Client Survey calculated for positive and negative responses (I1-I4)	All cities	100% Positive	O ₁ : Increased maintenance, and restoration of historic properties to retain their characteristics as properties of historical significance (M1-M6). O ₃ : Stabilized or enhanced property values of qualified historic properties with Mills Act.

Mills Act Program Overview

In 1974, the State of California, under Government Code 50280-50290, provided enabling legislation for municipalities and counties to permit property tax reduction for historic properties. The legislation, also known as the “Mills Act” program, was designed to be an economic incentive for qualified rehabilitation and preservation of historic properties with Mills Act agreements. The law’s central feature was to address the maintenance of historic properties by subsidizing the cost of historic rehabilitation through local governmental entities redirecting local funds to historic preservation.

Under Governmental Code 50280-50290, jurisdictions were required to conduct inspections every five years to confirm that the rehabilitation occurred and complied with the Secretary of the Interior’s Standards for Rehabilitation. The design of the program was to prevent delayed maintenance, which can create substantial repair costs and potentially negatively impact the historical integrity of a historic resource.

Tax incentives are one "carrot " that the federal government has determined is appropriate to influence the market, lessening the negative externalities. The aesthetic and cultural values that older buildings represent are too often neglected or lost when development looks at a building site. The non-monetary values are more often than not pushed aside and are only noticed when the building has been demolished and replaced. This sense of loss reflects the negative externalities that the tax credits try to mitigate by assigning a monetary value too (Johnston v. Commissioner of Internal Revenue, [97-1 USTC ^ 50,435] et. al.; Higgins, 2001, p. 132).

The above quote was an effective description of the importance of tax incentive programs, like the Mills Act program. While the statement was related to the Federal

Rehabilitation Tax Credits program, it appeared equally applicable to the Mills Act due to the program's property tax savings being an essential incentive to offset rehabilitation expense, which was a significant barrier in the preservation of historic structures (Higgins, 2001, p. 133). Based upon an analysis of the three Mills Act programs, it can be concluded that there have been both successes and failures in the implementation of the program in each city.

The Mills Act program feature that may potentially improve the effectiveness of the program was the following:

1. The Low Threshold for Qualifying Costs and Substantial Rehabilitation.

Local and state regulations do not define the types of repairs that qualify as “rehabilitation” under the Mills Act Program. At the state level, the legislature may have intended to provide local agencies with the flexibility to establish their own parameters for rehabilitation based upon the type, quality, and condition of their city's Historic Inventory. A property owner's additional time and expenditures spent complying with requirements for “rehabilitation must be offset by the benefit derived from property tax savings. Otherwise, the marginal increased time and cost wouldn't be worth the effort to participate in the program. cities with no or low thresholds of eligibility for “rehabilitation” conceivably permit widespread use of different types and costs of maintenance necessary for the rehabilitation, restoration, and preservation of historic properties (Higgins, 2001, p. 135).

The Mills Act program features that appear to be limiting effectiveness of the program for the three cities were the following:

1. Lack of Compliance with Quinquennial Inspections

California Governmental Code 50280-50290 requires inspections every five years to confirm whether improvements occurred consistently with the Secretary of the Interior's

Standards of Rehabilitation. The Mills Act agreements for the three cities also require that improvements comply with the Secretary of the Interior's Standards for Rehabilitation. A review of governmental records, including the preservation agreements and RRP, and interview responses, found effectiveness of the program was reduced due to limited oversight of improvements to Mills Act designated properties. Furthermore, preservation agreements did not require inspections every five years to confirm compliance with the Secretary of the Interior's Standards for Rehabilitation.

2. Different Requirements for confirming whether improvements comply with the Secretary of the Interior's Standards for Rehabilitation.

The state law enacting the Mills Act did not specify the process to confirm whether improvements to a historic structure comply with the Secretary of the Interior's Standards of Rehabilitation; instead cities had been provided the latitude to develop individualized programs. The Mills Act agreements for the cities of Gilroy and Santa Clara required an RRP to confirm that any proposed work complied with the Secretary of the Interior's Standards of Rehabilitation. While an RRP was not required under state law, an RRP allowed jurisdictions to confirm whether reduced property taxes have been used for historic preservation. Therefore, an RRP should be a requirement for jurisdictions with Mills Act programs, and cities should be obligated to confirm whether preservation occurs consistently with an RRP and the Secretary of the Interior's Standards for Rehabilitation.

3. Redirected Property Tax Revenue

While government has a duty to confirm proper use of public funds, the program's effectiveness was constrained due to the state authorizing an unfunded program that reduced property taxes that fund city programming. While the state authorized law does not mandate

property owners to upgrade their properties as a condition for reduced property taxes, a governmental entity continues to have a duty to confirm whether governmental funds redirected or transferred to property owners for rehabilitation are used to accomplish the rehabilitation consistently with the intent of the Mills Act. Based upon the available information, the three cities appear to have diminished their oversight role and essentially have provided limited monitoring of the Mills Act program.

