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OFFICE OF THE CITY CLERK
OAKLAND

2016 SEP 29 PM 3: 29

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Rachel Flynn
Director, PBD

SUBJECT: Mills Act Contracts

DATE: September 19, 2016

City Administrator Approval

Date:

9/29/16

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution, As Recommended By The Landmarks Preservation Advisory Board, Approving Four (4) Mills Act Contracts Between The City Of Oakland And The Properties At 523 41st Street (Estimated \$4,589/Year Property Tax Reduction), 1824 Myrtle Street (Estimated \$3,045/Year Property Tax Reduction), 1733 10th Street (Estimated \$2,738/Year Property Tax Reduction), And 1506 Linden Street (Estimated \$4,482/Year Property Tax Reduction), 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.

EXECUTIVE SUMMARY

Approval of this resolution will authorize agreements between the City of Oakland and the four historic properties recommended for approval by the Landmarks Preservation Advisory Board at its July 11, 2016, meeting (**Attachment A**). Upon receipt of each property's executed contract, the Alameda County Assessor is directed by State law to re-assess the value of the property according to the formula established in the Mills Act, which will likely result in a reduction of property tax. The entire amount of the tax reduction – estimated at \$14,854 total for the four properties – is required to be reinvested in maintenance, rehabilitation, and preservation of the properties according to an approved work program. The estimated initial annual loss of City tax revenue is \$4,053 total for the four properties (27.28 percent of the total estimated tax reductions). Unless contracts are terminated, properties remain subject to the Mills Act assessment formula in perpetuity. Since the Mills Act contract commits an owner to a ten-year work program of improvements that might not otherwise have been made, taxes gradually rise even under the Mills Act formula to reflect those improvements and lessen the revenue loss.

The recommended Mills Act properties are:

- 523 41st Street**, MA16-001, residential (Council District 1 – Kalb)
- 1824 Myrtle Street**, MA16-002, residential (Council District 3 – Gibson McElhaney)
- 1733 10th Street**, MA16-004, residential (Council District 3 – Gibson McElhaney)
- 1506 Linden Street**, MA16-005, residential (Council District 3 – Gibson McElhaney)

Item: _____
CED Committee
October 11, 2016

BACKGROUND / LEGISLATIVE HISTORY

The Mills Act program is a preservation incentive adopted by the State of California in 1976 (Sections 50280-90 of the California Government Code and Section 439.2 of the California Revenue and Taxation Code) that allows reductions of property tax assessments for historic properties if the owner contracts with the local government to preserve the property, maintain its historic characteristics and, if necessary, restore it.

Approximately 90 California cities are using the Mills Act as a catalyst for neighborhood revitalization. While there are Federal tax credits and local facade grants for commercial properties, the Mills Act program is one of the few incentives available to owners of historic residential properties.

Adoption of a Mills Act program in Oakland was one of the preservation incentives recommended in the Historic Preservation Element of the Oakland General Plan (Action 2.6.1), adopted by City Council in 1994 (Resolution No. 70807 C.M.S.). Investigation of a Mills Act program was one of the mitigations in both the West Oakland and Central City East Redevelopment plans in the early 2000s.

Finding that the Mills Act Program meets numerous General Plan Land Use goals and policies, including housing rehabilitation, preservation of community character and identity, sustainability, revitalization, and image, and that the property tax revenue loss was negligible in light of the benefits, Oakland adopted a pilot Mills Act program in 2006 (Ordinance No. 12784 C.M.S.) and a permanent program in 2009 (Ordinance No. 12987 C.M.S.) (**Attachment B**).

Oakland's Mills Act ordinance limits City tax revenue losses from new contracts to \$25,000 per year, with the exception of the Central Business District where revenue losses are limited to \$100,000 per building per year, with a cumulative limit of \$250,000 per year. Limits are subject to exceptions at City Council discretion.

Important aspects of the Mills Act program, established by the State legislation and reflected in the Model Mills Act Contract (**Attachment C**), include:

The Mills Act program is a voluntary program.

The Mills Act contract is between the City and the owner of a designated historic structure.

The initial contract is for 10 years. At the end of each year the term is automatically extended one year, unless the owner or the City gives notice not to renew the contract. If notice of non-renewal is given, the contract remains in effect for the balance of the current 10-year term.

The penalty for breach of contract is 12.5 percent of the current property value.

The basic State requirement is that the owner preserve, rehabilitate, and maintain the historical and architectural character of the property. Oakland's program further requires

that the property tax savings be invested back into the property according to a work program that is recorded as part of the contract.

The contract runs with the property, that is, its obligations automatically transfer to each new owner and the property is not reassessed to full market value upon sale.

The agreement provides for periodic inspections to determine the owner's compliance with the terms of the agreement.

The tax reduction will vary depending on a number of factors. The largest tax reductions occur for properties purchased or reassessed in recent years and at high market values.

Oakland's first seven Mills Act contracts were adopted in 2008 and went into effect with the 2009-2010 tax assessment year. There are now 41 contracts in effect. The proposed four new contracts will go into effect for the 2017-2018 tax assessment year and will bring the total to 45. The owners will experience tax reductions estimated to total \$14,854, resulting in an estimated City first-year revenue loss of around \$4,053. This is well below the loss limit of \$25,000/year for new Mills Act contracts established in Oakland's Mills Act ordinance. Past years' (2008-15) first-year revenue loss estimates for new contracts have ranged from \$1,885 in 2011 to \$10,740 in 2015, averaging \$5,067 a year (first-year estimates for the 41 properties over the past eight years total \$40,539).

The principle behind the Mills Act is that improvements made by reinvesting the tax savings will gradually raise property values and make up for the initial losses, even at the lower Mills Act tax rate. In addition it is expected that construction work performed under the contracts will support the local economy and that improvements will inspire others in the neighborhood. Two recent Mills Act projects for large Central Business District properties (Cathedral Building, 2010; Girls Inc., 2011) provided almost immediate revenue gains to the City as these long-underutilized buildings were purchased, improved, and reassessed. Figures for small residential properties are more difficult to track, given the relatively short time the program has been in place and the extreme fluctuations in property prices in those years, but an online review of sample tax histories for properties that entered the program from 2008 to 2014 appears to confirm the pattern of a significant reduction followed by gradual increases.

The applications proposed for approval for 2016 Mills Act contracts are all City of Oakland Designated Historic Properties and all are small residential properties. One has been a designated contributor to an S-20 district since 2002 and three were designated Heritage Properties by the Landmarks Board in July 2016. Construction dates range from 1873 to 1908. Short summaries of each property follow. Photos and more detail can be found in the Landmarks Board staff report (**Attachment A**).

ANALYSIS AND POLICY ALTERNATIVES

This is the ninth year of Oakland's ongoing Mills Act program. Mills Act participants to date have corrected deferred maintenance, reversed inappropriate modernizations, and carried out full-scale adaptive reuse projects, thereby furthering General Plan goals and policies including housing rehabilitation, neighborhood preservation, sustainability, and revitalization.

SUMMARY OF PROPOSED PROPERTIES

523 41st Street, MA16-001

This unusually ornate Colonial Revival house was built in 1908 to a design by Joseph Cather Newsom, member of an Oakland-based architectural dynasty of statewide significance whose works include the Carson Mansion in Eureka. It is a fine example of Newsom's work in the building boom after the 1906 earthquake. With details like Palladian windows, clustered columns, and a prow bay, it stands out from the more generic builder-designed Colonials that line the streetcar routes of North Oakland. Original client George Hoffschneider, an electrotyper, was the first of a series of long-term owners. The work program includes rebuilding front stairs and balustrades, repairing neo-classical trim, paint, and repairing or replacing deteriorated windows and doors to match original.

Application Strengths: large-scale maintenance; catalyst for neighborhood work; well-planned work program with detailed estimates; neighborhood diversity – second contract in Temescal.

1824 Myrtle Street, MA16-002

Built and probably designed in 1889 by Robert Smilie, a well-known Bay Area contractor, this is a large raised-basement Queen Anne cottage distinguished by a complex hip and gable roof and a corner turret. It is representative of the medium-large houses built in this west-central Oakland neighborhood in the late 19th century for prosperous business and professional residents. The blocks above 18th Street were not included in the Oak Center redevelopment area and S-20 designation, and several fine houses on this block are still awaiting rehabilitation. The work program includes repairing and painting exterior woodwork, roof repair, and window repair or replacement, and foundation work.

Application Strengths: correcting deferred maintenance, opportunity as neighborhood catalyst on "orphan" block north of designated Oak Center S-20 district, 11th Mills Act project in West Oakland, area targeted in original adoption of Mills Act program.

1733 10th Street, MA16-004

This early-1870s Italianate house may have begun in 1868 as a tiny \$400 improvement that was then enlarged or replaced by its original owner Thomas Johnson, a carpenter. This is one of the National Register-eligible Oakland Point district's earliest houses, which are clustered at the far west end of town near the transcontinental railroad yards and shops. Early owners and residents, both railroad workers and San Francisco commuters, reflect the transportation-related history of the area. The work program includes foundation work, repair and painting of siding and trim, repair or replication of original windows, period-appropriate stair railing and basement door.

Application Strengths: maintenance of vulnerable wooden house components, catalyst for neighborhood and block improvement, 12th contract in West Oakland, area targeted in original design of Mills Act program.

1506 Linden Street, MA16-005

This large, elaborate, and prominently sited Queen Anne house was built in 1890 by contractor D.C. Scanlan for Theodore Strong, an insurance man, typical of the prosperous business people who developed and lived in what is now known as Oak Center. It has suffered from deferred maintenance and heavy-handed rehabilitation in the form of stucco cladding and removal of some of the ornamental woodwork. Despite alterations, it is a prominent and distinctive contributor to the Oak Center S-20 district. The work program includes repair of roof and woodwork, restoration of stuccoed-over window on porch, and exploratory stucco removal to plan a strategy for more complete restoration.

Application Strengths: highly visible project in designated S-20 historic district, potential neighborhood catalyst, reversing extensive previous alterations, 13th contract in West Oakland, area targeted in original Mills Act program.

MILLS ACT PROGRAM

Participation in a Mills Act program is voluntary for both the property owners and the City. Contracts are for a 10 year term, automatically renewed annually for an additional year. Either the City or the property owner may elect not to renew for any reason, which would terminate the agreement at the end of the current 10-year term (in effect, termination requires 10 years' notice). During the remainder of a non-renewed term, taxes increase gradually to the normal level. The owner is subject to a substantial penalty if a contract is canceled with less than 10 years' notice, either at the owner's request or by the City for owner's noncompliance.

Staff is careful to warn applicants about potential risks, and works with each applicant to develop a realistic work program. So far two Oakland contracts have required adjustment of the work program and schedule: one where a new owner's use of the building differed from that proposed by the original applicant, and one where the owner suffered a long incapacitating illness. In 2016 one application (MA16-003) was withdrawn after submittal because the owner wanted to consider options that might be incompatible with a Mills Act preservation contract.

FISCAL IMPACT

Using the Mills Act Calculator spreadsheet on the City's website for a rough estimate, the recommended contracts for 2016 result in the following estimated tax reductions to applicants and revenue losses to the City. Based on Alameda County records and information from applicants, column 2 lists the current yearly property taxes on the property (MA16-005 was recently purchased so "current" taxes are based on reported sale price). Column 3 lists the *estimated* Mills Act property taxes, using a formula based on square footage and a hypothetical rent (\$1.25/square foot, when the calculator was designed in 2006-07). Column 4 lists the difference between the current property taxes and the estimated Mills Act calculated property taxes. The City receives approximately 27.28 percent of property taxes. Column 5 lists the estimated loss of property taxes to the City, 27.28 percent of the change in property taxes due

to the Mills Act calculation. Note that the Mills Act formula applies to the ad valorem property tax, not to any special assessments or other charges.

1 Mills Act Application Number	2 Current Property Taxes	3 Mills Act Taxes Based on Mills Act Calculator (Estimated)	4 Change in Taxes Current minus Mills Act Taxes (Estimated)	5 City Tax Revenue Loss, Year 1 (27.28% of Tax Change)
MA16-001	\$9,709	\$5,120	(\$4,589)	(\$1,252)
MA16-002	\$6,698	\$3,654	(\$3,045)	(\$831)
MA16-004	\$6,529	\$3,790	(\$2,738)	(\$747)
MA16-005	\$12,535	\$8,052	(\$4,482)	(\$1,223)
TOTAL <u>estimated</u> City tax revenue loss, year 1 (tax year 2017-18)				(\$4,053)

The estimated total loss of \$4,053* is well below the City tax revenue loss limit for new Mills Act contracts of \$25,000/year.

Past years' (2008-15) first-year revenue loss estimates for new contracts have ranged from \$1,885 in 2011 to \$10,740 in 2015. It is important to note that over time, improvements made under the work programs are expected to raise property values and make up for the initial losses, even at the lower Mills Act tax rate. Two recent Mills Act projects for large Central Business District properties (Cathedral Building, 1605-15 Broadway/1606-14 Telegraph, 2010; Girls Inc., 512 16th Street, 2011) provided almost immediate revenue gains to the City as these long-underutilized buildings were purchased, improved, and reassessed.

Since the Mills Act assessment formula is based on the income method of appraisal, the current spike in rental prices may mean that Mills Act savings, especially for owner-occupied homes, are proportionately less than in past years. According to staff at the Assessor's office, "higher rents will have an impact on Mills Act restricted assessments. The restricted [Mills Act] assessment this year will be calculated using market rent as of January 1, 2016. An increase in market rents would yield a higher restricted assessment." It is not possible to give exact values because assessment is done property by property, but applicants were advised to put a higher rent per square foot (e.g., \$2.25 vs \$1.25) into the calculator on the City website. Lower Mills Act savings for owners would, of course, also mean less revenue loss for the City.

** The online calculator which produced these estimates is an interactive spreadsheet based on the Mills Act formula for tax assessments, which uses a modified version of the income method of appraisal. It gives a rough estimate of potential tax savings. The City makes no warranties or representations about the accuracy of the calculator – it is an information tool that applicants may use at their sole risk, and does not replace legal counsel or a financial advisor. Actual tax reductions, if any, will be calculated by the County Assessor's Office after the Assessor has received the executed Mills Act contracts at the end of the calendar year.*

PUBLIC OUTREACH / INTEREST

A map at the end of **Attachment A** shows the location of Mills Act properties to date. The geographic distribution generally reflects the location of Oakland's oldest buildings and neighborhoods, and neighborhoods where property prices have risen fastest and the potential tax reductions are greatest. However, East Oakland is still underrepresented.

When the Mills Act program was initiated in 2006-07, staff mailed information to owners of approximately 10,000 designated or identified historic properties citywide and several hundred real estate brokers and agents. The West Oakland and Central City East Redevelopment Project Area Committees were vehicles for publicizing the program until the elimination of Redevelopment. Outreach now takes place primarily by staff in person when permit applicants, owners, and real estate agents contact the City.

The 2016 Mills Act applications were publicly presented and discussed at the Landmarks Board's regular meeting of July 11, 2016, at which time the Landmarks Board recommended that the City Council approve Mills Act contracts for all four applicants. The applications were presented at the July 20, 2016, regular public meeting of the Planning Commission, and the Commission voted unanimously to recommend all four applications to the City Council for 2016 Mills Act Property Tax Abatement Program contracts.

COORDINATION

This report and legislation have been reviewed by the Office of the City Attorney and the Controller's Bureau.

PAST PERFORMANCE, EVALUATION AND FOLLOW-UP

The Mills Act agreement provides for periodic inspections to determine owners' compliance with the terms of the agreement and progress on the work program. In the eight years of Oakland's program, Mills Act participants have corrected deferred maintenance, reversed inappropriate modernizations, stabilized roofs and foundations, and carried out full-scale adaptive reuse projects. Staff has not made a systematic survey of whether the tax savings have met participants' expectations, but there have been no complaints.

SUSTAINABLE OPPORTUNITIES

Economic: Historic preservation or rehabilitation is labor intensive and will provide opportunities for professional services and construction related jobs for the Oakland community, involving specialty trades, craftspeople, products, and suppliers. By having additional tax savings to invest in rehabilitation work, the Mills Act properties provide opportunities for this sector of the construction industry.

Preservation and rehabilitation will increase the property value for each Mills Act participant. While tax revenue losses to the City are minimal, it has been shown in other California cities that Mills Act properties act as catalysts for revitalization in the surrounding neighborhood. Over time, neighborhood property values will increase and tax revenues will follow.

Environmental: Historic preservation or rehabilitation conserves materials and energy embodied in existing building stock, and in a broader sense sets an example for rejecting the throw-away economy.

Social Equity: Historic preservation and rehabilitation assist in the revitalization of Oakland's historic buildings and neighborhoods citywide. Applicants come from all areas of the City, and each single project acts as a catalyst for revitalization of its neighborhood, as Mills Act participants set an example by maintaining and restoring properties.

Historic buildings reinforce a community's connection to its past and place, and revitalization of these historic properties will engender pride of neighborhood and community. Older buildings typically provide affordable housing and commercial space. The relatively small tax savings under the Mills Act allow property owners of modest means to carry out work in ways that are historically appropriate rather than merely affordable.

CEQA

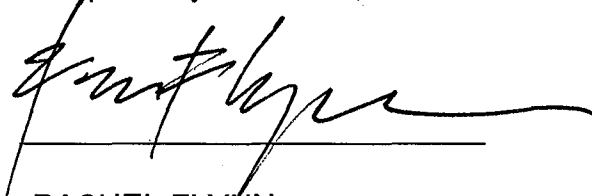
Exempt, Section 15331 of the State CEQA (California Environmental Quality Act) Guidelines, Historical Resource Restoration/ Rehabilitation; Section 15183, Projects consistent with the General Plan or Zoning.

