



Planning & Development
Land Use Planning Division

MEMORANDUM

July 7, 2025

To: Landmarks Preservation Commission

From: Anne Hersch, Land Use Planning Manager

Subject: Mills Act Contract Status & Policy Discussion

BACKGROUND

The Mills Act was enacted in 1972 and allows jurisdictions in California to enter into contracts with owners of qualified historic properties who restore and maintain historic properties while receiving property tax relief. In Berkeley, the contracts are reviewed by the Landmarks Preservation Commission (LPC) and approved by the City Council with a ten-year term. After the term expires, the contract can be canceled and the property tax rate reset to the original valuation established at the time of purchase.

On February 24, 1998, the City Council adopted Resolution No. 59,355 N-S authorizing the use of Mills Act agreements for historic property preservation (See Attachment 1). From 2000 through 2024, the LPC approved forty-five (45) Mills Act contracts. There are thirty (30) contracts that are expired from the ten-year approval date (See Attachment 2).

At the April 3, 2025 Landmarks Preservation Commission (LPC) meeting, the LPC requested future discussion to establish a Mills Act Contract Subcommittee to evaluate the current program and discuss amendments to the program.

On June 5, 2025, Commissioners Finacom, Leuschner, Orbuch, and Schwartz volunteered to serve on the Mills Act subcommittee.

ANALYSIS

Staff Consultant Discussion

Staff met with historic preservation consultants at ESA, an Oakland based environmental and land use planning consulting firm. The consultants recommended contacting property owners of properties that are past the expiration date and request a status of the renovation plan that was part of the original contract approval. The City can cancel the contract if it is determined that the preservation efforts have been satisfied. This effort will commence in the fall of 2025.

LPC Subcommittee

The LPC subcommittee will meet and discuss the preparation of a recommendation memo to City Council with refinement to the Mills Act policy. This could include recommendations on the policy itself, fiscal recommendations, and future administration of the Mills Act. This memo would be submitted to the City Council for consideration for the referral ranking review and future policy preparation.

Attachments

1. Resolution 59,355 N-S
2. Mills Act Contract List
3. Email correspondence from Commissioner Schwartz

RESOLUTION NO. 59,355- N.S.

AUTHORIZING THE USE OF MILLS ACT AGREEMENTS FOR HISTORIC PROPERTY PRESERVATION

WHEREAS, the Berkeley Master Plan (Policy 1.01) and Downtown Plan (Policies 1.1, 1.5, 2.2, and 2.4) include policies to preserve and protect historic structures; and

WHEREAS, the Berkeley Landmarks Preservation Ordinance, Section 3.24.010 Findings and Purposes, includes the following:

- A. Structures of special character or special historical, architectural or aesthetic interests or value have been and continue to be unnecessarily destroyed or impaired, despite the feasibility of preserving them;
- B. Prevention of such needless destruction and impairment is essential to the health, safety and general welfare of the citizens of the City; and

WHEREAS, the City Council finds that the protection, perpetuation and use of historic structures is of economic, cultural and aesthetic benefit to the City; and

WHEREAS, California Government Code Sections 50280 et seq. (commonly known as the Mills Act) authorize cities to enter into contracts with the owners of qualified historical property to provide for such property's use, maintenance and restoration as to retain its characteristics as property of historical significance.

NOW THEREFORE, BE IT RESOLVED that the Council of the City of Berkeley authorizes the use of the agreements for historic property preservation as specified in California Government Code Sections 502008, et seq., for qualified historical properties.

BE IT FURTHER RESOLVED, that all such agreements shall be subject to review and approval of the Landmarks Preservation Commission, the City Manager and the City Council.

BE IT FURTHER AND FINALLY RESOLVED, that the City Manager may review, from time to time, the fiscal impact of Mills Act contracts on the City and, based upon such review, may defer consideration of pending or new applications for Mills Act contracts to the next fiscal year.

The foregoing Resolution was adopted by the Berkeley City Council on February 24, 1998 by the following vote:

Ayes: Councilmembers Armstrong, Breland, Maio, Olds, Shirek, Spring, Woolley, Worthington and Mayor Dean.

Noes: None.

Absent: None.