CONCLUSION

Overall, the three municipal agencies appear to have limited their oversight role and to have provided minimal monitoring of the Mills Act program. Program management can be essential for a program to support property owners in maintaining and preserving the historical integrity of buildings, and supporting a city's goal to preserve its cultural heritage. Based on the totality of the literature review, governmental records, interviews and surveys for the research, the following were recommendations for policy makers and city staff to consider:

Oversight

The state legislature should consider modifying the state enacting statute for the Mills Act program to allow only Certified Local Government (CLG) participating agencies to implement or maintain a Mills Act program. As discussed previously, the CLG program requires that entities be consistent with the NHPA and Secretary of the Interior's "Standards and Guidelines for Historic Preservation (SGHP)," (National Park Service , 2007). As part of the annual CLG reporting requirements, the state should require that cities report their compliance with the Mills Act to allow the California Office of Historic Preservation to track the local preservation activities, including inspections and improvements related to Mills Act properties.

Second, municipal legislators should have a system in place that can confirm whether public funds redirected to a property owner for historic preservation have been used for maintenance and improvements consistent with their Mills Act program. While, the state authorized law does not mandate property owners to upgrade their properties as a condition for reduced property taxes, elected officials and city executives could improve the effectiveness of the program by making historic preservation a priority by dedicating funding and staffing to manage the program and conduct thorough legislative oversight.

Third, the municipal legislators should require their appointed commissions, including Historical Commissions, to develop work plans that rank their annual priorities and projects, which should be approved by the City Council. An approved work plan should require city staff to provide an annual report on the status of the Mills Act, including whether improvements comply with the Secretary of the Interior's Standards for Rehabilitation, and whether properties have been inspected every five years. The Council's adoption of a commission's work plans would clarify that the Mills Act program was a priority for the jurisdiction and staff.

Mills Act Agreements

Local agencies must be able to confirm that maintenance and improvements have been conducted consistently with the Secretary of the Interior's Standards for Rehabilitation. While an RRP was not required under state law, a rehabilitation and restoration program may be an important tool to confirm whether public funds being redirected for historic preservation were spent consistently with the legislative intent of the Mills Act. Public agencies could be more effective if their Mills Act agreements included RRP.

Prior to adopting a Mills Act agreement, city effectiveness could be further improved by evaluating the RRP for compliance with the intent of the Mills Act and Secretary of the Interior's Standards for Rehabilitation. The cities should delete improvements (i.e. interior remodels, addition, new interior flooring) not consistent with the intent of the Mills Act from an RRP. Consistent with state law, the Mills Act agreement should also require inspections of a property's interior and exterior every five years to confirm whether work was completed consistently with an RRP and the Secretary of the Interior's Standards for Rehabilitation.

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Appendix A: Interview Instrument

Request for Interview Consent

Name of Researcher

Sean K. Gallegos, San Jose State University graduate student in the Master in Public Administration program working under the supervision of Dr. Frances Edwards.

The Purpose of This Study

The purpose of this study is to gather information from different cities: Gilroy, Mountain View and Santa Clara that have Mills Act programs to assess the outcomes of the Mills Act programs in the cities of Santa Clara, Mountain View, and Gilroy, and whether they were supporting the intent of the program. To do so, a survey consent form is necessary, and participants should agree to be part of this research.

If you decide to participate in the study, you will answer questions about Mills Act program in your City.

The Procedures to be Followed

Please read through the following information about your rights as a research participant. If you agree to take the survey, please hit the agree button at the bottom of this page.

Potential Risks

There are no direct foreseeable risks anticipated other than those normally encountered in your daily life.

Potential Benefits

There are no foreseeable benefits anticipated.

Compensation

There is no compensation for participation in this study.

Confidentiality

Although the results of this study may be published, no information that could identify you will be included. Your responses will be coded and kept in a password protected computer.

Your Rights

Your participation in this study is voluntary. If you choose to participate, you may quit the survey at any time without negative consequences. You can also choose not to answer any survey questions that you do not wish to answer. No service to which you are otherwise entitled will be lost or jeopardized if you choose not to participate in the study or quit partway through the study.

Contact Information

Questions about this research may be addressed to the researcher, Sean K. Gallegos at (415)320-2411.

Complaints about the research may be presented to Dr. Frances Edwards Chair, San José State University Master of Public Administration (408) 924-5559 or Dr. Thalia Anagnos, Associate Vice President, Graduate Studies and Research, at (408) 924- 2427.