ACTION REQUESTED OF THE CITY COUNCIL

Adopt A Resolution, As Recommended By The Landmarks Preservation Advisory Board, Approving Four (4) Mills Act Contracts Between The City Of Oakland And The Properties At 523 41st Street (Estimated \$4,589/Year Property Tax Reduction), 1824 Myrtle Street (Estimated \$3,045/Year Property Tax Reduction), 1733 10th Street (Estimated \$2,738/Year Property Tax Reduction), And 1506 Linden Street (Estimated \$4,482/Year Property Tax Reduction), 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.

For questions regarding this report, please contact BETTY MARVIN, HISTORIC PRESERVATION PLANNER, at (510) 238-6879.

Respectfully submitted,



RACHEL FLYNN
Director, Department of Planning and Building

Prepared by:
Betty Marvin, Historic Preservation Planner
Bureau of Planning

Attachments (3):

- A: July 11, 2016, Landmarks Preservation Advisory Board Staff Report – please note that item MA16-003: 369 MacArthur Blvd. was subsequently withdrawn by the applicant*
- B. Ordinance establishing permanent Mills Act Program (Ordinance No. 12987 C.M.S.)*
- C: Model Mills Act Agreement – this agreement, along with the “Preservation Work Program and Timeline” (page 2 of the individual Mills Act Application), is recorded on the title to each participating property.*

Proposal:	Mills Act Contract Application Selection: Recommendations for 2016 Mills Act Program Contracts 1) MA16-001: 523 41st Street (APN 012-1012-055-00); City Council District 1 - Kalb 2) MA16-002: 1824 Myrtle Street (APN 005-0410-020-00) City Council District 3 – Gibson McElhaney 3) MA16-003: 369 MacArthur Blvd. (APN 001-0785-021-02); City Council District 3 – Gibson McElhaney 4) MA16-004: 1733 10th Street (APN 006-0023-006-00); City Council District 3 – Gibson McElhaney 5) MA16-005: 1506 Linden Street (APN 005-0381-024-00); City Council District 3 – Gibson McElhaney
Environmental Determination:	Exempt, Section 15331 of the State CEQA Guidelines, Historical Resource Restoration/Rehabilitation; Section 15183 Projects consistent with the General Plan or Zoning
Service Delivery District:	Citywide program; applications from 1, 2, & Metro this year
City Council District:	Citywide program; applications from Districts 1 and 3 this year
Action to be taken:	Discuss and select applications to recommend for 2016 Mills Act contracts. Forward to Planning Commission as informational item. Forward recommendations to City Council.
For Further Information:	Contact Betty Marvin (510) 238-6879 , bmarvin@oaklandnet.com

BACKGROUND

The Mills Act is a California state law passed in 1972 that allows a potential property tax reduction for historic properties, using an alternate appraisal formula. The state law establishes certain other parameters such the ten-year perpetually renewing contract term and penalties for non-fulfillment of the contract. Local governments (city or county) that elect to participate design other aspects of their own programs, such as eligibility and work program requirements. Oakland requires that the property have local historic designation (Landmark, Heritage Property, S-7, or S-20) and commit to spending the amount of the tax savings on eligible improvements that restore or maintain the historic exterior character of the building or its structural integrity.

A two-year pilot Mills Act property tax abatement program was adopted by City Council in November 2006. In 2009 the City Council expanded the program and made it permanent. Currently there are 41 Mills Act Contracts (2008 through 2015; map, Attachment 8) recorded with the County of Alameda. Under the current ordinance, the program limits impacts on City revenue to \$25,000/year in new contracts, with the exception of the Central Business District. In the Central Business District, the program limits impacts to \$100,000/building/year with a cumulative limit of \$250,000/year. Tax losses may exceed the above limits by act of the City Council.

Any property entering into a Mills Act contract with the City must be on the Local Register of Historical Resources. The Local Register is an umbrella category for the most significant historic resources in Oakland, whether designated by the Landmarks Board or identified by the Survey. It includes buildings with Oakland Cultural Heritage Survey ratings of 'A' or 'B', buildings in Areas of Primary Importance, and Designated Historic Properties (DHPs: Landmarks, Heritage Properties, Preservation Study List

properties, and properties in S-7 and S-20 districts). Properties not already formally designated by the Landmarks Board must obtain Heritage Property or other designation.

INTRODUCTION

2016 Mills Act Applications

Mills Act applications are accepted through May of each year, to allow time for processing by the City and recording with the County by December 31. Five Mills Act applications have been submitted this year and are before the Landmarks Preservation Advisory Board for review, representing the West Oakland, Adams Point, and Temescal neighborhoods. One is already a contributor to a designated S-20 district and four are recommended for Heritage Property designation at this meeting.

Historic Preservation Staff Review

Selection criteria for Mills Act applications were developed by a Landmarks Board subcommittee and adopted by the Board during the first year of the Mills Act pilot program, to screen and rank applications, especially where there were more applicants than could be accommodated. Evaluation focuses on:

- significance of the property;
- immediate necessity of the work to prevent further deterioration;
- scope of the work in relation to the estimated tax reduction;
- visibility of the work proposed, to act as a catalyst for neighborhood revitalization;
- neighborhood diversity, to spread the program to as many neighborhoods as possible;
- building type diversity, to illustrate use of the Mills Act for different types of properties;
- thoroughness of the application above and beyond being minimally complete.

Staff is recommending selection of all five 2016 Mills Act contract applications, as satisfying the applicable criteria.

FINANCIAL IMPACTS - 2016 Mills Act Applications

The Mills Act calculator on the City website indicates estimated tax outcomes (table below). Based on Alameda County records and information from applicants, column 2 lists the current yearly property taxes on the property. Column 3 lists the *estimated* Mills Act property taxes, using a formula based on square footage and hypothetical rent (\$1.25/square foot). Column 4 lists the difference between the current property taxes and the *estimated* Mills Act calculated property taxes. The City receives approximately 27.28% of property taxes. Column 5 lists the estimated loss of property taxes to the City, 27.28% of the change in property taxes due to the Mills Act calculation. Note that the Mills Act formula applies to the ad valorem property tax, not to any special assessments or other charges.

1 Mills Act Application Number	2 Current Property Taxes	3 Mills Act Taxes Based on Mills Act Calculator (Estimated)	4 Change in Taxes (Current – Mills Act Estimated)	5 City Tax Revenue Loss (27.28% of Tax Change) – Year 1
MA16-001	\$9,709	\$5,120	(\$4,589)	(\$1,252)
MA16-002	\$6,698	\$3,654	(\$3,045)	(\$831)
MA16-003	\$5,223	\$3,886	(\$1,336)	(\$364)
MA16-004	\$6,529	\$3,790	(\$2,738)	(\$747)
MA16-005	\$12,535	\$8,052	(\$4,482)	(\$1,223)
TOTAL <u>estimated</u> City tax revenue loss, year 1 (tax year 2017-18)				(\$4,417)

A loss of \$4,417 is well below the City tax revenue loss limit for new Mills Act contracts of \$25,000/year. Properties MA16-003 and MA00-005 were recently purchased so “current” taxes in the table are estimates based on reported sale prices.

Because the Mills Act assessment formula is based on the income method of appraisal, the current spike in rental prices may mean that Mills Act savings, especially for owner-occupied homes, are proportionately less than in past years. According to staff at the Assessor’s office, “higher rents will have an impact on Mills Act restricted assessments. The restricted [Mills Act] assessment this year will be calculated using market rent as of January 1, 2016. An increase in market rents would yield a higher restricted assessment.” It is not possible to give exact values because assessment is done property by property, but applicants were advised to put a higher rent per square foot (\$2.25 vs \$1.25) into the calculator on the City website. Lower Mills Act savings for owners would, of course, also mean less revenue loss for the City.

The online calculator which produced these estimates is an interactive spreadsheet based on the Mills Act formula for tax assessments, which uses a modified version of the income approach to appraisal. It gives a rough estimate of potential tax savings. The City makes no warranties or representations about the accuracy of the calculator – it is an information tool that applicants may use at their sole risk, and does not replace legal counsel or a financial advisor. Actual tax reductions, if any, will be calculated by the County Assessor’s Office after the Assessor has received the executed Mills Act contracts at the end of the calendar year.

Next Steps

Following the Landmarks Board’s recommendation at this meeting, the selected Mills Act applications and Board recommendations will be presented to the Planning Commission as an information item, to City Attorney and Budget for review, to City Council for a resolution authorizing the contracts, and to the City Administrator’s office for review and signatures. After contract execution by the City and the applicants, contracts must be recorded with the County by the end of the calendar year. Heritage Property applications for the four properties that are not already designated are being reviewed by the Landmarks Board at this meeting. Staff has reviewed the applications and preliminarily determined that the properties are all eligible for Heritage Property designation and Mills Act participation.

MILLS ACT CONTRACT APPLICATIONS

- 1. **MA16-001: 523 41st Street (see Attachment 1)
Hoffschneider (George E.) house**



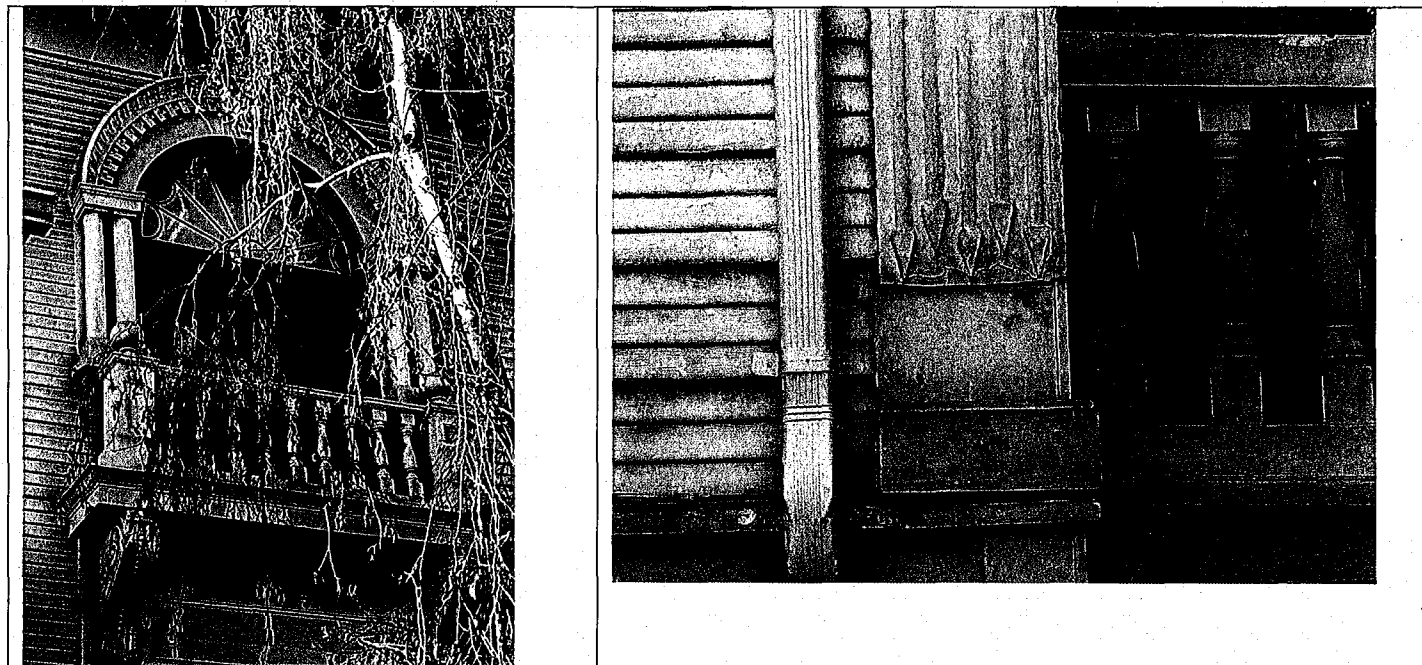
Heritage Property Eligibility Rating: B (32 points)

OCHS Rating: Preliminary (field) survey rating C3 (C= secondary importance or superior example; not in an identified district)

Significance: 523 41st Street is a two-story house with elaborate Colonial Revival detailing. It was built under permit #14512, dated November 27, 1908, owner George E. Hoffschneider, builder Nathan Brown, and architect J. C. Newsom, reported construction cost \$2700. As the Newsom Brothers, members of a long-standing Oakland architectural dynasty, Joseph Cather Newsom (1857-1930) and his brother Samuel (1848-1908) are best known for some of the most extravagant Victorians in California, typified by the Carson Mansion in Eureka, and for their famous series of “Picturesque California Homes” pattern books. The Hoffschneider house is a fine example of Newsom’s work in the East Bay residential building boom after the 1906 earthquake. The “streetcar suburbs” of North Oakland and the inner Lake Merritt neighborhoods developed rapidly with new homes for both San Francisco refugees and longtime Oaklanders moving up from old neighborhoods. Hoffschneider, an electrotypist, who owned the house from 1908 to 1935, was first of a series of long-term owners. With details like Palladian windows, clustered columns, and prow bay, this house stands out from the more generic builder-designed and pattern-book Colonials that line the transit streets of north Oakland. Joseph does not seem to have published additional pattern books in the post-Earthquake era. His Oakland houses of the period include the steep-gabled 380 Staten and extravagant Craftsman-eclectic 360 Bellevue in Adams Point, both built in 1908.

Work Program (see Attachment 1):

- repair double-hung windows
- where repair is not possible, install custom-made double-hung windows
- paint the house's exterior white,
- repair the neo-classical details (eaves, fascia, dentil accents, arrows, etc.)
- install more period-appropriate front stairs that repeat existing balusters.



Application Strengths:

- significant property by major California architect
- catalyst for neighborhood work
- large-scale maintenance
- well-planned work program with detailed estimates
- neighborhood diversity – 2nd participant in Telegraph/MacArthur area.

2. **MA16-002: 1824 Myrtle Street (see Attachment 2)**
Smilie (Robert) – Gohrman (Emma) house



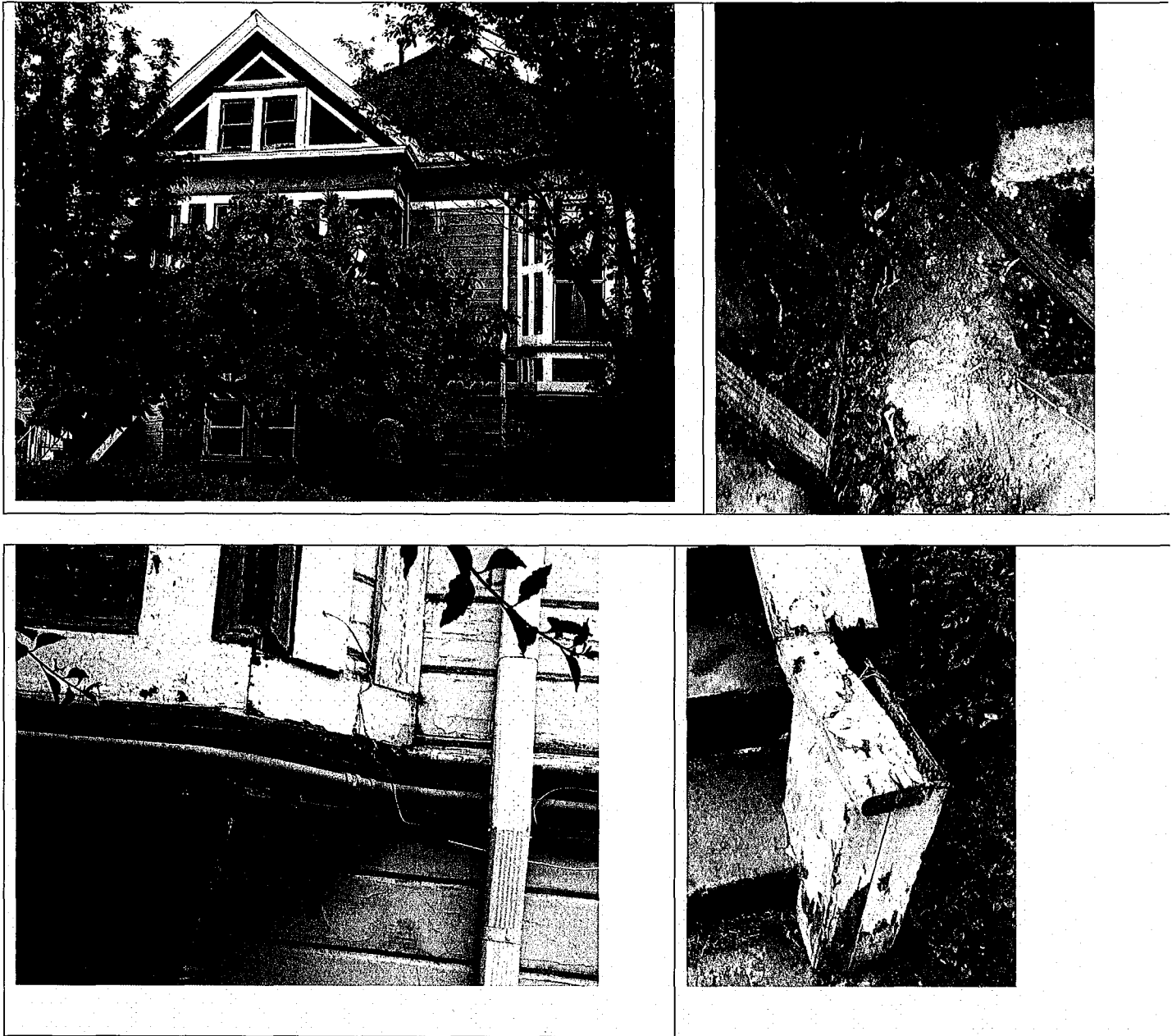
Heritage Property Eligibility Rating: B (26 points); API contributor

OCHS Rating: Oak Center intensive survey rating (1991) Cb1+ (C = secondary importance or superior example, b = potentially major importance; 1+, contributor to survey-identified Area of Primary Importance, Oak Center)

Significance: 1824 Myrtle Street was built in 1889 by Robert Smilie, a well-known Bay Area contractor who very likely also designed the house. It is a large raised-basement Queen Anne cottage distinguished by a complex hip and gable roof and a corner turret. It is a good representative of the medium-large houses built in this west-central Oakland neighborhood in the late 19th century for generally prosperous business and professional residents. Identified residents of 1824 include Walter Dimmick, listed as a commission merchant in San Francisco and later as a clerk at the US Mint. His household in 1900 included his wife Fannie, a daughter, and a female servant. By 1910 the resident and owner was Emma Gohrman, widow of a deputy superintendent of streets, with two adult daughters. This block of Myrtle Street is historically part of the same neighborhood as the Oak Center S-20 historic district south of 18th Street, but it was not included in the Oak Center Redevelopment Area and therefore not in the district designation. Several fine houses on this block are still awaiting rehabilitation.