Shirley Dean, Mayor

Attest: 

Sherry M. Kelly, City Clerk

Mills Act Properties List Log

Updated 6/16/2025

YEAR CONTRACT BEGAN	ADDRESS	APN	CASE #	DATE CONTRACT SIGNED	CC RESOLUTION ADOPTION DATE	ALAMEDA COUNTY RECORDED DATE
2000	2118 Marin Ave	061 258700400	N/A	12/6/1999	12/14/1999	-
2000	1 Maybeck Twin	058 224204324	N/A	12/6/1999	12/14/1999	-
2002	1841 Marin	061 260301900	N/A	10/15/2001	11/13/2001	-
2003	2237 Carleton	055 182800700	N/A	11/22/2002	-	-
2003	883 Arlington	055 182800700	LM 03-40000019 (Mills Act)	11/22/2002	-	-
2004	2601-2603 Hillegass Ave	055 184400100	N/A	12/26/2003	-	-
2004	2601-2603 Hillegass Ave	055 184400100	N/A	12/26/2003	-	-
2005	2426 Fulton	055 189000200	N/A	12/29/2004	-	1/13/2005
2005	2430 Fulton	055 189000300	N/A	12/29/2004	1/11/2005	-
2008	2501-2527 Rose Walk	060 246800702	N/A	11/8/2007	-	-
2008	2201 Blake Street	055 183001400	N/A	11/8/2007	9/18/2007	11/30/2007
2008	2205 Blake Street	055 183001400	N/A	11/8/2007	9/18/2007	11/30/2007
2008	2947-53 College	052 156701800	N/A	11/8/2007	-	11/20/2007
2008	2130 Center Street	057 203101100	N/A	11/8/2007	-	-
2008	2611 Ashby Ave	052 156901600	N/A	11/8/2007	-	-
2009	59-61 Panoramic Way	055 186100601	N/A	12/19/2008	11/28/2006	12/30/2008
2009	1770 Highland Place	058 220404900	N/A	12/19/2008	12/8/2008	12/23/2008
2009	1780 Highland Place	058 220405000	N/A	12/19/2008	12/8/2008	12/23/2008
2009	1790 Highland Place	058 220405100	N/A	12/19/2008	12/8/2008	12/23/2008
2009	1790A Highland Place	058 220405200	N/A	12/19/2008	12/8/2008	12/23/2008

YEAR CONTRACT BEGAN	ADDRESS	APN	CASE #	DATE CONTRACT SIGNED	CC RESOLUTION ADOPTION DATE	ALAMEDA COUNTY RECORDED DATE
2009	2600 Durant Avenue	055 187201400	N/A	12/19/2008	12/8/2008	12/23/2008
2009	2 Greenwood Common	058 224400204	N/A	12/19/2008	12/8/2008	12/30/2008
2009	1536 Oxford Street	059 225901000	N/A	12/19/2008	12/8/2008	12/23/2008
2009	1512 La Loma	058 224500702	N/A	12/22/2008	-	12/23/2008
2012	1340 Arch Street	060 246200901	N/A	12/21/2011	12/6/2011	12/11/2011
2012	2811 Benvenue Ave.	053 169502600	N/A	12/21/2011	12/6/2011	12/11/2011
2012	22 Roble Road	064 425501300	N/A	12/21/2011	12/6/2011	12/22/2011
2012	1984 San Antonio Ave.	062 291606001	N/A	12/21/2011	12/6/2011	12/22/2011
2014	1542 La Loma	058 224501200	LMMA2013-0003	11/25/2013	12/3/2013	-
2014	18 Alvarado	064 422701800	LMMA2013-0002	11/29/2013	12/3/2013	-
2015	1317 Shattuck	060 245503804	LMMA2014-0001	9/10/2014	-	10/22/2014
2015	1 Greenwood Common	058 224400205	LMMA2013-0001	9/25/2014	-	-
2015	1418 Spruce	059 225701000	LMMA2014-0002	10/22/2014	9/20/2014	10/22/2014
2015	2501 Telegraph	055 183900100	LMMA2014-0003	12/16/2014	-	-
2015	2509 Telegraph	055 183901600	LMMA2014-0005	12/16/2014	11/18/2014	-
2015	2506 Dwight	055 183900200	LMMA2014-0004	12/16/2014	11/18/2014	-
2019	4 Greenwood Common	058 224400213	LMMA2017-0001	2018	2/13/2018	10/9/2018
2019	Telegraph/Yazdi	052 157900300	LMMA2017-0002	2018	2/13/2018	10/9/2018
2019	2901 Benvenue	052 156800100	LMMA2018-0001	2018	10/16/2018	-
2018	48 Shattuck Sq	057 203300101	LMMA2016-0001	2017	12/13/2016	10/17/2017
2020	2524 Dwight	055 184200200	LMMA2019-0003	2019	10/15/2019	-
2020	1730 Spruce	058 218100500	LMMA2019-0002	2019	10/15/2019	-
2020	2526 Hawthorne	058 224700201	LMMA2019-0001	2019	10/15/2019	-
2022	1 Orchard	055 186200900	LMMA2020-0001	2021	5/11/2021	-
2022	1581 Le Roy	058 224500903	LMMA2019-0004	2021	5/11/2021	-

