



The seal of the City of Santa Clara, California. It features a circular design with a blue background. In the center is a yellow Mission-style building with a red roof and a bell tower. Above the building is a white cloud. Below the building is a green landscape with a palm tree. The text "CITY OF SANTA CLARA CALIFORNIA" is written in a circle at the top, and "1852" is at the bottom. The bottom half of the seal has a green background with the text "THE MISSION CITY" in white.

City Council

January 27, 2026

Item: #5
Mills Act Contract
Terminations

Afshan Hamid, Director
Community Development
Department

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Mills Act Contract Terminations



**City of
Santa Clara**
The Center of What's Possible

Mills Act Program

- **Purpose:** Provides economic incentives to private property owners for the restoration and preservation of qualified historic buildings
- **Audit Requirement:** The City audits properties with a Mills Act contract every five years
- **2017:** Last completed audit
- **2022:** Audit delayed to **2024** due to COVID-19
- **2030/2031:** Next audit cycle

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Mills Act Contract Terminations

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2024 Mills Act Audit

- Planning staff reached out to all Mills Act properties through mailed and email letters to self-report or schedule an on-site inspection.
- Property owners who did not respond to the initial requests sent via email and mail were subsequently contacted by telephone, certified mail, and attempted hand-delivered notices from Code Enforcement staff.

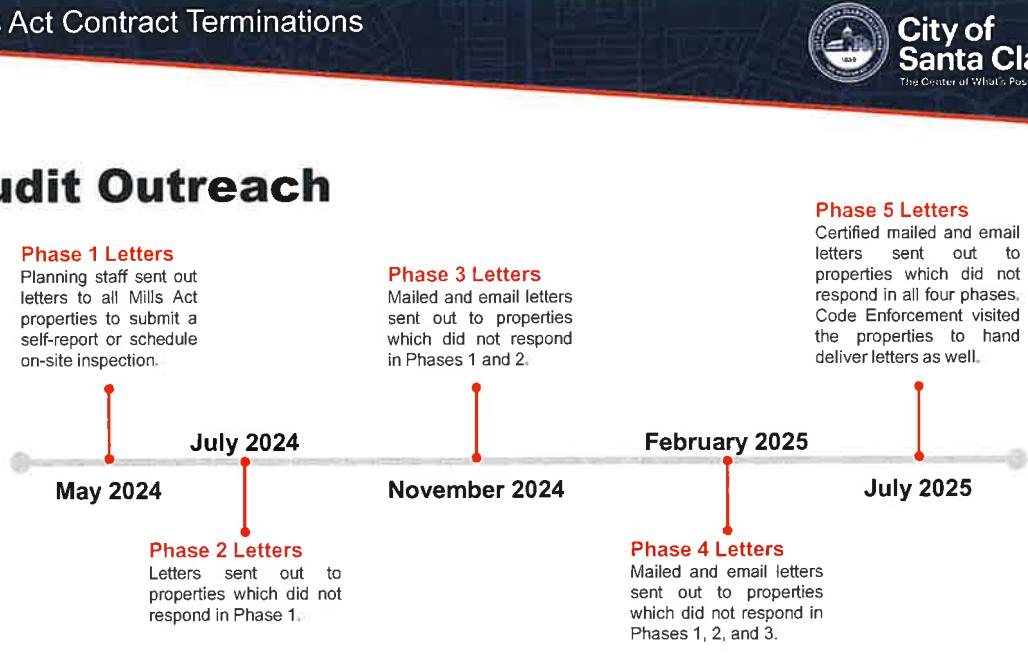
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Mills Act Contract Terminations

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Audit Outreach



The timeline diagram illustrates the five phases of audit outreach:

- Phase 1 Letters** (May 2024): Planning staff sent out letters to all Mills Act properties to submit a self-report or schedule an on-site inspection.
- Phase 2 Letters** (July 2024): Letters sent out to properties which did not respond in Phase 1.
- Phase 3 Letters** (November 2024): Mailed and email letters sent out to properties which did not respond in Phases 1 and 2.
- Phase 4 Letters** (February 2025): Mailed and email letters sent out to properties which did not respond in Phases 1, 2, and 3.
- Phase 5 Letters** (July 2025): Certified mailed and email letters sent out to properties which did not respond in all four phases. Code Enforcement visited the properties to hand deliver letters as well.