Work Program (see Attachment 2):

- repair and paint exterior woodwork
- new roof, including all gutters and downspouts
- foundation work
- repair/replace windows where needed



Application Strengths:

- correcting deferred maintenance
- opportunity as neighborhood catalyst on “orphan” block north of designated Oak Center S-20/ Redevelopment district
- 11th Mills Act project in West Oakland, area targeted in original design of Mills Act program

3. **MA16-003: 369 MacArthur Blvd., Lemos (Frank & Mary) house** (see Attachment 3)



Heritage Property Eligibility Rating: B (26.5 points)

OCHS Rating: Adams Point intensive survey rating (1986) Cb2+ (C= secondary importance or superior example, potentially B; 2+, contributes to a secondary district)

Significance: 369 MacArthur Blvd is a distinctive craftsman house in Adams Point, distinguished by patterned shingles, a flared gable roof, full width front porch, ornamental sash, and overall elegantly rustic character. It was built under permit #19091, dated April 1, 1910, owner Mrs. Mary Lemos, builder J. F. Gunn. Mary Lemos was the wife of Frank I. Lemos, a Portuguese-born shoemaker, and mother of artists Frank B., Pedro, and John. In various years Frank B., Pedro, and John were listed as Lemos Bros. Artists & Engravers (1909) and Lemos Illustrating Co. (1907). Pedro (1882-1954) later went on to be the director of the Stanford Art Museum.

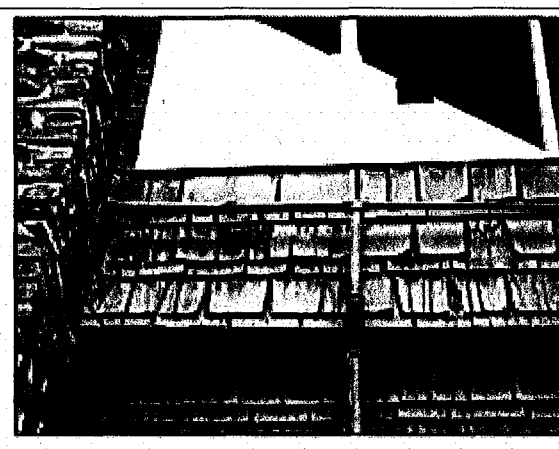
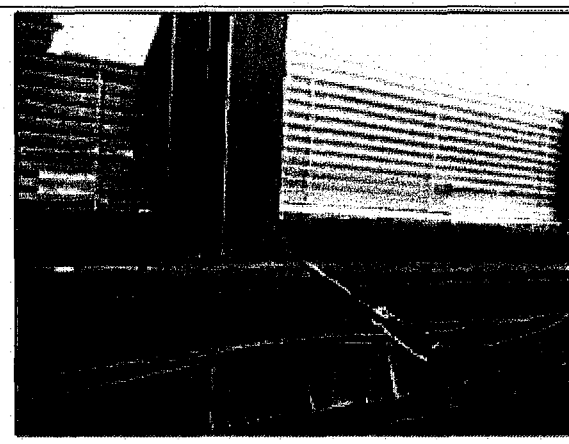
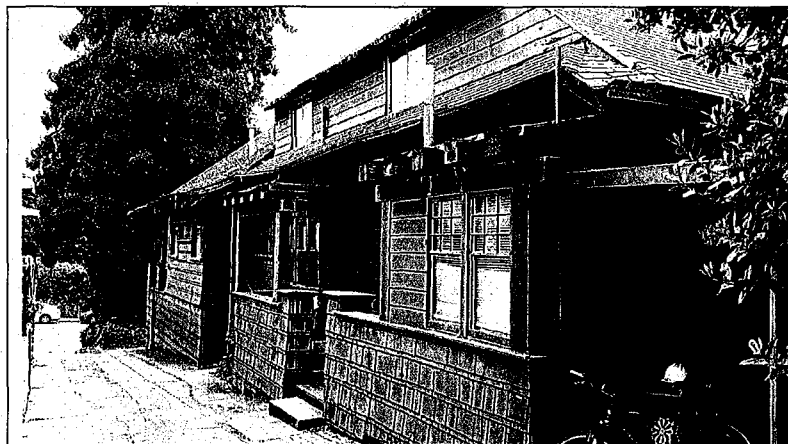
Builder J. Frank Gunn built at least three other houses in Adams Point, all with no architect named. Adams Point on Lake Merritt, opened to development after the 1906 earthquake, retains many fine one-of-a-kind homes by leading early 20th century architects including Julia Morgan, Bakewell & Brown, J. Cather Newsom, and A.W. Smith, but builders like Gunn also contributed notably to the neighborhood character. In the applicant's words, "the house is a quintessential Oakland craftsman. It has great detail and wonderful character, a piece of history and an example great craftsmanship."

Work Program (see Attachment 3):

- foundation and seismic bracing
- repair roof and gutters
- repair or replace shingles, matching original pattern
- repair/replace other deteriorated woodwork
- windows - repair or replace to original design, improving energy and noise
- site work on steep lot

Application Strengths:

- stabilization – major foundation work
- prominent location, neighborhood catalyst
- correcting massive deferred maintenance



Discussion / Recommendations: The work program submitted with this application in May only addresses restoration of the original house. However, the applicant has also informally discussed with staff a proposal to lift the house over parking and add substantially at the rear to create several additional dwelling units. While such a proposal cannot be definitely ruled out in the abstract, any major remodeling and expansion would need to be carefully designed and reviewed to avoid disqualifying the building from Heritage Property and Mills Act eligibility.

Since the development concept is still in flux, staff has suggested holding off on Mills and Heritage applications until next year and/or including a work program item committing to work with a preservation architect to design an *approvable* addition (which may not be as ambitious as the applicant desires). Staff will continue to discuss with the applicant, and to reiterate the consequences of adverse effect on a Designated Historic Property and/or non-compliance with a Mills Act contract. An oral report will be provided at the July 13 meeting.

A decision on actually signing and recording the Mills Act contract does not need to be made until the end of the calendar year, and work programs often continue to be refined after Landmarks review. However, Heritage Property designation will be determined at the July 13 Landmarks Board meeting, and both Board and applicant need to determine whether they are comfortable proceeding with an application that has so much unknown.

4. **MA16-004: 1733 10th Street** (see Attachment 4)
Johnson (Thomas)-Beretta (G.) house



Heritage Property Eligibility Rating: B (24 points); API contributor

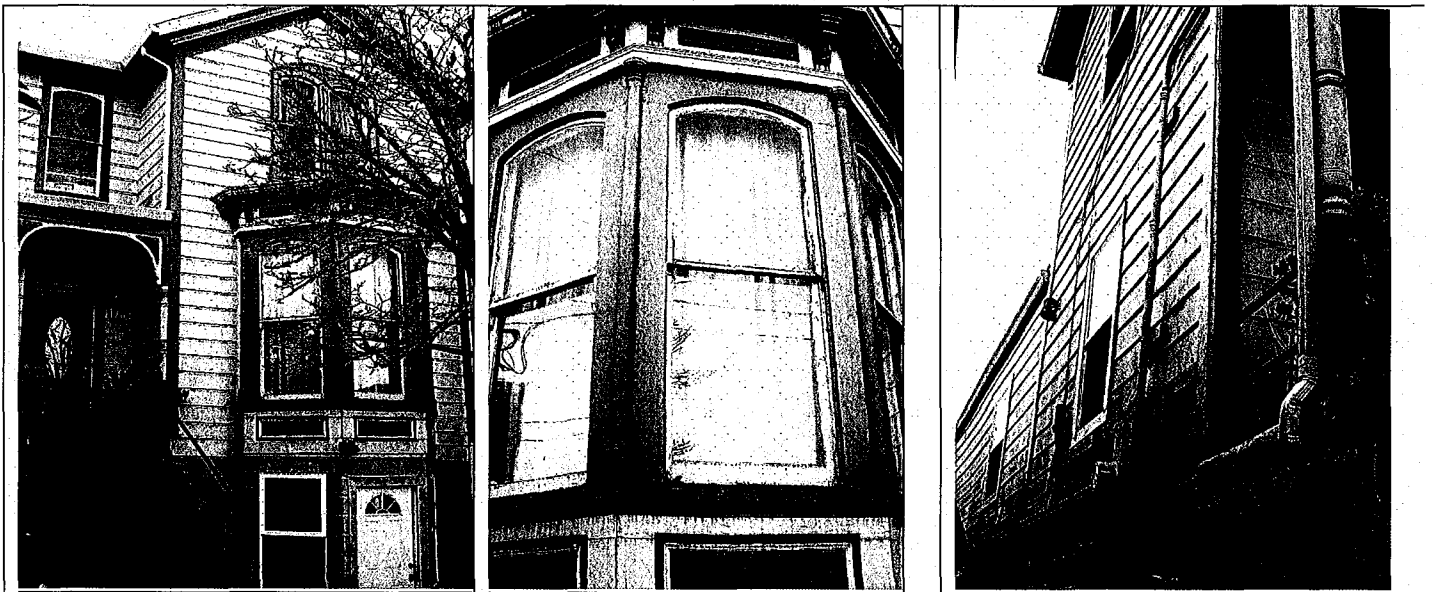
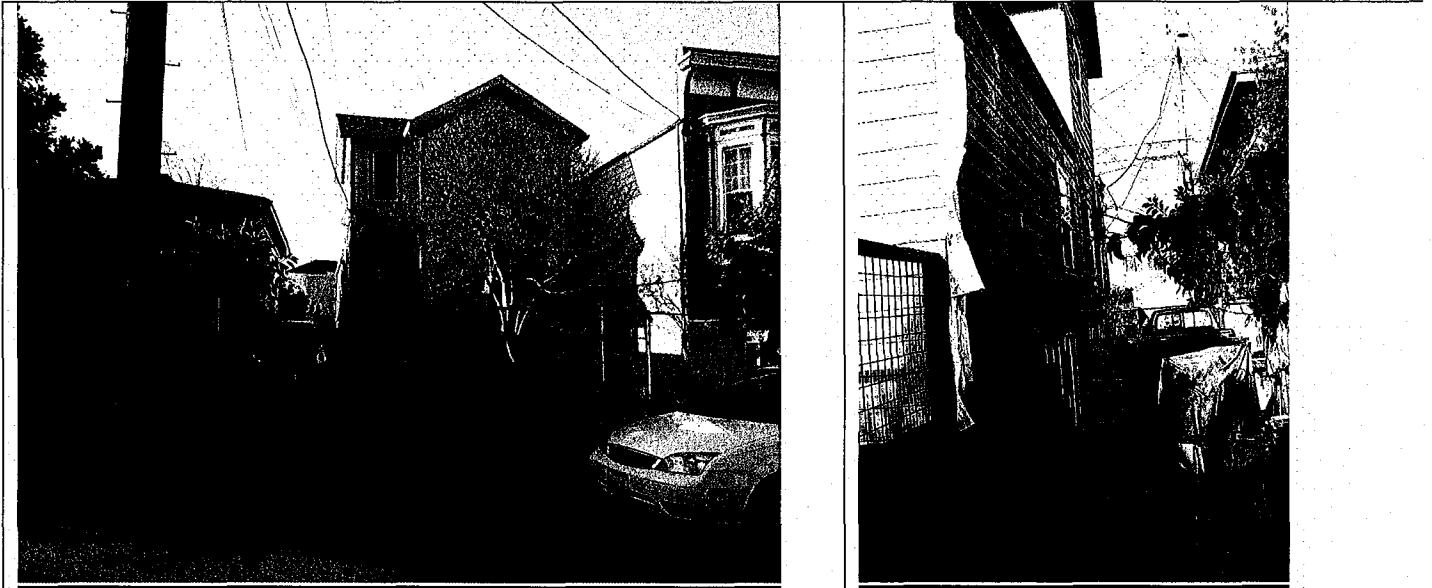
OCHS Rating: West Oakland intensive survey rating (1988) B1+ (B= major importance; 1+, contributor to an Area of Primary Importance, Oakland Point API)

Significance: 1733 10th Street is a contributor to the Oakland Point District, today's Prescott neighborhood of over 800 19th century homes, which was formally determined eligible for the National Register in 1991. Oakland Point's very earliest houses are clustered at this far west end of the district, close to the railroad yards and the ferry. Early owners and residents of 1733 10th Street, both railroad workers and San Francisco commuters, reflect the transportation-related history of the neighborhood. The neighborhood developed rapidly from the 1870s when the Southern Pacific yards and shops became a major employer at the West Oakland terminus of the transcontinental railroad.

From 1868-69 to 1873-74 this parcel was owned and occupied by Thomas and Margaret Johnson, starting with a tiny \$400 improvement which was assessed at \$2000 by 1873-74. It is possible that Johnson, who was a carpenter, himself built and then either enlarged or replaced the c.1869 house. The 1878-79 city directory alludes to houses that grew in phases: "...many of these consist of only a beginning of a house or rear part, as hundreds who have purchased lots for homestead purposes are not at once able to build a house complete, but are anxious to secure the use of their lot and to save rents. All this indicates thrift and a permanent accession to the bone and sinew of the country in the most desirable shape – that of property-owners." The appearance of the house confirms a date in the early 1870s, with the low-pitched gables and low-hanging eaves, the absence of elaborate Italianate ornament, and the unusual detailing of the upstairs front windows. Several comparable early-1870s houses can be seen on the 1750-block of 8th Street, including the landmark Captain Shorey house.

Work Program (see Attachment 4):

- foundation, plumbing, and electrical upgrades
- remove exterior clutter of defunct electrical and plumbing lines
- repair siding and trim, prepare and paint exterior
- repair or replicate original windows, and replace inappropriate sash
- repair stairs and install a more Victorian style railing



Application Strengths:

- maintenance of vulnerable wooden house components
- catalyst for neighborhood and block improvement
- 12th Mills Act project in West Oakland (and second in Prescott), area targeted in original design of Mills Act program

**5. MA16-005: 1506 Linden Street (see Attachment 4)
Strong (Theodore) – Russell (John) house**



Landmark/Heritage Property Eligibility Rating: Designated S-20 District Contributor (Oak Center)

OCHS Rating: West Oakland intensive survey rating (1992) Cb1+ (C = secondary importance, b=Major Importance if restored; 1+, contributor to Area of Primary Importance, Oak Center district)