YEAR CONTRACT BEGAN	ADDRESS	APN	CASE #	DATE CONTRACT SIGNED	CC RESOLUTION ADOPTION DATE	ALAMEDA COUNTY RECORDED DATE
2023	2523 Piedmont	055 185102200	LMMA2022-0001	2022	-	11/8/2023
2024	2119 Marin	061 258400300	LMMA2022-0002	2023	2/14/2023	11/8/2023
2024	1401 Le Roy (pending)	058 224400100	LMMA2024-0001	2024	9/10/2024	11/21/2024
2024	60 Panoramic (pending)	055 185301500	LMMA2023-0001	2024	9/10/2024	11/21/2024
2024	7 Greenwood (pending)	058 224402708	LMMA2024-0002	2024	9/10/2024	11/21/2024

From: [Riemer, Allison](#)
To: [Hersch, Anne](#)
Subject: FW: Mills Act change recommendations
Date: Monday, June 23, 2025 2:36:08 PM
Attachments: [image.png](#)
[image.png](#)

Internal

FYI

Allison Riemer, AICP (she/her)

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Berkeley, CA 94704
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Email: ariemer@berkeleyca.gov

The [Permit Service Center \(PSC\)](#), including the zoning counter, is open between 8:30 am – 2:30 pm (final check in at 2:00 pm) Monday through Thursday.

All permit-related and Zoning services are available online. Please visit us [online](#) for more information.

From: tullyfog@aol.com <tullyfog@aol.com>
Sent: Monday, June 23, 2025 2:30 PM
To: Riemer, Allison <ARiemer@berkeleyca.gov>
Subject: Fwd: Mills Act change recommendations

WARNING: This is not a City of Berkeley email. Do not click links or attachments unless you trust the sender and know the content is safe.

Hi Allison, I was wondering if you could print this out and make it part of the packet for the next LPC meeting.

The subcommittee has not met yet, but will meet in early July. This is a document I have put together for discussion by the commission. This is to get the ball rolling and open it up for discussion. Paul Schwartz

From: tullyfog@aol.com
To: tullyfog@aol.com
Sent: 6/20/2025 6:53:04 AM Pacific Daylight Time
Subject: Fwd: Mills Act change recommendations

Sent from my iPhone

Begin forwarded message:

From: TULLYFOG@aol.com
Date: June 20, 2025 at 6:00:03 AM PDT

To: TULLYFOG@aol.com

Subject: Mills Act change recommendations

Reply-To: tullyfog@aol.com

Subject: Mills Act Change recommendations

It is our understanding that there are 450 landmarked properties in the City of Berkeley and 45 of those properties are currently Mills Acted. I estimate the yearly loss of tax revenue to the City of Berkeley, The Berkeley Unified School District, The County of Alameda, and Special Districts to be as follows:

If the average tax loss per property is \$20,000 45 times \$20,000 equals a loss of \$900,000 per year

if the average tax loss per property is \$25,000 45 times \$25,000 equals a loss of \$1,125,000 per year

If the average tax loss per property is \$30,000 45 times \$30,000 equals a loss of \$1,350,000 per year

These estimates do not take into consideration any future Mills Act Contracts.

There are several options for eliminating or reducing Mills Act tax losses:

1. Eliminating the granting of Mills Act reductions completely in any year in which the City of Berkeley, or the School District is running a deficit. Language to this effect could be as follows: "Be it resolved the City of Berkeley shall not enter into or grant a Mills Act property tax reduction contract or renew a Mills Act property tax reduction in any fiscal year The City of Berkeley or the Berkeley Unified School District is incurring a budget deficit".
2. No Mills Act reduction shall be granted to any property that sales for or is assessed at a value of \$2,500,000 or higher. See item 6 below for exemptions.
3. Any property tax reduction granted under the Mills Act shall not exceed 20% of what the property tax would have been without the Mills Act.
4. Mills Act contracts will have to be renewed every two years, rather than every ten years.
5. The City of Berkeley fee to a property owner for applying for a Mills Act reduction shall not exceed \$2,000. This fee will be adjusted each year to reflect the cost of living index.
6. Item number 2 above shall have the following exemptions: A property may be exempt if granting the exemption will assist in the preservation or rehabilitation of a historic structure including unusual and or excessive maintenance requirements that would otherwise be in danger of demolition, deterioration, or abandonment. Add language from San Francisco contract per Charles Enchill.
7. If the City of Berkeley enters into a Mills Act contract with a property owner, the city should have a clause in the Mills Act contract that either party may

withdraw from the contract upon one years notice terminating the contract and any tax breaks at that time.

8. If the City of Berkeley wants a property maintained and the property owners cannot afford to maintain the property, I believe the city should receive a lien on the property in the amount of any tax savings received by the property owner. When the owner dies or transfers the property, the city would receive its delayed property taxes. This would allow individuals who have insufficient income to maintain landmarked property the opportunity to maintain the property by in essence receiving a city loan, not a tax break.
9. The city should have a Mills Act unit within its planning department, a unit that in conjunction with the city attorney has the ability to monitor Mills Act compliance and the ability to enforce compliance.