



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: OCTOBER 28, 2025

FROM: COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT WARDS: 1 AND 3

SUBJECT: APPROVAL OF TWENTY MILLS ACT HISTORIC PROPERTY PRESERVATION AGREEMENTS FOR PROPERTY TAX REDUCTION AND CORRESPONDING PROPERTY IMPROVEMENTS FOR A MINIMUM TERM OF TEN YEARS WITH ANNUAL AUTOMATIC RENEWALS

ISSUE:

Approve twenty Mills Act Historic Property Preservation Agreements with various property owners for a minimum term of ten years with annual automatic renewals.

RECOMMENDATIONS:

That the City Council:

1. Approve twenty Mills Act Historic Property Preservation Agreements for property tax reduction and corresponding property improvements with the following applicants for a minimum term of ten years with annual automatic renewals:
 - a. Robert John Walker, Jr. (Attachment 1)
 - b. Adrian and Adriana Gonzalez (Attachment 2)
 - c. Brian and Angela Butler (Attachment 3)
 - d. Daniel Mihaila and Gabrielle Rivera (Attachment 4)
 - e. Mark Sterner (Attachment 5)
 - f. Roger and Argelia Alfaro (Attachment 6)
 - g. Kevin and Mary Anne Manning (Attachment 7)
 - h. Kevin and Mary Anne Manning (Attachment 8)
 - i. Melissa Ascencio (Attachment 9)
 - j. Stefan and Lynette Kruger (Attachment 10)

- k. Gretchen Valenti, Robin Davey, and Deborah Bradbury (Attachment 11)
- l. Jason Anderson (Attachment 12)
- m. Richard & Kimberly Leigh and Richard & Danti Leigh (Attachment 13)
- n. Bruce Link and Jo Carol Phelan (Attachment 14)
- o. Jeffery and Michelle Oldfield (Attachment 15)
- p. Jairus Landrum (Attachment 16)
- q. Eileen Wei (Attachment 17)
- r. Evan Snyder (Attachment 18)
- s. Jordan Vazquez (Attachment 19)
- t. Oluwafemi Alabi and Julian Hinson (Attachment 20)

BACKGROUND:

The Mills Act, enacted by the State of California in 1976, grants local governments the ability to provide property tax abatements to the owners of qualified historical properties. To receive the property tax abatement, property owners must enter into an agreement that commits them to making capital improvements to rehabilitate, restore, preserve, or maintain their qualified historical property.

In 2004, City Council adopted Resolution No. 20825 (Resolution - Attachment 17) to implement the Mills Act Program (Program) in Riverside. The Program encourages preservation of designated historic districts and individual properties throughout the City. This, in turn, preserves property values and ensures preservation of the City's tangible links to the past for future generations. The Resolution limited the number of agreements in Riverside to seven per calendar year, to limit the fiscal impact of the Program. In 2007, a lottery was held as more than seven applications were received.

In December 2010, Resolution No. 22139 (2010 Resolution - Attachment 18) further revised the Program to allow flexibility in the number of agreements that the City could enter into each year. The 2010 Resolution sets an average of seven agreements per year, from inception of the Program, but limits the agreements to no more than ten in any given year.

On November 1, 2022, City Council passed Resolution No. 23921 (2023 Resolution - Attachment 19) and approved an amendment to Chapter 20.30 of the Riverside Municipal Code modifying the application period and increased the maximum number of contracts awarded each year. The modifications included: 1) allowing applications to be accepted between January 1 and May 31 of each calendar year (five months); and 2) allow City Council to enter into up to fifteen agreements per calendar year, but if the number in any one year falls below fifteen, up to twenty may be awarded in any year to make up the deficiency, provided that the overall average does not exceed fifteen since implementation in 2004.

DISCUSSION:

For 2025, twenty (20) Mills Act applications were received, deemed complete and meet the City's requirements for the Agreements. The applications for this year include eighteen residential properties and two commercial properties. The twenty applications include ten-year plans that total approximately \$3,437,250 in property maintenance improvements.

The City's Mills Act program consists of 141 active Mills Act Agreements (Agreements) for an average of seven per year. The twenty agreements recommended for this year, if approved by City Council, will bring the total number of Agreements to 161. As part of the Mills Act program, property owners are required to reinvest the estimated tax savings back into the property annually, on average. The property owner is then required to submit an annual report to the City demonstrating the projects that were completed, including cost. When a property owner has failed to demonstrate project compliance and is not responsive to staff's attempts to bring the property back into compliance for a certain period of time (generally three to five years), the contract is identified for nonrenewal. Three properties were determined nonrenewal due to non-compliance and the City will phase them out of the Program at the end of their contract, meaning their property taxes will increase to full taxation by 2028.