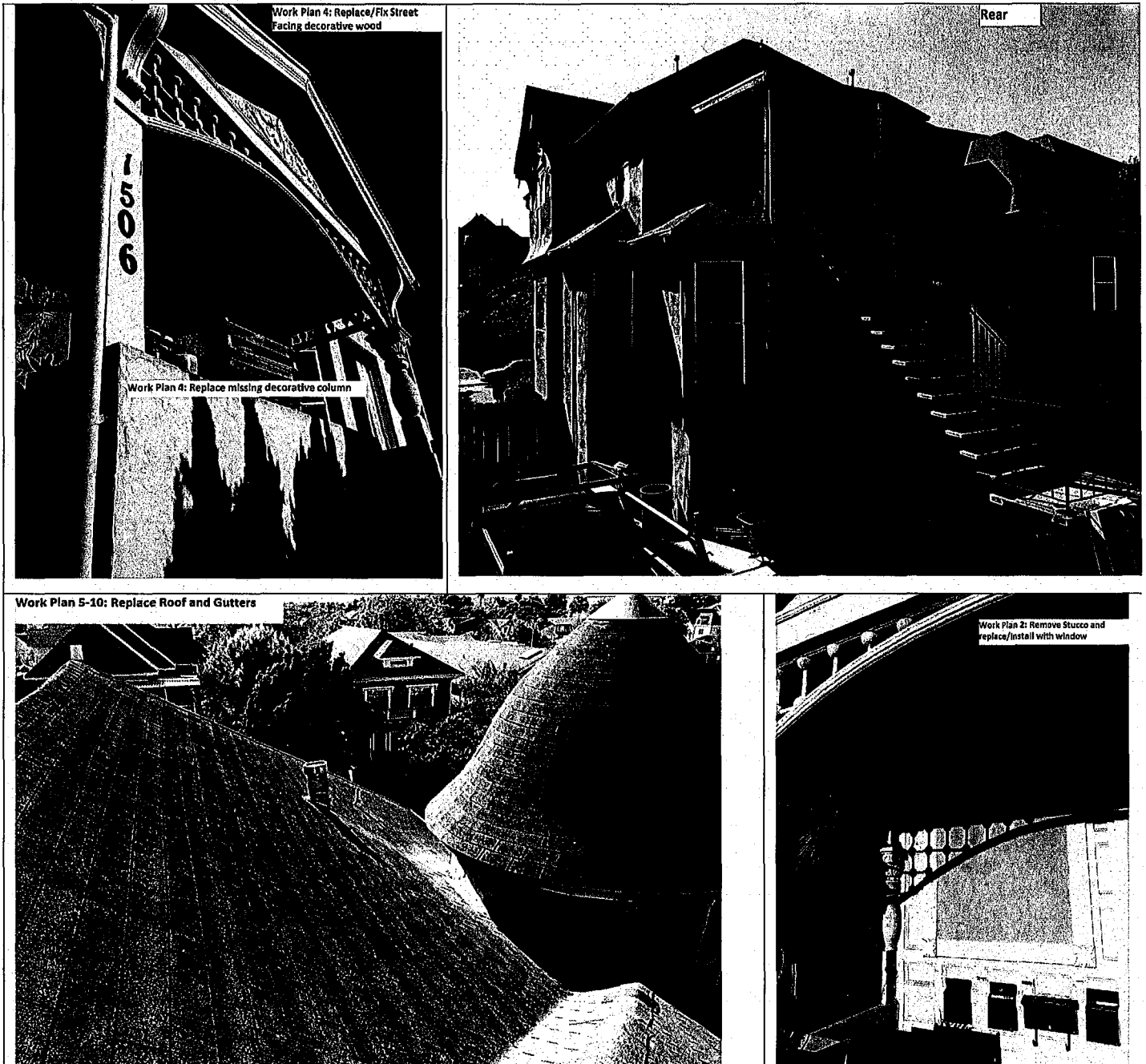
Significance: This large, elaborate, and prominently sited Queen Anne house was built in 1890 by contractor D.C Scanlan; the contract notice does not name an architect. The original owner and resident was Theodore Strong, in the insurance business, and by the 1910s-20s it was the home of John Russell, a hay and grain dealer, both representative of the prosperous business people who developed and lived in what is now known as Oak Center. The house has suffered from deferred maintenance as well as heavy-handed 20th century rehabilitation in the form of overall stucco cladding and removal of some of the ornamental woodwork. Despite alterations, its tower, arched window, and commanding presence make it a prominent contributor to the district. Neither “before” photos nor twin houses have yet come to light. A Mills Act contract can assist with at least partial restoration.

Work Program (see Attachment 5):

- repair roof and gutters
- restore stuccoed-over window at front porch
- repair exterior architectural details

Recommended:

- restore window sash and doors
- selective stucco removal



Application Strengths:

- contributor to designated S-20 historic district
- visibility of work – prominent location, potential neighborhood catalyst
- reversing previous inappropriate alterations
- stabilization – roof and gutter work

Recommendation: Investigate at least partial removal of stucco in addition to opening of window on porch (Item # 2). Include in work program exploratory stucco removal and consultation with restoration architect and/or contractor on feasibility and strategy; talk to homeowners who have removed stucco or other non-original cladding.

RECOMMENDED CONDITIONS, ALL PROPERTIES

The Secretary of the Interior's Standards for Rehabilitation (Attachment 6) are incorporated as conditions in the Mills Act contract, and will apply whenever work is submitted for permits to carry out work program items. Especially in regard to windows, a significant item in all the proposed work programs, attention is called to Standards 5 and 6:

5. **Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a property shall be preserved.**
6. **Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and, where possible, materials. Replacement of missing features shall be substantiated by documentary and physical evidence.**

The Model Mills Act Agreement (9 pages, Attachment 7) spells out obligations and procedures: “...Both Owner and City desire to enter into an Agreement to preserve the Property so as to retain its characteristics of cultural, historical and architectural significance and to qualify the Property of an assessment of valuation pursuant to Section 1161 of the Revenue and Taxation code of the State of California.

.....

4) Preservation/rehabilitation and Maintenance of Property (California

Government Code Section 50281(b)1) During the term of this Agreement, the Property shall be subject to the following conditions, requirements and restrictions:

a. Owner(s) agree to preserve/rehabilitate and maintain cultural, historical and architectural characteristics of the Property during the term of this Agreement as set forth in the attached schedule of improvements, which has been reviewed by the Landmarks Preservation Advisory Board and approved by the City Council.... No demolition or other work may occur which would adversely impact the cultural, historical and architectural characteristics of the Property during the term of this Agreement.

b. All work on the Property shall meet, at a minimum, the Secretary of Interior's Standards for Rehabilitation of Historic Properties, the Office of Historic Preservation of the Department of Parks and Recreation ..., the Minimum Property Maintenance conditions ... the State Historical Building code as determined as applicable by the City of Oakland and all required review and conditions of the Landmarks Preservation Advisory Board, the Planning Commission, the City Council, and/or the Community and Economic Development Agency of the City of Oakland

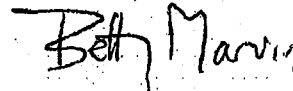
GEOGRAPHIC DISTRIBUTION

Attachment 8 is a map that illustrates geographic distribution of all 46 current and proposed Mills Acts properties. Three applications this year are from West Oakland, a target area from the start of Oakland's Mills Act program, and the other two are from nearby Temescal and Adams Point. Several promising inquiries were received from East Oakland, but none of those owners followed up with applications.

RECOMMENDATIONS

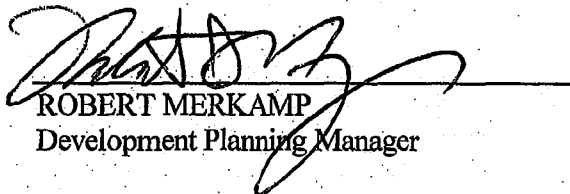
1. Receive any testimony from applicants and interested citizens;
2. Discuss recommendations on Mills Act contracts for 2016; and
3. Based on the above discussion:
 - a. Recommend all or selected applications to City Council for 2016 Mills Act contracts;
 - b. Forward the recommendations to the Planning Commission as an information item.

Prepared by:

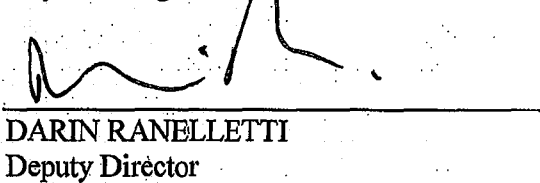
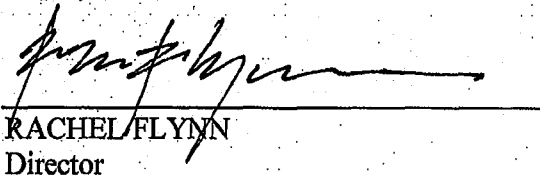


BETTY MARVIN
Historic Preservation Planner

Approved by:


ROBERT MERKAMP
Development Planning Manager

Approved for forwarding to the
City Planning Commission:


DARIN RANELLETTI
Deputy Director
RACHEL FLYNN
Director

Attachments:

1. Application, work program, and photos: MA16-001: **523 41st Street**
2. Application, work program, and photos: MA16-002: **1824 Myrtle Street**
3. Application, work program, and photos: MA16-003: **369 MacArthur Blvd.**
4. Application, work program, and photos: MA16-004: **1733 10th Street**
5. Application, work program, and photos: MA16-005: **1506 Linden Street**
6. Secretary of the Interior's Standards for Rehabilitation
- ~~7. Model Mills Act Agreement~~
8. Location map, 46 current and pending Mills Act properties, 2008-2016

MILLS ACT APPLICATION*

250 Frank H. Ogawa Plaza, Suite 2114, Oakland, CA 94612-2031

Phone: 510-238-3911 Fax: 510-238-4730

www.oaklandnet.com/historicpreservation

1. GENERAL INFORMATION

APPLICANT'S NAME: Thomas Kennedy Helm
PROPERTY ADDRESS: 523 41st Street, Oakland CA 94609
PROPERTY OWNER(S): Thomas Kennedy Helm, Geraldine Alcid, and Elizabeth Helm
PHONE: (Day) (415) 269-4739 (Evening) (415) 269-4739
EMAIL ADDRESS: tkhelm@gmail.com
ASSESSOR'S PARCEL NUMBER(S): 12-1012-55
YEAR OF PURCHASE: 2013 ASSESSED VALUE: \$729,000
EXISTING USE OF PROPERTY: Single-family home
LEGAL DESCRIPTION (From deed, please attach)

2. HISTORIC PROPERTY INFORMATION

HISTORIC/COMMON NAME (If any): Hoffschneider (George) house

CONSTRUCTION DATE: 1908

HISTORIC STATUS: Please contact Historic Preservation staff at (510)238-6879 or 238-3797 to confirm.

DESIGNATED HISTORIC RESOURCE:

- City of Oakland Landmark
- City of Oakland Heritage Property
- Contributes to a City of Oakland S-7 or S-20
Historic District

DATE OF DESIGNATION

LOCAL REGISTER OF HISTORIC RESOURCES**

- Listed on the National Register of Historic Places
- Building with an Oakland Cultural Heritage Survey
rating of 'A' or 'B'
- Potential Designated Historic Property located
in an Area of Primary Importance

- OTHER POTENTIAL DESIGNATED HISTORIC PROPERTY ****
field survey rating C3

* A Mills Act Property Tax Abatement Program for qualified historic properties, with the program impact on City revenues limited to \$25,000/year, and \$25,000/year in any single redevelopment area with a cumulative limit of \$250,000/year for all redevelopment areas with the exception of the Central Business District. In the Central Business District, there shall be a limit of the program impact on Redevelopment revenues to \$100,000/building/year with a cumulative limit of \$250,000/year. A Mills Act applicant whose estimated Property Tax loss exceeds the above limits may request special consideration by the City Council.

** Local Register and PDHPs must concurrently submit an Oakland Landmark, Heritage Property or S-7 Application Form.

ATTACHMENT 1

3. PRESERVATION WORK PROGRAM AND TIME LINE

Please list the improvements to take place over the next 10 years, in order of priority. Listed work should be limited to stabilization and/or maintenance of the historic structure or restoration and/or repair of exterior character defining features of the historic property. State the anticipated costs of the improvements, including but not limited to materials, labor, permits and fees. Anticipated construction must be equal to or greater than tax savings: see the Mills Act Property Tax Calculator on line at www.oaklandnet.com/historicpreservation for a rough estimate of potential property tax reduction.

PROPERTY ADDRESS: 523 41st Street

First, Wooden Windows will repair the double-hung windows and, where repair is not possible, install custom-made double-hung windows. One of the windows will incorporate the upper section of a stained-glass window that used to hang in the house, before it was damaged during a break-in. Wooden Windows' bid is \$16,888. After the window restoration work has concluded, Rayco, Inc. will paint the house's exterior white, repair the neo-classical details (eaves, fascia, dentil accents, arrows, etc.), and install more period-appropriate front stairs that will repeat the columns on the front porch's railing. Rayco's bid is \$38,248.00. The total cost is approximately \$55,136.00.

- | | | |
|-----------------------|--------------------------------|---|
| 1. Year: 2016 | Cost: <u>\$5,513.60</u> | Improvement: <u>Repairing and installing period-appropriate double-hung windows</u> |
| 2. Year: 2017 | Cost: <u>\$5,513.60</u> | <u>Repairing and installing period-appropriate double-hung windows</u> |
| 3. Year: 2018 | Cost: <u>\$5,513.60</u> | <u>Repairing and installing period-appropriate double-hung windows</u> |
| 4. Year: 2019 | Cost: <u>\$5,513.60</u> | Improvement:
<u>Painting exterior of house (white); repairing neo-classical details (eaves, fascia, dentil accents, etc.)</u> |
| 5. Year: 2020 | Cost: <u>\$5,513.60</u> | <u>Painting exterior of house (white); repairing neo-classical details (eaves, fascia, dentil accents, etc.)</u> |
| 6. Year: 2021 | Cost: <u>\$5,513.60</u> | <u>Painting exterior of house (white); repairing neo-classical details (eaves, fascia, dentil accents, etc.)</u> |
| 7. Year: 2022 | Cost: <u>\$5,513.60</u> | <u>Painting exterior of house (white); repairing neo-classical details (eaves, fascia, dentil accents, etc.)</u> |
| 8. Year: 2023 | Cost: <u>\$5,513.60</u> | <u>Painting exterior of house (white); repairing neo-classical details (eaves, fascia, dentil accents, etc.)</u> |
| 9. Year: 2024 | Cost: <u>\$5,513.60</u> | <u>Painting exterior of house (white); repairing neo-classical details (eaves, fascia, dentil accents, etc.)</u> |
| 10. Year: 2025 | Cost: <u>\$5,513.60</u> | <u>Painting exterior; repairing neo-classical details, etc.</u> |

Note: Each work item will require separate building and zoning review and approval prior to undertaking the actual work. Design Review fees are waived for Mills Act properties.

4. SUBMITTAL REQUIREMENTS

- Mills Act Application Form
 - This application form signed and completed. Original signatures or clear & legible copies are required. Electronic copy is appreciated.
- Assessor's Parcel Map
 - Available at the City of Oakland Engineering Services or zoning counters, or County Assessor's Office, 1221 Oak Street.
- Photographs
 - Photographs must be labeled, and printed or mounted on 8-1/2" x 11" paper.
 - Photographs must sufficiently illustrate the exterior, overall condition and historic character of the property, including historic features.
 - Photographs must be in color and include the existing structure as seen from across the street and from the front, side and rear property lines. Label each (e.g., front, side, rear, across the street).
 - Photographs must be in color and include detailed (i.e. close up) views of each of the listed areas in the proposed work program. Label each (e.g., Work Program Item #1, Work Program Item #2, etc.)
- Oakland Landmark, Heritage Property and S-7 Preservation Combining Zone Application
 - Required for properties that are not already designated as:
 - City of Oakland Landmark
 - City of Oakland Heritage Property
 - Contributor to a City of Oakland S-7 or S-20 Historic District
- Legal Description of the Property
 - Grant Deed
 - Legal Description
 - Assessor's Parcel Map
- Additional pages to describe the Work Program
 - As necessary
- Copy of Last Property Tax Bill
- Filing Fee -\$601.29 (verify at Zoning counter)
 - Fees are due at the time of application submittal.

5. SELECTION CRITERIA

The City has adopted a Mills Act Property Tax Abatement Program for qualified historic properties, with the program impact on City revenues limited to \$25,000/year, and \$25,000/year in any single redevelopment area with a cumulative limit of \$250,000/year for all redevelopment areas with the exception of the Central Business District. In the Central Business District, there shall be a limit of the program impact on Redevelopment revenues to \$100,000/building/year with a cumulative limit of \$250,000/year. Any Mills Act Program property applicant, who's estimated Property Tax loss exceeds the above limits, may request special consideration by the City Council. If applications exceed the limited dollar amounts, applications will be evaluated on the following criteria.

- The date the application is complete.
- The property is either currently a Designated Historic Property *or* the property is currently on the Local Register of Historic Resources or is a PDHP *and* an application has been submitted for Landmark or Heritage Property Designation.
- The property needs exterior work (e.g., stabilization, maintenance, reversal of inappropriate building modifications, etc.. The work program does **not** include interior work or additions) and whether the cost of the proposed exterior work is equal or greater than the potential reduction of property taxes.

- The proposed work program for maintenance, repair, rehabilitation and/or restoration has strong potential to act as a catalyst for neighborhood revitalization by:
 - Increasing architectural integrity;
 - Preserving neighborhood character; and
 - Conserving materials and energy embodied in existing building.
- Geographic Distribution:
 - A minimum total of six Mills Act Contracts will be awarded to properties in the West Oakland Redevelopment Area because Implementation of the Mills Act is a Mitigation Measure of the West Oakland Redevelopment Plan.
 - A minimum of six Mills Act Contracts will be awarded to properties in the Central City East Area because Implementation of the Mills Act is a Mitigation Measure of the Central City East Redevelopment Plan.
 - The property's location contributes to the goal of Mills Act Contract representation in neighborhoods throughout the City.
- The property's building type contributes to the goal of a variety of Mills Act Contract building types (e.g., residential, commercial and industrial buildings).

Please read and review (available on line at www.oaklandnet.com/historicpreservation):

- the Mills Act brochure;
- Mills Act (Sections 50280-90 of the California Government Code and Article 1.9, Sections 439 – 439.4 of the California Revenue and Taxation Code)
- the (MODEL) MILLS ACT AGREEMENT FOR PRESERVATION OF HISTORIC PROPERTY;
- Secretary of the Interior's Standards for Rehabilitation;
- Minimum Property Maintenance Standards; and
- Mills Act Property Tax Calculator (to calculate a rough estimate of the potential change in taxes).

Also available on line:

- Mills Act Application Form;
- Oakland Landmark, Heritage Property and S-7 Preservation Combining Zone Application;
- How to complete Oakland Landmark, Heritage Property and S-7 Preservation Combining Zone Application Form.

NOTICE: Each property owner should also consult legal counsel and/or a financial advisor concerning the advisability of entering into a Mills Act agreement, prior to completing and submitting this application. The City makes no warranties or representations about the accuracy or validity of the Mills Act Property Tax Calculator – it is merely an information tool that applicants may use (at their sole risk), which does not substitute/replace legal counsel or a financial advisor.