For questions about research subjects' rights or to report research-related injuries, please contact Dr. Pamela Stacks (Associate Vice President, Office of Research, 408-924-2479).

Agreement to Participate

Please select from the choices below. If you click agree, it is implied that you have read the information above about the research, your rights as a participant, and give your voluntary consent. Please print out a copy of this page and keep it for your records

Signatures

Your signature indicates that you voluntarily agree to be a part of the study, that the details of the study have been explained to you, that you have been given time to read this document, and that your questions have been answered. You will receive a copy of this consent form for your records.

Participant Signature

Participant's Name (printed)	Participant's Signature	Date
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Researcher Statement

I certify that the participant has been given adequate time to learn about the study and ask questions. It is my opinion that the participant understands his/her rights and the purpose, risks, benefits, and procedures of the research and has voluntarily agreed to participate.

Signature of Person Obtaining Informed Consent

Date

Dear Interviewee,

My name is Sean Gallegos, and I am undertaking an evaluation of the impact of the Mills Act Program for the Cities of Mountain View, Santa Clara and Gilroy. This study will serve as the final requirement of my Masters in Public Administration (MPA) course of studies at San Jose State University. The survey responses are confidential and should take only approximately thirty minutes of your time. Your participation in this research is voluntary. I greatly appreciate your assistance in understanding the implementation of the Mills Act program

1. Over that last ten years - How often did City interact with the Mills Act designated property owners in implementing the Mills Act program?
 - a. Never
 - b. Once a Year
 - c. Once every two to three years
 - d. Once every four years
 - e. Once every five years
 - f. More than five years

2. Did the City require a Rehabilitation and/or Restoration Plan for a Mills Act designated historic property? If yes, what are the requirements of the plan? Is there a template?
3. Over the last years ten years - How often did the City request an updated Rehabilitation and/or Restoration Plan for your historic property?
4. Over the last ten years - Did the City require documentation to confirm compliance with the Rehabilitation and/or Restoration Plan? Did the city require receipts to verify preservation of the historic site?
5. Over the last ten years - How often did the City required exterior inspections of the Mills Act designated historic properties?
6. What were the barriers and constraints the City faced in implementing the Mills Act program?
7. Based upon your experience - What actions should be taken by your City to implement an effective Mills Act program?
8. In your opinion - Did the Mills Act agreement property tax reduction improve your ability to preserve or revitalize historic properties?

9. In your opinion - Did the Mills Act program contribute to stabilized or enhanced the property value of historic properties?

10. Considering the Mills Act program overall - What did you think were the main goals for the program? Check ALL that apply.

- ☐ To improve the architectural integrity of historic properties (1)
- ☐ To stabilize or enhance property values of historic properties and immediate neighborhoods (2)
- ☐ To preserve neighborhood character (3)
- ☐ To increase community support for Mills, Act designated properties (4)
- ☐ To improve partnerships between the City and property owners in historic preservation (5)
- ☐ Other: (6) _____

11. What was your City's experience in the implementation of the Mills Act?

Appendix B: Survey Instrument

Consent Forms for Participation in a Research Study of the Mills Act Program in Gilroy, Mountain View and Santa Clara

Name of Researchers

Sean K. Gallegos, San Jose State University graduate student in the Master in Public Administration program working under the supervision of Dr. Frances Edwards.

The Purpose of this Study

The purpose of this study is to gather information from different cities: Gilroy, Santa Clara and Mountain View that have Mills Act programs to assess the outcomes of the Mills Act programs in the cities, and whether they were supporting the intent of the program. To do so, a survey consent form is necessary, and participants should agree to be part of this research.

If you decide to participate in the study, you will complete a few short questions regarding your experience with the Mills Act Program in Gilroy, Santa Clara and Mountain View.

The Procedures to be Followed

The survey is available online at: http://sjsu.qualtrics.com/jfe/form/SV_0DqyGC5KEX9iQdL

Due to technical issues with the password function, it has been disabled for the survey.

Please read through the following information about your rights as a research participant. If you agree to take the survey, please hit the agree button at the bottom of the page.

Potential Risks

There are no direct foreseeable risks anticipated other than those normally encountered in your daily life.

Potential Benefits

There are no foreseeable benefits anticipated.

Compensation

There is no compensation for participation in this study.

Confidentiality

Although the results of this study may be published, no information that could identify you will be included. Your responses will be coded and kept in a password protected computer.

Your Rights

Your participation in this study is voluntary. If you choose to participate, you may quit the survey at any time without negative consequences. You can also choose not to answer any survey questions that you do not wish to answer. No service to which you are otherwise entitled will be lost or jeopardized if you choose not to participate in the study or quit partway through the study.

Contact Information

Questions about this research may be addressed to the researcher, Sean K. Gallegos at (415)320-2411.