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Completed Mills Act Audit

- Contract termination for the two (2) properties that failed to submit the completed audit
 - 1711 Main Street
 - 906 Monroe Street / 1341 Homestead Road

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1711 Main Street

- Mill Act Contract recorded in 2000
- Current owners participated in the 2017 audit with an on-site inspection
- 2024 Audit: Two email responses from owner telling staff to review building permit records on file



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Mills Act Contract Terminations



906 Monroe Street / 1341 Homestead Road

- There are two residences on the property; however, only 906 Monroe Street is listed on the HRI and subject to the Mills Act
- Mill Act Contract recorded in 1998
- Previous owners participated in the 2017 audit with an on-site inspection
- Property is currently bank owned
- 2024 Audit: No response



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Mills Act Contract Terminations



Historic Property Preservation Agreement

- Agreements run with the land and remain in effect even when ownership changes
- Agreement Section 3(c): Owners must allow periodic on-site inspections; failure to do so is a contract violation
- Agreement Section 4(a): Owners must provide information requested by the City to confirm compliance
- Both owners did not respond to repeated City requests and did not allow on-site inspections
- Both properties are in violation of Sections 3(c) and 4(a) of their agreements

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Termination Process

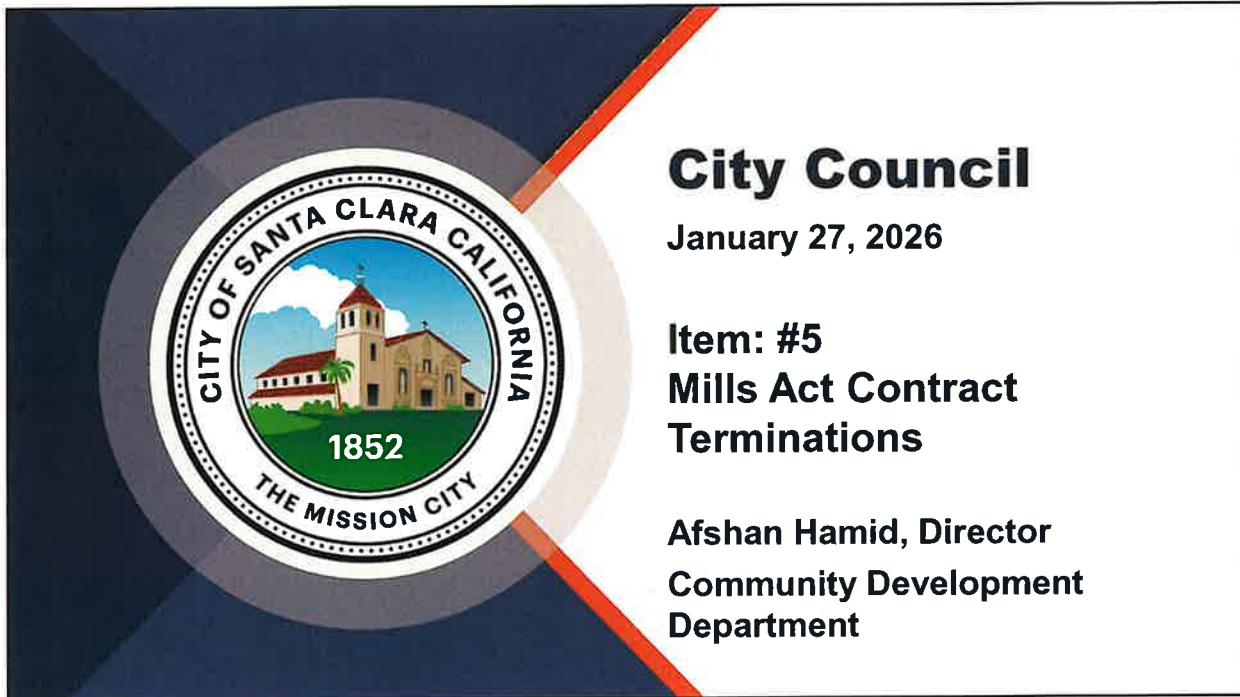
- Property owners are subject to a cancellation fee equal to 12.5% of the current fair market value, as determined by the County Assessor, per California Government Code
- The cancellation fee is paid to the County Auditor and distributed to jurisdictions within the property's tax rate area
- Properties will remain listed on the HRI and subject to the Historic Preservation Ordinance

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Recommendation

- Terminate the Mills Act Contract for the property located at 1711 Main Street due to violation of Sections 3(c) and 4(a) of the Agreement, effective immediately
- Terminate the Mills Act Contract for the property located at 906 Monroe Street / 1341 Homestead Road due to violation of Sections 3(c) and 4(a) of the Agreement, effective immediately
- Direct the Community Development Director to inform the affected property owners and the County

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