I hereby apply to be considered for a Mills Act agreement, have read and agree with the above documents, agree to execute the (Model) MILLS ACT AGREEMENT FOR PRESERVATION OF HISTORIC PROPERTY if selected for the program, and the information submitted is true and correct as of the date of application.



Owner's Signature

04/06/16

Date

APPLICATIONS ARE ACCEPTED AT THE ZONING COUNTER

250 Frank H. Ogawa Plaza, 2nd Floor, Oakland, CA 94612

Monday, Tuesday, Thursday & Friday: 8am-4pm; Wednesday: 9:30 – 4pm

MILLSACTAPPLICATION*

250 Frank H. Ogawa Plaza, Suite 2114, Oakland, CA 94612-2031

Phone: 510-238-3911 Fax: 510-238-4730

www.oaklandnet.com/historicpreservation

1. GENERAL INFORMATION

APPLICANT'S NAME: Qayyuma DiDomenico

PROPERTY ADDRESS: 1824 Myrtle Street

PROPERTY OWNER(S): Qayyuma and Joaquin DiDomenico

PHONE: (Day) 415-730-2919 **(Evening)**

EMAIL ADDRESS: Qayyuma@hotmail.com

ASSESSOR'S PARCEL NUMBER(S): 5-410-20-0

YEAR OF PURCHASE: 2015 **ASSESSED VALUE:** 510,000.00

EXISTING USE OF PROPERTY: residential

LEGAL DESCRIPTION (From deed, please attach)

2. HISTORIC PROPERTY INFORMATION

HISTORIC/Common Name (If any): Smilie (Robert) – Gohrman (Emma) House

CONSTRUCTION DATE: 1889

HISTORIC STATUS: Please contact Historic Preservation staff at (510)238-6879 or 238-3797 to confirm.

DESIGNATED HISTORIC RESOURCE:

DATE OF DESIGNATION

City of Oakland Landmark _____

City of Oakland Heritage Property _____

Contributes to a City of Oakland S-7 or S-20 Historic District _____

LOCAL REGISTER OF HISTORIC RESOURCES**

Listed on the National Register of Historic Places _____

Building with an Oakland Cultural Heritage Survey rating of 'A' or 'B'

X Potential Designated Historic Property located

in an Area of Primary Importance: The Oak Center District of West Oakland

OTHER POTENTIAL DESIGNATED HISTORIC PROPERTY**

*AMills Act Property Tax Abatement Program for qualified historic properties, with the program impact on City revenues limited to \$25,000/year, and \$25,000/year in any single redevelopment area with a cumulative limit of \$250,000/year for all redevelopment areas with the exception of the Central Business District. In the Central Business District, there shall be a limit of the program impact on Redevelopment revenues to \$100,000/building/year with a cumulative limit of \$250,000/year. A Mills Act applicant whose estimated Property Tax loss exceeds the above limits may request special consideration by the City Council.

** Local Register and PDHPs must concurrently submit an Oakland Landmark, Heritage Property or S-7 Preservation Combining Zone Application Form.

3. PRESERVATION WORK PROGRAM AND TIME LINE

Please list the improvements to take place over the next 10 years, in order of priority. Listed work should be limited to stabilization and/or maintenance of the historic structure or restoration and/or repair of exterior character defining features of the historic property. State the anticipated costs of the improvements, including but not limited to materials, labor, permits and fees. Anticipated construction must be equal to or greater than tax savings: see the Mills Act Property Tax Calculator on line at www.oaklandnet.com/historicpreservation for a rough estimate of potential property tax reduction. (Please attach additional pages to complete the below information.)

PROPERTY ADDRESS: 1824 Myrtle Street

- 1. Year: 2017 Cost: \$20,000.00 Improvement: New roof, including all gutters, downspouts and plywood.**
- 2. Year: 2018 Cost: continued from above Improvement: New roof**
- 3. Year: 2019 Cost: continued from above Improvement: New roof**
- 4. Year: 2020 Cost: \$18,000.00 Improvement: Restoration of exterior of the house. Scrape, sand, paint, and replace all damaged boards. Re-secure front railing, fix front stairs and side wall and foundation work under addition in the rear.**
- 5. Year: 2021 Cost: continued from above Improvement: Exterior restoration**
- 6. Year: 2022 Cost: continued from above Improvement: Exterior restoration**
- 7. Year: 2023 Cost: \$6,000.00 Improvement: Replace 3 aluminum windows with original wooden double hung windows, using tempered glass and original rope and cord pulley system.**
- 8. Year: 2024 Cost: \$6,000.00 Improvement: Replace 3 aluminum windows with original wooden double hung windows, using tempered glass and original rope and cord pulley system**
- 9. Year: 2025 Cost: \$6,000.00 Improvement: Replace 3 aluminum windows with original wooden double hung windows, using tempered glass and original rope and cord pulley system**
- 10. Year: 2026 Cost: \$6,000.00 Improvement: Replace 3 aluminum windows with original wooden double hung windows, using tempered glass and original rope and cord pulley system**

Note: Each work item will require separate building and zoning review and approval prior to undertaking the actual work. Design Review fees are waived for Mills Act properties.

4. SUBMITTAL REQUIREMENTS

- X Mills Act Application Form
 - This application form signed and completed. Original signatures or clear & legible copies are required. Electronic copy is appreciated.
- X Assessor's Parcel Map
 - Available at the City of Oakland Engineering Services or zoning counters, or County Assessor's Office, 1221 Oak Street.
- X Photographs
 - Photographs must be labeled, and printed or mounted on 8-1/2" x 11" paper.
 - Photographs must sufficiently illustrate the exterior, overall condition and historic character of the property, including historic features.
 - Photographs must be in color and include the existing structure as seen from across the street and from the front, side and rear property lines. Label each (e.g., front, side, rear, across the street).
 - Photographs must be in color and include detailed (i.e. close up) views of each of the listed areas in the proposed work program. Label each (e.g., Work Program Item #1, Work Program Item #2, etc.)
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 - Grant Deed
 - Legal Description
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 - Fees are due at the time of application submittal.

5. SELECTION CRITERIA

The City has adopted a Mills Act Property Tax Abatement Program for qualified historic properties, with the program impact on City revenues limited to \$25,000/year, and \$25,000/year in any single redevelopment area with a cumulative limit of \$250,000/year for all redevelopment areas with the exception of the Central Business District. In the Central Business District, there shall be a limit of the program impact on Redevelopment revenues to \$100,000/building/year with a cumulative limit of \$250,000/year. Any Mills Act Program property applicant, who's estimated Property Tax loss exceeds the above limits, may request special consideration by the City Council. If applications exceed the limited dollar amounts, applications will be evaluated on the following criteria.

- The date the application is complete.
 - The property is either currently a Designated Historic Property or the property is currently on the Local Register of Historic Resources or is a PDHP and an application has been submitted for Landmark or Heritage Property Designation.
 - The property needs exterior work (e.g., stabilization, maintenance, reversal of inappropriate building modifications, etc.). The work program does **not** include interior work or additions) and whether the cost of the proposed exterior work is equal or greater than the potential reduction of property taxes.
- The proposed work program for maintenance, repair, rehabilitation and/or restoration has strong potential to act as a catalyst for neighborhood revitalization by:
- Increasing architectural integrity;

- Preserving neighborhood character; and
- Conserving materials and energy embodied in existing building.
- Geographic Distribution:
 - A minimum total of six Mills Act Contracts will be awarded to properties in the West Oakland Redevelopment Area because Implementation of the Mills Act is a Mitigation Measure of the West Oakland Redevelopment Plan.
 - A minimum of six Mills Act Contracts will be awarded to properties in the Central City East Area because Implementation of the Mills Act is a Mitigation Measure of the Central City East Redevelopment Plan.
 - The property's location contributes to the goal of Mills Act Contract representation in neighborhoods throughout the City.
- The property's building type contributes to the goal of a variety of Mills Act Contract building types (e.g., residential, commercial and industrial buildings).

Please read and review (available on line at www.oaklandnet.com/historicpreservation):

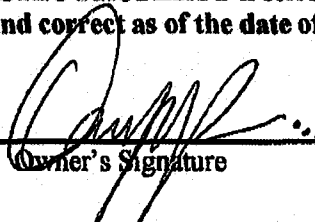
- the Mills Act brochure;
- Mills Act (Sections 50280-90 of the California Government Code and Article 1.9, Sections 439 – 439.4 of the California Revenue and Taxation Code)
- the (MODEL) MILLS ACT AGREEMENT FOR PRESERVATION OF HISTORIC PROPERTY;
- Secretary of the Interior's Standards for Rehabilitation;
- Minimum Property Maintenance Standards; and
- Mills Act Property Tax Calculator (to calculate a rough estimate of the potential change in taxes).

Also available on line:

- Mills Act Application Form;
- Oakland Landmark, Heritage Property and S-7 Preservation Combining Zone Application;
- How to complete Oakland Landmark, Heritage Property and S-7 Preservation Combining Zone Application Form.

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I hereby apply to be considered for a Mills Act agreement, have read and agree with the above documents, agree to execute the (Model) MILLS ACT AGREEMENT FOR PRESERVATION OF HISTORIC PROPERTY if selected for the program, and affirm that the information submitted is true and correct as of the date of application.



 Owner's Signature

5/26/2016

 Date

APPLICATIONS ARE ACCEPTED AT THE ZONING COUNTER

250 Frank H. Ogawa Plaza, 2nd Floor, Oakland, CA 94612
Monday, Tuesday, Thursday & Friday: 8am-4pm; Wednesday: 9:30 – 4pm



Image #1
Front view of 1824 Myrtle Street



Image #2
Front stair wall to be rebuilt
Years 2017-2019 of the work plan



Image #3
An example of the exterior Siding to be scraped,
sanded and painted (the whole house looks like this)
Years 2017-2019 of the work plan



Image #4
Exterior dry rot, refastening and replacement of
detailing (the whole house looks like this)
Years 2017-2019 of the work plan



Image #5
One of the 12 aluminum windows to be replaced by
original wooden windows
Years 2023-2026 of the work plan



Image #6
Back addition foundation to be installed
Years 2017-2019 of the work plan



Image #7
Roof, gutters, down spouts and plywood replacement
Years 2020-2022 of the work plan

(sorry couldn't get a good picture of the roof)

MILLS ACT APPLICATION*

250 Frank H. Ogawa Plaza, Suite 2114, Oakland, CA 94612-2031

Phone: 510-238-3911 Fax: 510-238-4730

www.oaklandnet.com/historicpreservation

1. GENERAL INFORMATION

APPLICANT'S NAME: Gene Gorelik and Jessica Sawczuk
PROPERTY ADDRESS: 369 MacArthur Blvd
PROPERTY OWNER(S): Oakland Redevelopment Group LLC
PHONE: (Day) 510-543-4972 (Evening) 510-393-0836
EMAIL ADDRESS: sawczuk.jessica@gmail.com or gorelik@gmail.com
ASSESSOR'S PARCEL NUMBER(S): 010-0785-021-02
YEAR OF PURCHASE: 2016 ASSESSED VALUE: \$500,000
EXISTING USE OF PROPERTY: Single Family home used as a triplex
LEGAL DESCRIPTION (From deed, please attach)

2. HISTORIC PROPERTY INFORMATION

HISTORIC/Common Name (if any): Lemos House

CONSTRUCTION DATE: 1910

HISTORIC STATUS: Please contact Historic Preservation staff at (510)238-6879 or 238-3797 to confirm.

DESIGNATED HISTORIC RESOURCE:	DATE OF DESIGNATION
<input type="checkbox"/> City of Oakland Landmark	_____
<input type="checkbox"/> City of Oakland Heritage Property	_____
<input type="checkbox"/> Contributes to a City of Oakland S-7 or S-20 Historic District	_____

LOCAL REGISTER OF HISTORIC RESOURCES**	
<input type="checkbox"/> Listed on the National Register of Historic Places	<u>OCHS Cb-2+</u>
<input type="checkbox"/> Building with an Oakland Cultural Heritage Survey rating of 'A' or 'B'	<u>1996</u>
<input type="checkbox"/> Potential Designated Historic Property located in an Area of Primary Importance	

OTHER POTENTIAL DESIGNATED HISTORIC PROPERTY **

*A Mills Act Property Tax Abatement Program for qualified historic properties, with the program impact on City revenues limited to \$25,000/year, and \$25,000/year in any single redevelopment area with a cumulative limit of \$250,000/year for all redevelopment areas with the exception of the Central Business District. In the Central Business District, there shall be a limit of the program impact on Redevelopment revenues to \$100,000/building/year with a cumulative limit of \$250,000/year. A Mills Act applicant whose estimated Property Tax loss exceeds the above limits may request special consideration by the City Council.

** Local Register and PDHPs must concurrently submit an Oakland Landmark, Heritage Property or S-7 Preservation Combining Zone Application Form.

3. PRESERVATION WORK PROGRAM AND TIME LINE

Please list the improvements to take place over the next 10 years, in order of priority. Listed work should be limited to stabilization and/or maintenance of the historic structure or restoration and/or repair of exterior character defining features of the historic property. State the anticipated costs of the improvements, including but not limited to materials, labor, permits and fees. Anticipated construction must be equal to or greater than tax savings: see the Mills Act Property Tax Calculator on line at www.oaklandnet.com/historicpreservation for a rough estimate of potential property tax reduction. (Please attach additional pages to complete the below information.)

PROPERTY ADDRESS: 369 MacArthur Blvd

1. Year: 2017 Cost: \$25,000 Improvement: Replace the right side foundation

2. Year: 2018 Cost: \$25,000 Improvement: Replace the left side foundation

3. Year: 2019 Cost: \$25,000 Improvement: Replace the front and rear foundation

4. Year: 2020 Cost: \$25,000 Improvement: Bolt, add shear walls, posts as necessary, and Simpson ties to foundation for earthquake retrofit. _____
5. Year: 2021 Cost: \$25,000 Improvement: Repair or Replace all existing windows with double pane energy/sound efficient windows of same/original design _____
6. Year: 2022 Cost: \$25,000 Improvement: Replace roof with asphalt shingles.

7. Year: 2023 Cost: \$15,000 Improvement: Replace gutters and downspouts. _____
8. Year: 2024 Cost: \$25,000 Improvement: Replace all siding on left side of house. Replace as necessary on remaining portion of house.

9. Year: 2025 Cost: \$25,000 Improvement: Repaint house. _____
10. Year: 2026 Cost: \$10,000 Improvement: Trim all trees, redo walkway up leading up to house, clean up landscape and fill in as necessary. Add back patio with pavers. _____

Note: Each work item will require separate building and zoning review and approval prior to undertaking the actual work. Design Review fees are waived for Mills Act properties.

4. SUBMITTAL REQUIREMENTS

- Mills Act Application Form
 - This application form signed and completed. Original signatures or clear & legible copies are required. Electronic copy is appreciated.
- Assessor's Parcel Map
 - Available at the City of Oakland Engineering Services or zoning counters, or County Assessor's Office, 1221 Oak Street.
- Photographs
 - Photographs must be labeled, and printed or mounted on 8-1/2" x 11" paper.
 - Photographs must sufficiently illustrate the exterior, overall condition and historic character of the property, including historic features.
 - Photographs must be in color and include the existing structure as seen from across the street and from the front, side and rear property lines. Label each (e.g., front, side, rear, across the street).
 - Photographs must be in color and include detailed (i.e. close up) views of each of the listed areas in the proposed work program. Label each (e.g., Work Program Item #1, Work Program Item #2, etc.)
- Oakland Landmark, Heritage Property and S-7 Preservation Combining Zone Application
 - Required for properties that are not already designated as:
 - City of Oakland Landmark
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 - Contributor to a City of Oakland S-7 or S-20 Historic District
- Legal Description of the Property
 - Grant Deed
 - Legal Description
 - Assessor's Parcel Map
- Additional pages to describe the Work Program
 - As necessary
- Copy of Last Property Tax Bill
- Filing Fee -\$601.29 (verify at Zoning counter)
 - Fees are due at the time of application submittal.

5. SELECTION CRITERIA

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- Minimum Property Maintenance Standards; and
- Mills Act Property Tax Calculator (to calculate a rough estimate of the potential change in taxes).

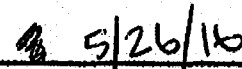
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Owner's Signature


Date

APPLICATIONS ARE ACCEPTED AT THE ZONING COUNTER

250 Frank H. Ogawa Plaza, 2nd Floor, Oakland, CA 94612

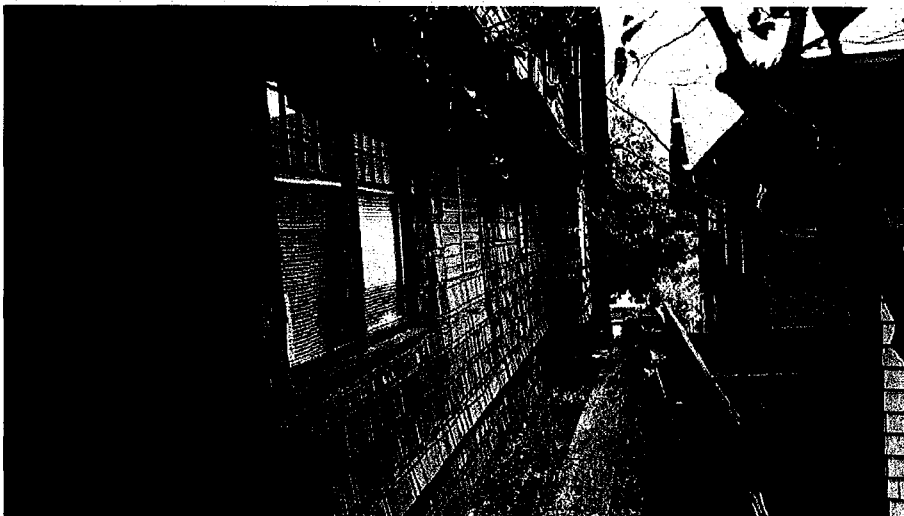
Monday, Tuesday, Thursday & Friday: 8am-4pm; Wednesday: 9:30 – 4pm



Front of house
from street



Left side from
front (chimney
no longer
present)



Left side from
rear at property
line



Right side of house at property line



Right side of house at property line, from rear, showing extension and reshaped roof

Gutters need replacement.