Complaints about the research may be presented to Dr. Frances Edwards Chair, San José State University Master of Public Administration (408) 924-5559 or Dr. Thalia Anagnos, Associate Vice President, Graduate Studies and Research, at (408) 924- 2427.

For questions about research subjects' rights or to report research-related injuries, please contact Dr. Pamela Stacks (Associate Vice President, Office of Research, 408-924-2479).

Agreement to Participate

Please select from the choices below. If you click agree, it is implied that you have read the information about the research, your rights as a participant, and you give your voluntary consent.

Please print out a copy of this page and keep it for your records.

- ☐ I consent, begin the study
- ☐ I do not consent, I do not wish to participate

Q1 Do you own a historic designated property?

- Yes (1)
- No (2)

Q2 In which City do you own the historic property?

- Gilroy (1)
- Mountain View (2)
- Santa Clara (3)
- Other (4)

Q3 Do you own a historic property with a Mills Act Contract?

- Yes (1)
- No (2)
- Uncertain (3)

Q4 How did you learn about the Mills Act program?

- City advertisement or contact (1)
- Real Estate Agent / Broker (2)
- Co-worker (3)
- Friend (4)

- Other: (5) _____

Q5 Over that last ten years - How often did you interact with the City regarding your Mills Act designated property?

- Never (1)
- Once a year (2)
- Once every two to three years (3)
- Once every four years (4)
- Once every five years (5)
- More than five years (6)

Q6 Did the City require a Rehabilitation and/or Restoration Plan for your Mills Act designated historic property?

- Yes (1)
- No (2)

Q7 Over the last years ten years - How often did the City request an updated Rehabilitation and/or Restoration Plan for your historic property?

- Never (1)
- Once a year (2)
- Once every two to three years (3)
- Once every four years (4)

- Once every five years (5)
- More than five years (6)

Q8 Over the last ten years - Did the City require documentation to confirm compliance with the Rehabilitation and/or Restoration Plan?

- Yes (1)
- No (2)

Q9 Over the last ten years - How often did the City require documentation to confirm compliance with the Rehabilitation and/or Restoration Plan?

- Never (1)
- Once a year (2)
- Once every two to three years (3)
- Once every four years (4)
- Once every five years (5)
- More than five years (6)

Q10 Did the City require exterior inspections of your Mills Act designated historic property?

- Yes (1)
- No (2)

Q11 How often did the City require exterior inspections of your Mills Act designated historic property?

- ☐ Never (1)
- ☐ Once a year (2)
- ☐ Once every two to three years (3)
- ☐ Once every four years (4)
- ☐ Once every five years (5)
- ☐ More than five years (6)

Q12 Did the Mills Act agreement property tax reduction improve your ability to preserve or revitalize your historic property?

- ☐ Yes (1)
- ☐ No (2)

Q13 Did the Mills Act program contribute to stabilized or enhanced property value of your historic property?

- ☐ Yes (1)
- ☐ No (2)
- ☐ Unknown (3)
- ☐ Another factor: (4) _____

Q14 Considering the Mills Act program overall, what did you think should be the main goals for the program? Check ALL that apply.

- ☐ To improve the architectural integrity of historic properties? (1)
- ☐ To stabilize or enhance property values of historic properties and immediate neighborhoods? (2)
- ☐ To preserve neighborhood character (3)
- ☐ To increase community support for Mills, Act designated properties (4)
- ☐ To improve partnerships between the City and property owners in historic preservation (5)
- ☐ Other: (6) _____

Q15 What motivated you to participate in the Mills Act Program? Check all that apply.

- ☐ Property tax savings (1)
- ☐ Reduce costs to restore and/or preserve my historic property (2)
- ☐ Increased opportunity to restore and/or preserve my historic property (3)
- ☐ Preserve neighborhood character (4)
- ☐ Other: (5) _____

Appendix C: Mills Act Web Page

San José State UNIVERSITY

WELCOME TO THE MILLS ACT SURVEY

THE SURVEY

Welcome

I am undertaking an evaluation of the impact of the Mills Act Program. The Mills Act Program is a tax incentive program that allows owners of qualifying buildings to receive a property tax reduction and use the savings to help rehabilitate, restore and maintain their historic buildings.

This study will serve as the final requirement of my Masters in Public Administration (MPA) course of studies at San Jose State University.

I am kindly requesting that you complete the online survey by clicking the tab below:

**TAKE THE SURVEY BY
CLICKING HERE**

No password is required for the survey and it is confidential.

If you do not wish to complete the online survey or have technical issues, please complete and mail the previously provided paper survey and consent form.

The Survey is now CLOSED. No further survey submittals will be accepted.

Your participation in this research is voluntary. Thank you.