

FILED
OFFICE OF THE CITY CLERK
OAKLAND


City Attorney's Office

2019 OCT 10 PM 3:55

OAKLAND CITY COUNCIL

RESOLUTION NO. 87904 C.M.S.

INTRODUCED BY COUNCILMEMBER [IF APPLICABLE]

A RESOLUTION, AS RECOMMENDED BY THE LANDMARKS PRESERVATION ADVISORY BOARD, APPROVING TWELVE (12) MILLS ACT CONTRACTS BETWEEN THE CITY OF OAKLAND AND THE PROPERTIES AT 418 JEFFERSON STREET, 6028 BROADWAY TERRACE, 6475 COLBY STREET, 1263 TRESTLE GLEN ROAD, 619 MARIPOSA AVENUE, 2600 BEST AVENUE, 678 18TH STREET, 360 VAN BUREN AVENUE, 1000 SUNNYHILLS ROAD, 412 MONTE VISTA AVENUE, 3007 TELEGRAPH AVENUE, AND 492 STATEN AVENUE, PURSUANT TO ORDINANCE NO. 12987 C.M.S., TO PROVIDE PROPERTY TAX REDUCTIONS IN EXCHANGE FOR OWNERS' AGREEMENT TO REPAIR AND MAINTAIN HISTORIC PROPERTIES IN ACCORDANCE WITH SUBMITTED WORK PROGRAMS AND APPROVING TOTAL CITY TAX REVENUE REDUCTION ESTIMATED TO BE ABOVE \$25,000 PER YEAR

WHEREAS, the General Plan Historic Preservation Element Policy 2.6.1 calls for the adoption of a Mills Act contract program pursuant to Sections 50280-90 of the California Government Code and Section 439 of the California Revenue and Taxation Code, to promote historic preservation in the City of Oakland; and

WHEREAS, the Oakland City Council adopted a pilot Mills Act program and a model Mills Act contract on February 6, 2007, by Ordinance No. 12784 C.M.S. and a permanent Mills Act Property Tax Abatement Program for qualified historic properties on January 5, 2010, by Ordinance No. 12987 C.M.S.; and

WHEREAS, the implementation of the Mills Act Program meets numerous General Plan goals and policies, including housing rehabilitation, preservation of community character and identity, blight prevention, support of skilled building trades, sustainability, revitalization, and image; and

WHEREAS, the City has received twelve Mills Act contract applications in 2019 from qualified properties, all of which are City of Oakland Designated Historic Properties: (1) 418 Jefferson Street, an 1869 Italianate-vernacular house in the Bret Harte Boardwalk district; (2) 6028 Broadway Terrace, a 1917 folk-Craftsman house that survived the 1991 North Hills fire; (3) 6475 Colby Street, a 1907 Craftsman house in Fairview Park with lavish clinker brickwork; (4) 1263 Trestle Glen Road, a 1922 Mediterranean model home for the Lakeshore Highlands tract; (5) 619 Mariposa Avenue, a 1908 Tudor-Craftsman

house in the Rose Garden neighborhood; (6) 2600 Best Avenue, a prominently-sited 1922 Dutch Colonial house in Maxwell Park; (7) 678 18th Street, an 1877-78 Italianate house on the edge of Downtown; (8) 360 Van Buren Avenue, a classic Prairie style house in Adams Point; (9) 1000 Sunnyhills Road, an intensely crafted Mission-Mediterranean house in the Lakeshore Homes neighborhood; (10) 412 Monte Vista Avenue, a 1908 Colonial Revival mansion, now 14 apartments, in the Rose Garden neighborhood; (11) 3007 Telegraph Avenue, a 1925-1931 mortuary being converted for commercial use in the KoNo area; and (12) 492 Staten Avenue, the Bellevue-Staten condominiums, an Art Deco icon on Lake Merritt; and

WHEREAS, eleven of the properties were designated as Heritage Properties by the Landmarks Preservation Advisory Board on July 8, 2019, in conjunction with the Mills Act applications, and 492 Staten is a contributor to the designated S-7 Bellevue-Staten Apartment District, designated by City Council in 1992; and

WHEREAS, rough estimates of 2020-21 tax reductions for individual properties range from \$1,504 to \$68,195, for a total of \$155,365, all of which is required to be reinvested in restoration and upkeep of these historic Oakland properties; and