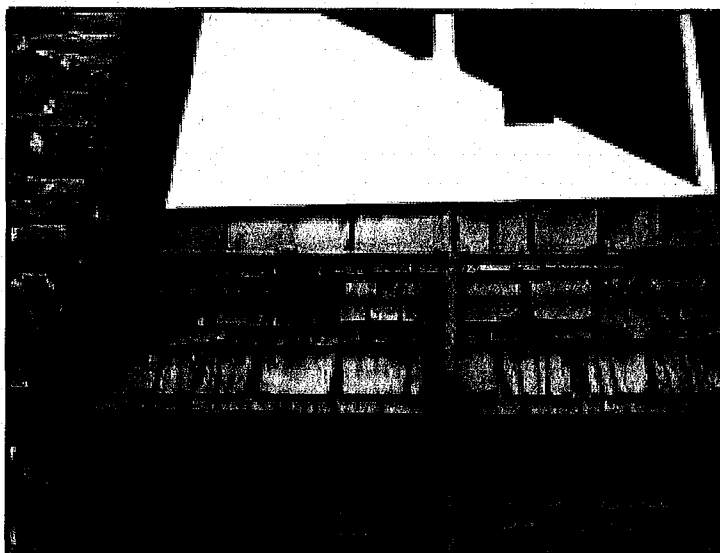
Left rear corner



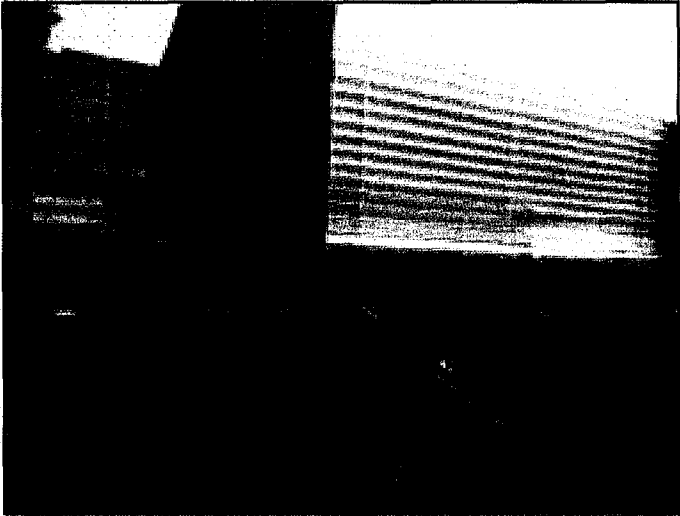
Work item #6,
wood rot on
left side of
front porch



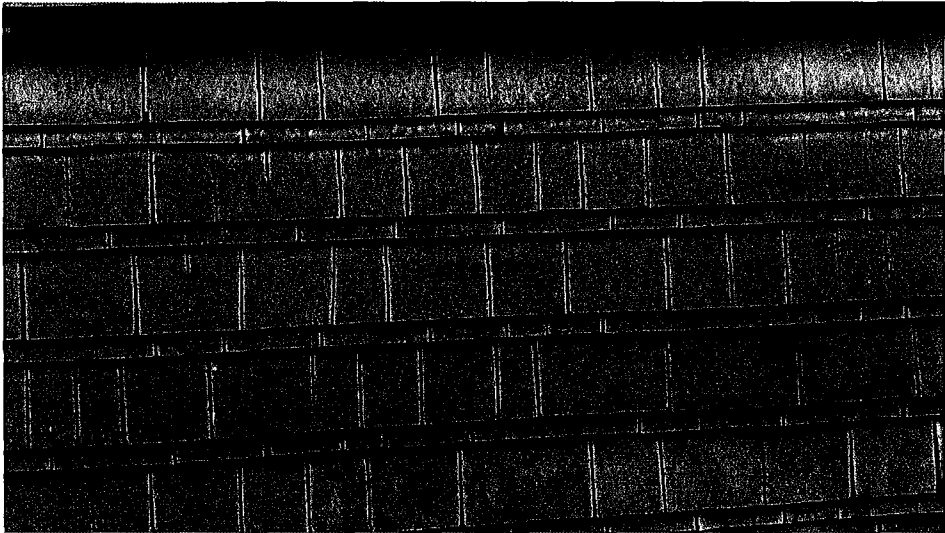
Right side
porch –
overhang
shows wood
rot, needs
replacing



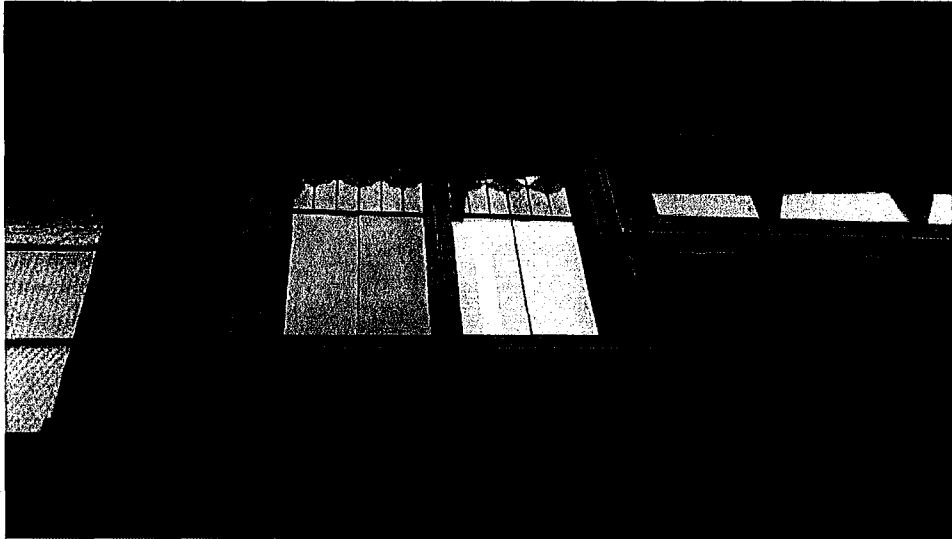
Work item #2,
left side
shingles show
wood rot and
need
replacement



Work item #3,
left side rear
windows show
wood rot –
common on
many windows
of house



Shingles, typical
all over house



Stained glass on
right side

MILLS ACT APPLICATION*

250 Frank H. Ogawa Plaza, Suite 2114, Oakland, CA 94612-2031

Phone: 510-238-3911 Fax: 510-238-4730

www.oaklandnet.com/historicpreservation

1. GENERAL INFORMATION

APPLICANT'S NAME: _____ Valerie Coleman (wife of owner) _____
PROPERTY ADDRESS: _____ 1733 10th St. Oakland, CA 94607 _____
PROPERTY OWNER(S): _____ Krysta Morgenthaler _____
PHONE: (Day) _____ (415) 374-3303 _____ (Evening) _____ (510) 915-0149 _____
ASSESSOR'S PARCEL NUMBER(S): _____ 6-23-6 _____
YEAR OF PURCHASE: _____ 2005 _____ ASSESSED VALUE: _____ \$450,000 _____
EXISTING USE OF PROPERTY: Residential, under construction to change from single family home to duplex

2. HISTORIC PROPERTY INFORMATION

HISTORIC/Common Name (if any): _____ Johnson-Beretta House _____
CONSTRUCTION DATE: _____ 1869-1873 _____ LEGAL DESCRIPTION (from deed, please attach)

HISTORIC STATUS: Please contact Historic Preservation staff at (510)238-6879 or (510)238-3797 to confirm.

DESIGNATED HISTORIC RESOURCE:

DATE OF DESIGNATION

- City of Oakland Landmark
 City of Oakland Heritage Property
 Contributes to a City of Oakland S-7 or S-20
Historic District

LOCAL REGISTER OF HISTORIC RESOURCES**

- Listed on the National Register of Historic Places
 Building with an Oakland Cultural Heritage Survey
rating of 'A' or 'B'
 Potential Designated Historic Property located
in an Area of Primary Importance

API, B-/C

Oakland Point District

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** Local Register Properties not already designated by the Landmarks Board must concurrently submit an Oakland Landmark, Heritage Property or S-7 Preservation Combining Zone application.

3. PRESERVATION WORK PROGRAM AND TIME LINE

Please list the improvements to take place over the next 10 years, in order of priority. Listed work should be limited to stabilization and/or maintenance of the historic structure or restoration and/or repair of exterior character defining features of the historic property. State the anticipated costs of the improvements, including but not limited to materials, labor, permits and fees. Anticipated construction must be equal to or greater than tax savings: see the Mills Act Property Tax Calculator on line at www.oaklandnet.com/historicpreservation for a rough estimate of potential property tax reduction. (Please attach additional pages to complete the below information.)

- 1. Year:** 2017 **Cost:** \$30,000 **Improvement:** finishing foundation replacement and basement unit restoration including electrical upgrade, plumbing, fireproofing and exterior finishes.
- 2. Year:** 2018 **Cost:** \$30,000 **Improvement:** finishing foundation replacement and basement unit restoration including electrical upgrade, plumbing, fireproofing and exterior finishes.
- 3. Year:** 2019 **Cost:** \$2,000 **Improvement:** remove unused electrical boxes, old plumbing and gas lines, and other unnecessary additions/eye sores that were added over the years from the east exterior side of house.
- 4. Year:** 2020 **Cost:** \$10,000 **Improvement:** repair damaged siding on east wall, paint, and reinstall period typical water table molding (reuse existing materials wherever possible, replacing with similar material when damage is too great).
- 5. Year:** 2021 **Cost:** \$4,000 **Improvement:** replace upstairs and basement unit front doors to match the home's original style.
- 6. Year:** 2022 **Cost:** \$4,000-\$6,000 **Improvement:** repair three front downstairs bay windows to make energy efficient and to match the original home's window design (estimated 1870-80s). Remove the fake nose molding from the front bay window.
- 7. Year:** 2023 **Cost:** \$4,000-\$6,000 **Improvement:** repair three front upstairs bedroom windows to make both energy efficient and to match the original home's window design (estimated 1870-80s).
- 8. Year:** 2024 **Cost:** \$2,000 **Improvement:** replace transom above front door with current address in the home's original style (currently clear plexiglass). Add plaque to home indicating: Johnson-Berretta Home.
- 9. Year:** 2025 **Cost:** \$5,000 **Improvement:** repair front stair railings (currently not period style) to ensure safety and to match the home's original Queen Anne style porch.
- 10. Year:** 2026 **Cost:** \$5,000-\$8,000 **Improvement:** Power wash and exterior paint touch up

Note: Each work item will require separate building and zoning review and approval prior to undertaking the actual work. Design Review fees are waived for Mills Act properties.

4. SUBMITTAL REQUIREMENTS

- Mills Act Application Form
 - This application form signed and completed. Original signatures or clear legible copies are required.
- Assessor's Parcel Map
 - From property deed, or available at the City of Oakland Engineering Services or zoning counters; County Assessor's Office, 1221 Oak Street.
- Photographs
 - Photographs must be labeled, and printed or mounted on 8-1/2" x 11" paper.
 - Photographs must sufficiently illustrate the exterior, overall condition and historic character of the property, including historic features.
 - Photographs must be in color and include the existing structure as seen from across the street and from the front, side and rear property lines. Label each (e.g., front, side, rear, across the street).
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- Mills Act (Sections 50280-90 of the California Government Code and Article 1.9, Sections 439 – 439.4 of the California Revenue and Taxation Code)
- MODEL MILLS ACT AGREEMENT FOR PRESERVATION OF HISTORIC PROPERTY;
- Secretary of the Interior's Standards for Rehabilitation;
- Minimum Property Maintenance Standards; and
- the Mills Act Property Tax Calculator (to calculate a rough estimate of the potential change in taxes).

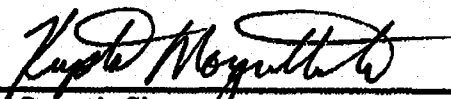
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Owner's Signature

5.31.16
Date

APPLICATIONS ARE ACCEPTED AT THE ZONING COUNTER

250 Frank H. Ogawa Plaza, 2nd Floor, Oakland, CA 94612

Monday, Tuesday, Thursday & Friday: 8am-4pm; Wednesday: 9:30 – 4pm

5.31.16
Krysta Morgenthaler
Valerie Coleman
1733 10th Street
Oakland, CA 94607

TO: Betty Marvin, Oakland Planning Department
RE: Mills Act application, 2016
FROM: Krysta Morgenthaler and Valerie Coleman

Good Afternoon,

We are submitting our 2016 application for the Mills Act, including all supporting documents.

We purchased the Johnson-Beretta house 11 years ago. Located within the Lower Bottoms neighborhood (within the Oakland Point district), it wasn't until we began to research the history of the home and the neighborhood that we realized the significance of both. As one of (if not the) oldest houses on our block, the house is in good condition and is a great example of an early Italianate Victorian architecture. However, the house also requires much work, which is to be expected of a more than 140-year-old building. We've spent the last two years replacing the original brick foundation and are bringing the house up to code, with the goal of restoring as much of the home's original style while ensuring that it is also safe and will last another 140 years!

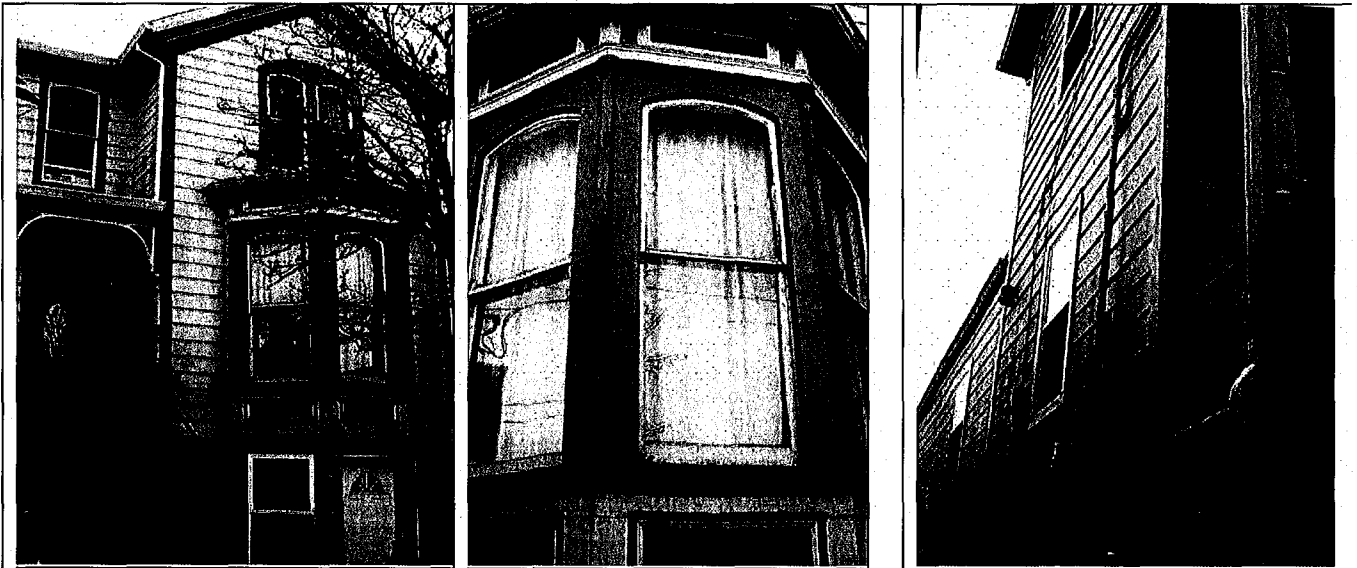
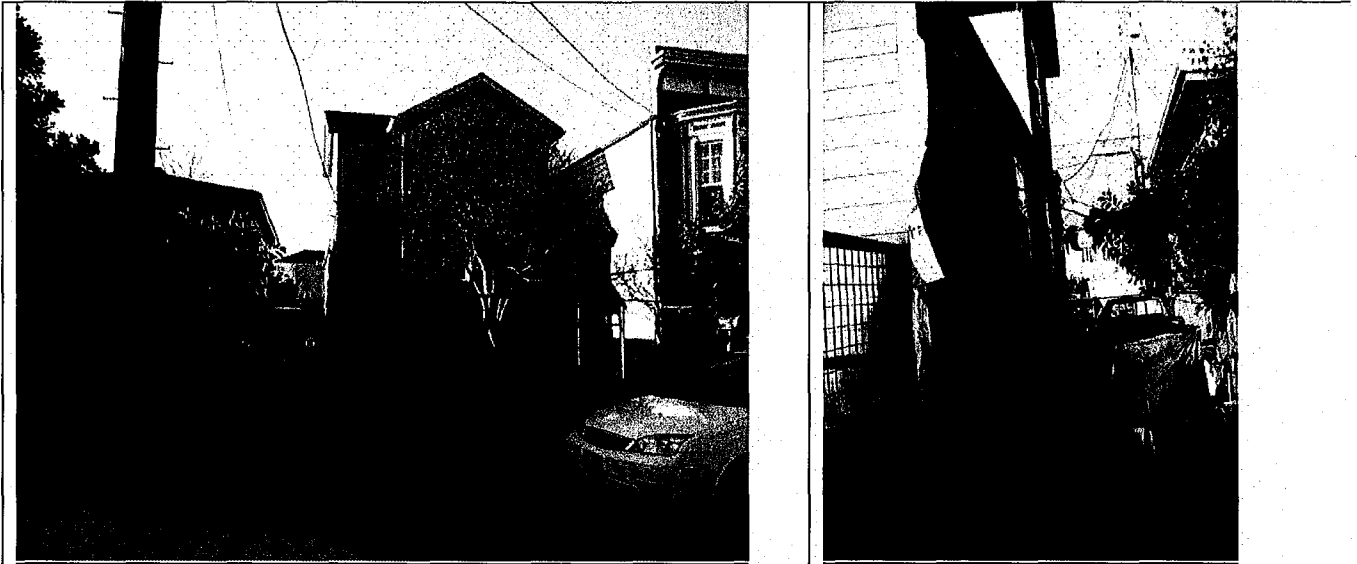
We are dedicated to restoring as much of the original character of this old home as possible, which will contribute to both Oakland and the Oakland Points architectural diversity, and serve as an example of those earliest settlers.