A summary of the proposed 2025 Mills Act properties and City tax impacts are listed below:

No.	Case #	Applicant	Property Address	Ward	Estimated Tax Savings	Estimated City Tax Impact
1	DP-2025-00123	Robert John Walker, Jr.	3472 Elmwood Ct	1	\$2,889.83	\$347
2	DP-2025-00229	Adrian and Adriana Gonzalez	3520 Elmwood Dr	1	\$4,470.53	\$536
3	DP-2025-00251	Brian and Angela Butler	3620 Ramona Dr	1	\$3,284.70	\$394
4	DP-2025-00423	Daniel Mihaila and Gabrielle Rivera	4895 Brockton Ave	1	\$4,045.25	\$485
5	DP-2025-00530	Mark Sterner	4001 Main St	1	\$14,992.12	\$1,799
6	DP-2025-00531	Roger and Argelia Alfaro	3592 Elmwood Dr	1	\$2,686.61	\$322
7	DP-2025-00532	Kevin and Mary Anne Manning	4425 Oakwood Pl	1	\$4,096.10	\$492
8	DP-2025-00533	Kevin and Mary Anne Manning	3617 Linwood Pl	1	\$2,461.22	\$295
9	PC-2025-00025	Melissa Ascencio	5642 Magnolia Ave	1	\$4,068.27	\$488
10	PC-2025-00028	Stefan and Lynette Kruger	5211 Central Ave	3	\$6,177.97	\$741
11	PC-2025-00050	Gretchen Valenti, Robin Davey, and Deborah Bradbury	4291 Twelfth St	1	\$2,577.17	\$309
12	PC-2025-00051	Jason Anderson	4223 Twelfth St	1	\$4,814.78	\$578

No.	Case #	Applicant	Property Address	Ward	Estimated Tax Savings	Estimated City Tax Impact
13	PC-2025-00056	Richard & Kimberly Leigh and Richard & Danti Leigh	3466 University Ave	1	\$6,178.00	\$741
14	PC-2025-00059	Bruce Link and Jo Carol Phelan	4649 Ninth St	1	\$5,180.00	\$621
15	PC-2025-00060	Jeffery and Michelle Oldfield	4506 University Ave	1	\$7,136.36	\$856
16	PC-2025-00089	Jairus Landrum	4051 Larchwood Pl	1	\$2,940.45	\$353
17	PC-2025-00096	Eileen Wei	3706 Elmwood Ct	1	\$3,047.66	\$366
18	PC-2025-00105	Evan Snyder	3558 Beechwood Pl	1	\$2,659.49	\$319
19	PC-2025-00122	Jordan Vazquez	3542 Castle Reagh Pl	1	\$5,361.53	\$643
20	PC-2025-00147	Oluwafemi Alabi and Julian Hinson	5411 Magnolia Ave	1	\$2,980.74	\$358
Total Estimated Annual City Tax Impact						\$11,043

FISCAL IMPACT:

The estimated fiscal impact on the new property tax reductions is approximately \$11,043 for Fiscal Year (FY) 2025/26, with a similar ongoing property tax revenue reduction in the future years with the addition of these properties in the reduced property tax role. The Mills Act Program results in reduced property tax revenue to the City. Because staff administer and maintain the Program, the City does not incur any direct costs for administration of the Program. To offset staff costs, all applicants pay a \$126 application fee and a \$957 contract maintenance fee as established by City Council. Future applicants will pay fees updated by City Council that went into effect on July 1, 2025.

The City receives approximately 12% of the property tax collected annually by the County. For FY 2025/26, the estimated reduction in the City's property tax revenue from the current 141 properties that are part of the Program is approximately \$80,944, for an average of \$574 per property. Adding twenty properties would bring the total Mills Act reduction in property taxes to approximately \$91,987 per year starting in FY 2026/25. This is an estimate only as the reduction is dependent on tax rates and the number of properties in the Program.

Prepared by:	Scott Watson, City Historic Preservation Officer
Approved by:	Jennifer Lilley, Community & Economic Development Director
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Mike Futrell, City Manager
Approved as to form:	Rebecca McKee-Reimbold, Interim City Attorney

Attachments:

1. Mills Act Agreement with Robert John Walker, Jr.
2. Mills Act Agreement with Adrian and Adriana Gonzalez
3. Mills Act Agreement with Brian and Angela Butler
4. Mills Act Agreement with Daniel Mihaila and Gabrielle Rivera
5. Mills Act Agreement with Mark Sterner
6. Mills Act Agreement with Roger and Argelia Alfaro
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17. Mills Act Agreement with Eileen Wei
18. Mills Act Agreement with Evan Snyder
19. Mills Act Agreement with Jordan Vazquez
20. Mills Act Agreement with Oluwafemi Alabi and Julian Hinson
21. Resolution No. 20825
22. Resolution No. 22139
23. Resolution No. 23921