WHEREAS, the City receives approximately 27.28 percent of property taxes collected by Alameda County, so that the City's share of the potential Mills Act tax reductions would be approximately \$42,384; and

WHEREAS, the 2010 Ordinance Expanding and Making Permanent the Mills Act Property Tax Abatement Program capped fiscal impacts of new Mills Act contracts on City tax revenues at \$25,000 per year plus up to \$500,000 impact on Redevelopment Area tax revenues; and

WHEREAS, due to rising Oakland property values, growing interest in the Mills Act program, and the elimination of City Redevelopment Agency tax revenues, the first-year revenue reduction from new 2019 Mills Act contracts has the potential to exceed the cap of \$25,000 impact on City property tax revenue, by up to approximately \$17,384; and

WHEREAS, the 2010 Ordinance Expanding and Making Permanent the Mills Act Property Tax Abatement Program provides that tax losses may exceed the Ordinance's limits with approval of the City Council; and

WHEREAS, the Mills Act contract applications in 2019 include three large adaptive reuse and multi-unit projects, 412 Monte Vista, 3007 Telegraph, and 492 Staten, that meet City goals by providing and maintaining dwelling units, preserving endangered historic resources, bringing blighted buildings back into service, and maintaining the structural integrity an iconic landmark, but account for an estimated \$28,422 of potential City revenue reduction in addition to the \$13,962 total estimated reduction projected for the nine small residential projects; and

WHEREAS, at a duly noticed meeting on July 8, 2019, the Landmarks Preservation Advisory Board recommended all twelve applications for contract approval for the 2019 Mills Act program and expressed support for a higher loss limit in view of the benefits of the specific nominated projects and the Mills Act program in general; and

WHEREAS, at a duly noticed meeting on July 17, 2019, the Planning Commission received a Director's Report on the Landmarks Board's Mills Act contract recommendations and supported approval of all twelve applications, with special mention of the Bellevue-Statens; and

WHEREAS, the City Council Community and Economic Development Committee considered the matter at its October 22, 2019, duly noticed meeting and recommended approval to the City Council; and

WHEREAS, the City Council considered the matter at its October 29, 2019, duly noticed meeting; now, therefore be it

RESOLVED: That the City Administrator, or designee, is hereby authorized to enter into Mills Act contracts, subject to review and approval of the City Attorney, in substantial conformity with the previously approved model Mills Act contract, with the following properties, and to take whatever actions are necessary to implement the previously approved Mills Act Program consistent with this resolution, including recognition and approval of potential first-year property tax revenue reduction up to approximately \$42,384:

- 418 JEFFERSON STREET, Oakland CA
- 6028 BROADWAY TERRACE, Oakland CA
- 6475 COLBY STREET, Oakland CA
- 1263 TRESTLE GLEN ROAD, Oakland CA
- 619 MARIPOSA AVENUE, Oakland CA
- 2600 BEST AVENUE, Oakland CA
- 678 18TH STREET, Oakland CA
- 360 VAN BUREN AVENUE, Oakland CA
- 1000 SUNNYHILLS ROAD, Oakland CA
- 412 MONTE VISTA AVENUE, Oakland CA
- 3007 TELEGRAPH AVENUE, Oakland CA
- 492 STATEN AVENUE, Oakland CA

IN COUNCIL, OAKLAND, CALIFORNIA,

NOV 0 5 2019

PASSED BY THE FOLLOWING VOTE:

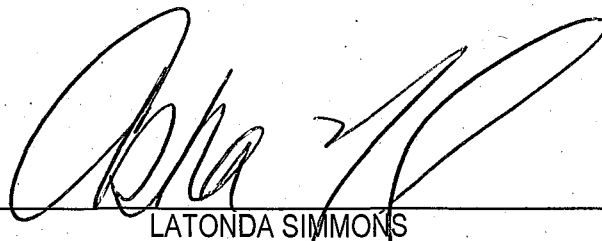
AYES - FORTUNATO BAS, GALLO, GIBSON MCELHANEY, KALB, REID, TAYLOR, THAO AND PRESIDENT KAPLAN — 8

NOES - 0

ABSENT - 0

ABSTENTION - 0

ATTEST:


LATONDA SIMMONS
City Clerk and Clerk of the Council of the
City of Oakland, California