Sincerely,

Krysta Morgenthaler

Work Program:

- foundation, plumbing, and electrical upgrades
- remove exterior clutter of defunct electrical and plumbing lines
- repair siding and trim, prepare and paint exterior
- repair or replicate original windows, and replace inappropriate sash
- repair stairs and install a more Victorian style railing



MILLS ACT APPLICATION*

250 Frank H. Ogawa Plaza, Suite 2114, Oakland, CA 94612-2031

Phone: 510-238-3911 Fax: 510-238-4730

www.oaklandnet.com/historicpreservation

1. GENERAL INFORMATION

APPLICANT'S NAME: Ian Morales, Nathaniel Morales, Adam Morales

PROPERTY ADDRESS: 1506 Linden St. Oakland, CA 94607

PROPERTY OWNER(S): Ian Morales, Nathaniel Morales, Adam Morales

PHONE: (Day) 559-355-3197 (Evening) Same

EMAIL ADDRESS:

1506Linden@gmail.com

ASSESSOR'S PARCEL NUMBER(S): 005-0381-024

YEAR OF PURCHASE: 2016 ASSESSED VALUE: \$965,000

EXISTING USE OF PROPERTY: Owner Occupied and Rental

LEGAL DESCRIPTION (From deed, please attach)

2. HISTORIC PROPERTY INFORMATION

HISTORIC/Common Name (If any): Central Homestead, DeFremery Estate, Galindo Tract.

CONSTRUCTION DATE: 1890

HISTORIC STATUS: Please contact Historic Preservation staff at (510)238-6879 or 238-3797 to confirm.

DESIGNATED HISTORIC RESOURCE:

- City of Oakland Landmark
- City of Oakland Heritage Property
- Contributes to a City of Oakland S-7 or S-20
Historic District

DATE OF DESIGNATION

S-20 (Oak Center)

LOCAL REGISTER OF HISTORIC RESOURCES**

- Listed on the National Register of Historic Places
- Building with an Oakland Cultural Heritage Survey
rating of 'A' or 'B'
- Potential Designated Historic Property located
in an Area of Primary Importance

OTHER POTENTIAL DESIGNATED HISTORIC PROPERTY **

*A Mills Act Property Tax Abatement Program for qualified historic properties, with the program impact on City revenues limited to \$25,000/year, and \$25,000/year in any single redevelopment area with a cumulative limit of \$250,000/year for all redevelopment areas with the exception of the Central Business District. In the Central Business District, there shall be a limit of the program impact on Redevelopment revenues to \$100,000/building/year with a cumulative limit of \$250,000/year. A Mills Act applicant whose estimated Property Tax loss exceeds the above limits may request special consideration by the City Council.

** Local Register and PDHPs must concurrently submit an Oakland Landmark, Heritage Property or S-7 Preservation Combining Zone Application Form.

ATTACHMENT 5

3. PRESERVATION WORK PROGRAM AND TIME LINE

PROPERTY ADDRESS: 1506 Linden St. Oakland, CA 94607

Please list the improvements to take place over the next 10 years, in order of priority. Listed work should be limited to stabilization and/or maintenance of the historic structure or restoration and/or repair of exterior character defining features of the historic property. State the anticipated costs of the improvements, including but not limited to materials, labor, permits and fees. Anticipated construction must be equal to or greater than tax savings: see the Mills Act Property Tax Calculator on line at www.oaklandnet.com/historicpreservation for a rough estimate of potential property tax reduction. (Please attach additional pages to complete the below information.)

1. Year: 2017 Cost: \$4000 Improvement: Roof and Gutter Maintenance

2. Year: 2018 Cost: \$3500 Improvement: Replace front door and install window on porch (currently stuccoed over)

3. Year: 2019 Cost: \$4500 Improvement: Replace Large front picture window with two double hung windows

4. Year: 2020 Cost: \$5500 Improvement: Restore street facing wood details including stripping paint, replace damaged wood, replace missing decorative column (currently square)

5. Year: 2021 Cost: \$6000 Improvement: Re-Roof Building

6. Year: 2022 Cost: \$6000 Improvement: Re-Roof Building

7. Year: 2023 Cost: \$6000 Improvement: Re-Roof Building

8. Year: 2024 Cost: \$6000 Improvement: Re-Roof Building

9. Year: 2025 Cost: \$6000 Improvement: Re-Roof Building

10. Year: 2026 Cost: 6000 Improvement: Replace Gutters and Downspouts

Note: Each work item will require separate building and zoning review and approval prior to undertaking the actual work. Design Review fees are waived for Mills Act properties.

SUBMITTAL REQUIREMENTS

- Mills Act Application Form
 - This application form signed and completed. Original signatures or clear & legible copies are required. Electronic copy is appreciated.
- Assessor's Parcel Map
 - Available at the City of Oakland Engineering Services or zoning counters, or County Assessor's Office, 1221 Oak Street.
- Photographs
 - Photographs must be labeled, and printed or mounted on 8-1/2" x 11" paper.
 - Photographs must sufficiently illustrate the exterior, overall condition and historic character of the property, including historic features.
 - Photographs must be in color and include the existing structure as seen from across the street and from the front, side and rear property lines. Label each (e.g., front, side, rear, across the street).
 - Photographs must be in color and include detailed (i.e. close up) views of each of the listed areas in the proposed work program. Label each (e.g., Work Program Item #1, Work Program Item #2, etc.)
- Oakland Landmark, Heritage Property and S-7 Preservation Combining Zone Application
 - Required for properties that are not already designated as:
 - City of Oakland Landmark
 - City of Oakland Heritage Property
 - Contributor to a City of Oakland S-7 or S-20 Historic District
- Legal Description of the Property
 - Grant Deed
 - Legal Description
 - Assessor's Parcel Map
- Additional pages to describe the Work Program
 - As necessary
- Copy of Last Property Tax Bill
- Filing Fee -\$601.29 (verify at Zoning counter)
 - Fees are due at the time of application submittal.

4. SELECTION CRITERIA

The City has adopted a Mills Act Property Tax Abatement Program for qualified historic properties, with the program impact on City revenues limited to \$25,000/year, and \$25,000/year in any single redevelopment area with a cumulative limit of \$250,000/year for all redevelopment areas with the exception of the Central Business District. In the Central Business District, there shall be a limit of the program impact on Redevelopment revenues to \$100,000/building/year with a cumulative limit of \$250,000/year. Any Mills Act Program property applicant, who's estimated Property Tax loss exceeds the above limits, may request special consideration by the City Council. If applications exceed the limited dollar amounts, applications will be evaluated on the following criteria.

- The date the application is complete.
- The property is either currently a Designated Historic Property *or* the property is currently on the Local Register of Historic Resources or is a PDHP *and* an application has been submitted for Landmark or Heritage Property Designation.
- The property needs exterior work (e.g., stabilization, maintenance, reversal of inappropriate building modifications, etc.. The work program does **not** include interior work or additions) and whether the cost of the proposed exterior work is equal or greater than the potential reduction of property taxes.

- The proposed work program for maintenance, repair, rehabilitation and/or restoration has strong potential to act as a catalyst for neighborhood revitalization by:
 - Increasing architectural integrity;
 - Preserving neighborhood character; and
 - Conserving materials and energy embodied in existing building.
- Geographic distribution:
 - A minimum total of six Mills Act Contracts will be awarded to properties in the West Oakland Redevelopment Area because Implementation of the Mills Act is a Mitigation Measure of the West Oakland Redevelopment Plan.
 - A minimum of six Mills Act Contracts will be awarded to properties in the Central City East Area because Implementation of the Mills Act is a Mitigation Measure of the Central City East Redevelopment Plan.
 - The property's location contributes to the goal of Mills Act Contract representation in neighborhoods throughout the City.
- The property's building type contributes to the goal of a variety of Mills Act Contract building types (e.g., residential, commercial and industrial buildings).

Please read and review (available on line at www.oaklandnet.com/historicpreservation):

- the Mills Act brochure;
- Mills Act (Sections 50280-90 of the California Government Code and Article 1.9, Sections 439 – 439.4 of the California Revenue and Taxation Code)
- the (MODEL) MILLS ACT AGREEMENT FOR PRESERVATION OF HISTORIC PROPERTY;
- Secretary of the Interior's Standards for Rehabilitation;
- Minimum Property Maintenance Standards; and
- Mills Act Property Tax Calculator (to calculate a rough estimate of the potential change in taxes).

Also available on line:

- Mills Act Application Form;
- Oakland Landmark, Heritage Property and S-7 Preservation Combining Zone Application;
- How to complete Oakland Landmark, Heritage Property and S-7 Preservation Combining Zone Application Form.

NOTICE: Each property owner should also consult legal counsel and/or a financial advisor concerning the advisability of entering into a Mills Act agreement, prior to completing and submitting this application. The City makes no warranties or representations about the accuracy or validity of the Mills Act Property Tax Calculator – it is merely an information tool that applicants may use (at their sole risk), which does not substitute/replace legal counsel or a financial advisor.

I hereby apply to be considered for a Mills Act agreement, have read and agree with the above documents, agree to execute the (Model) MILLS ACT AGREEMENT FOR PRESERVATION OF HISTORIC PROPERTY if selected for the program, and the information submitted is true and correct as of the date of application.


Owner's Signature

May 25 2011

Date

APPLICATIONS ARE ACCEPTED AT THE ZONING COUNTER

250 Frank H. Ogawa Plaza, 2nd Floor, Oakland, CA 94612

Monday, Tuesday, Thursday & Friday: 8am-4pm; Wednesday: 9:30 – 4pm

State inventory form, Oak Center Area of Primary Importance, 1992, pp. 89-90:

STATE OF CALIFORNIA
DEPARTMENT OF PARKS AND RECREATION
OFFICE OF HISTORIC PRESERVATION
HISTORIC RESOURCES INVENTORY

Serial number: 4623-
NR status: 3D

Local designation:

IDENTIFICATION AND LOCATION

- 1. Historic name: Strong (Theodore P)-Russell (John) house
- 2. Common or current name: None
- 3. Number & street: 1506 LINDEN ST (formerly 1228 LINDEN ST)
City & zip: Oakland, CA 94607
- 4. UTM zone: 10 A: 563180/4184780
- 5. Quad map no. 4664 Parcel no.: 5-381-24-0

County: Alameda

DESCRIPTION

- 6. Property category: building
- 7. Briefly describe the present physical appearance of the property:

1506 LINDEN ST is a Queen Anne house with Eastlake detailing, in the Oak Center district. It is two stories and basement, irregular plan, on an interior lot. It has a hip and gable roof, tower, and gabled porch. Exterior walls are stucco over wood siding. Roof is composition shingle. The building has sunbursts and gable end ornament. Present use is four-unit residential. Surroundings are densely built up, residential.

Visible alterations include stucco, picture window, aluminum windows, new steps and railings, ornament removed. The building is in excellent condition; its integrity is fair.



8. Planning agency:
Oakland City Planning De

9. Owner & address:
TURNEY HENRI A
1506 LINDEN ST
OAKLAND CA 94607

10. Type of ownership: private

11. Present use:
residential/commercial

12. Zoning: R-60

13. Threats: none known

Photo number: 599-33
Photo date: 06/27/92

HISTORICAL INFORMATION

14. Construction date(s): 1890 F Original location: same Date moved:
15. Alterations & date: stucco, picture window, aluminum windows, new steps and railings,
ornament removed
remodeled 1936ff
16. Architect: unknown Builder: Scanlan, D.C.
Fortin, V.L. (brick)
17. Historic attributes: 02--house

SIGNIFICANCE AND EVALUATION

18. Context for evaluation: Theme: residential development Area: West Oakland
Period: 1850-1945 Property type: house in residential district Context formally developed?
19. Briefly discuss the property's importance within the context.

1506 LINDEN ST, the Strong (Theodore P)-Russell (John) house, is a very good example of a Queen Anne-Eastlake house. This building appears eligible for the National Register of Historic Places as a primary contributor to the character of the National Register eligible Oak Center historic district. Despite alterations described above (7 & 15), the visual quality of this building helps establish the character of the district.

It was built in 1890, architect unknown and builder D.C. Scanlan. It is dated by contract notice; it was originally valued at \$3441. It was remodeled in 1936 and after. Historically the building reflects the 19th century development of Oakland neighborhoods. The original owner and resident, about 1890-1910, was Theodore P. Strong, insurance. The property is also associated with John Russell, owner and resident c.1910s-20s, hay and grain dealer.

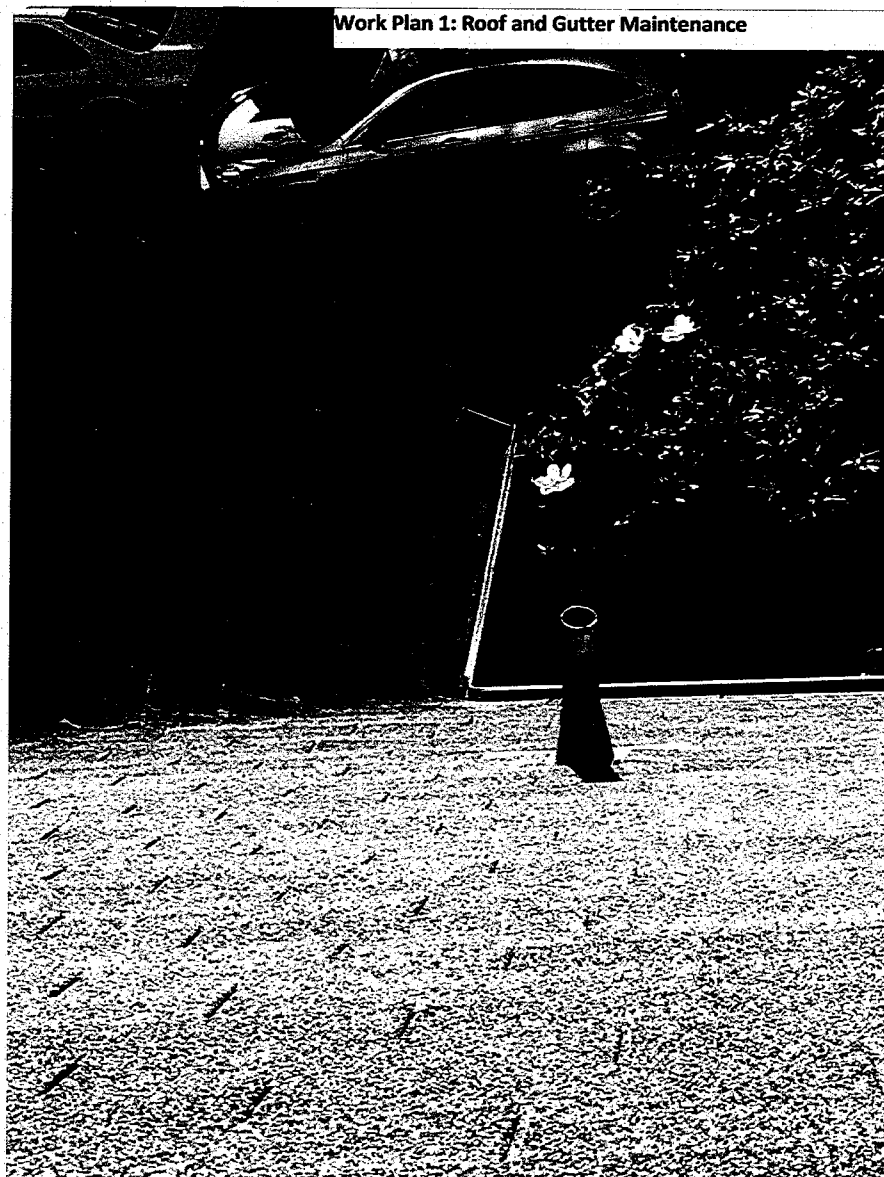
20. Sources:
City & county tax rolls & block books,
1869-1960; Sanborn maps, 1889-1901, 1902-11,
1912-51, 1970s; city directories & telephone
books; U.S. census; building & alteration
permits; biographical & subject indexes,
Oakland History Room
21. Applicable N.R. criteria: A,C
22. Other recognition:
23. Evaluator: Betty Marvin
Date of evaluation: 08/17/92
24. Survey type: comprehensive
25. Survey name: Oakland Cultural Heritage Survey
26. Year form prepared: 1992
By: Staff and Consultants
Org: Oakland Cultural Heritage Survey
One City Hall Plaza
Oakland, CA 94612
Phone: (510) 238-3941

N

Sketch Map:



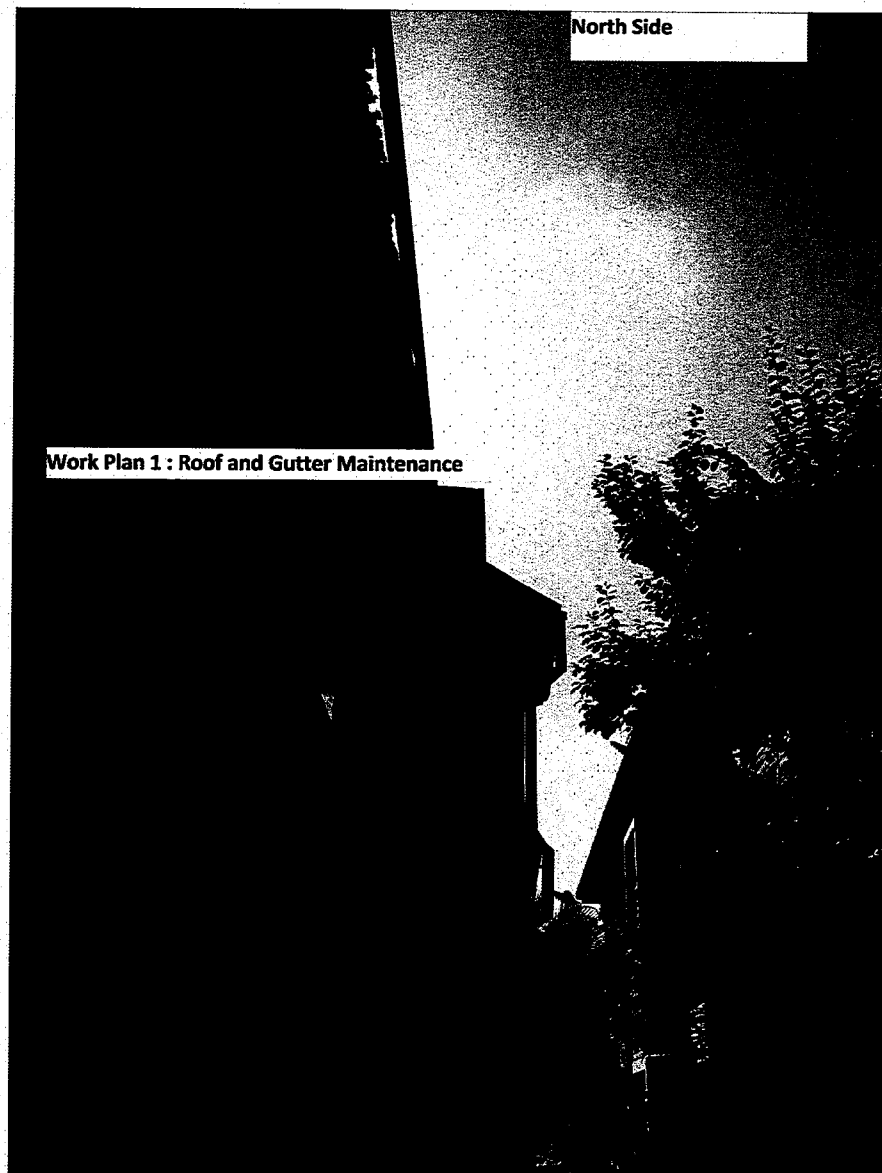
Work Plan 1: Roof and Gutter Maintenance



Work Plan 1: Roof and Gutter Maintenance



Work Plan 1: Roof and Gutter Maintenance



North Side

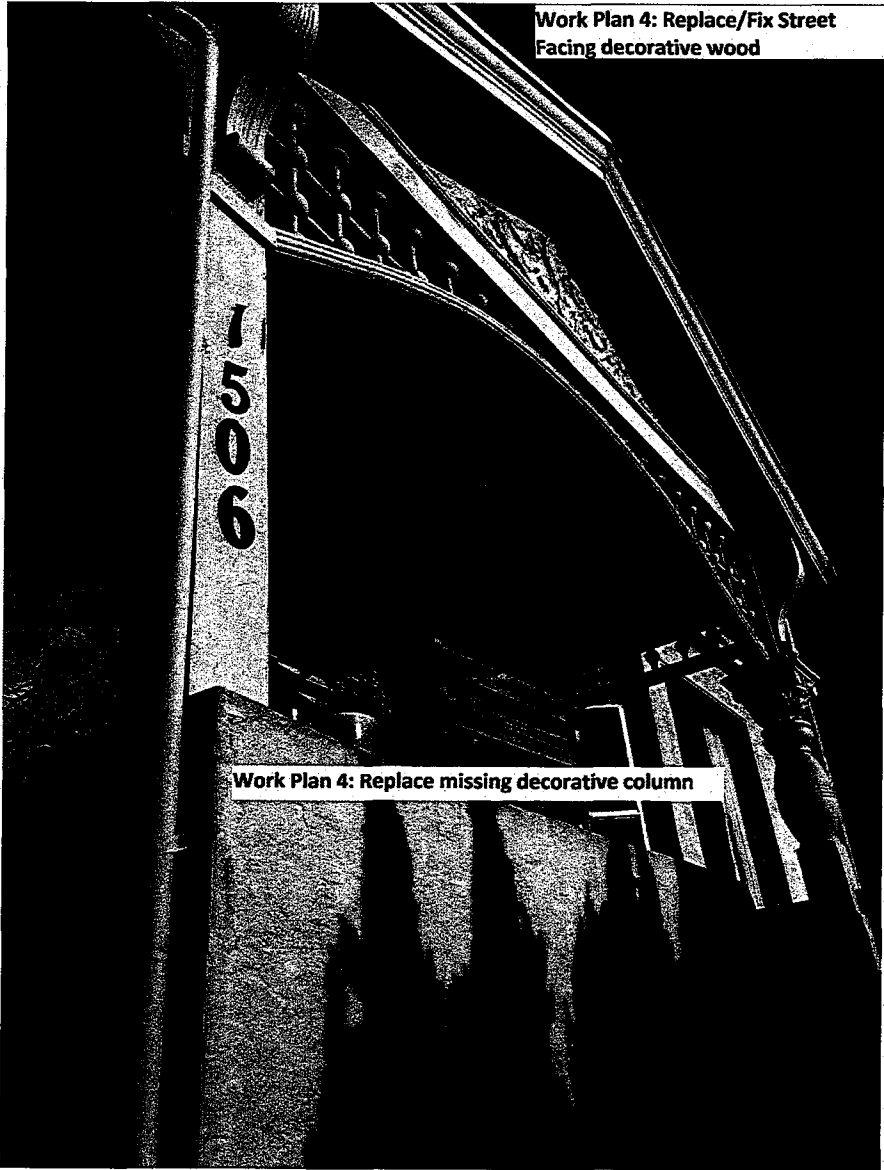
Work Plan 1: Roof and Gutter Maintenance

Work Plan 2: Replace Front Door



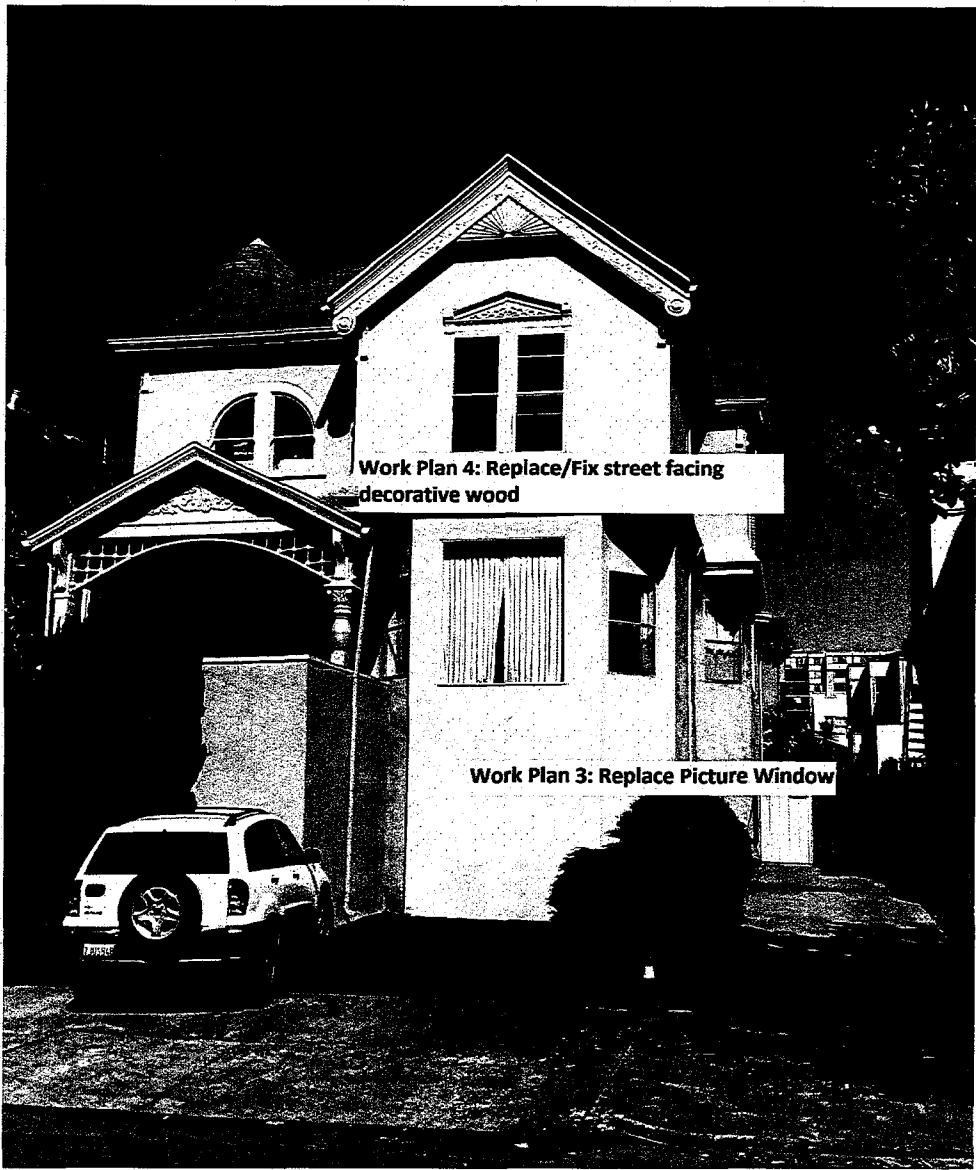
Work Plan 2: Remove Stucco and replace/install with window





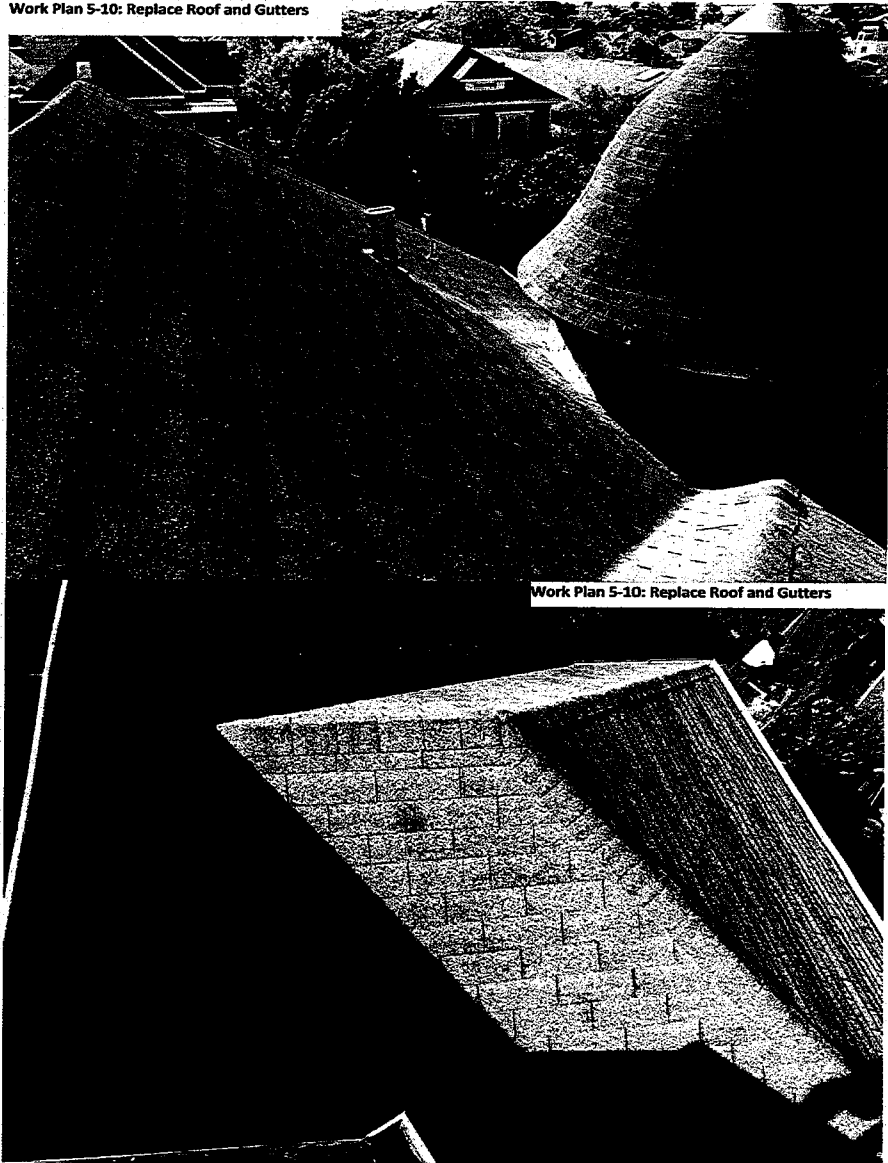
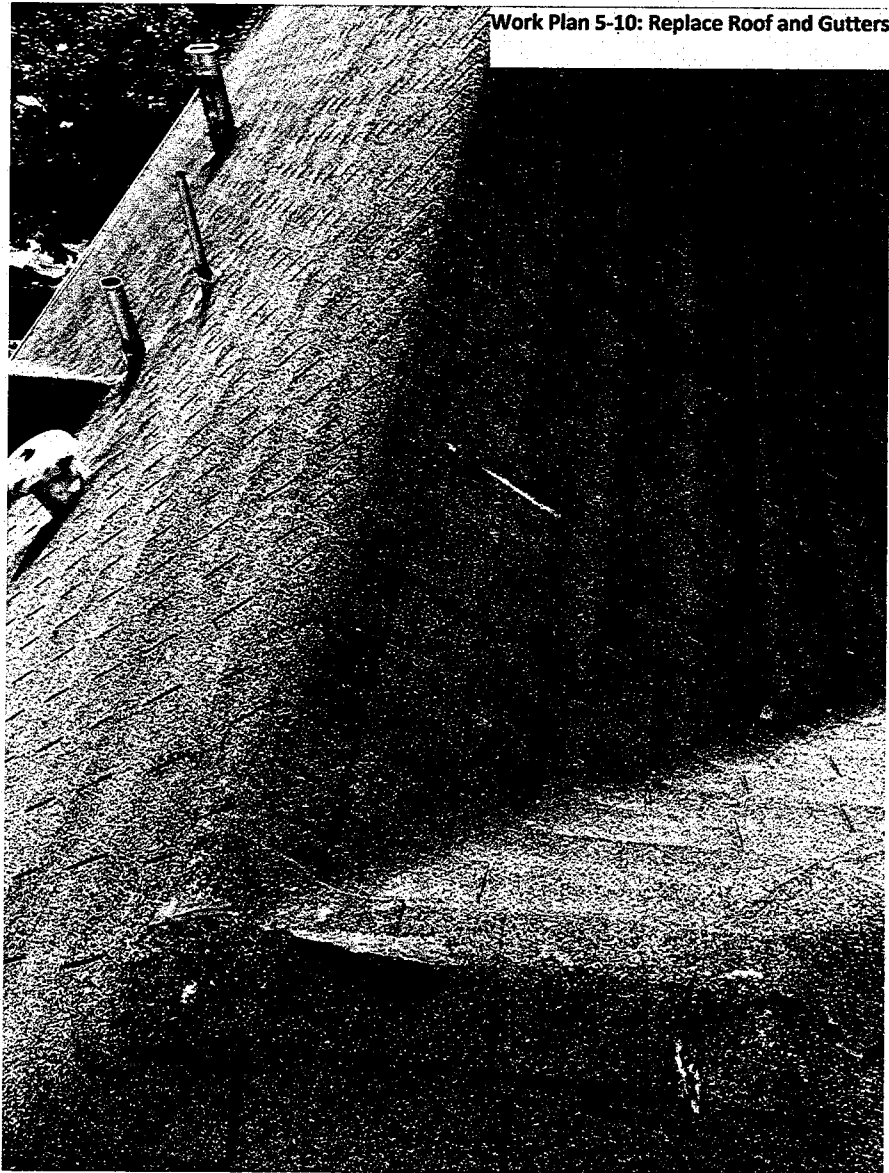
Work Plan 4: Replace/Fix Street Facing decorative wood

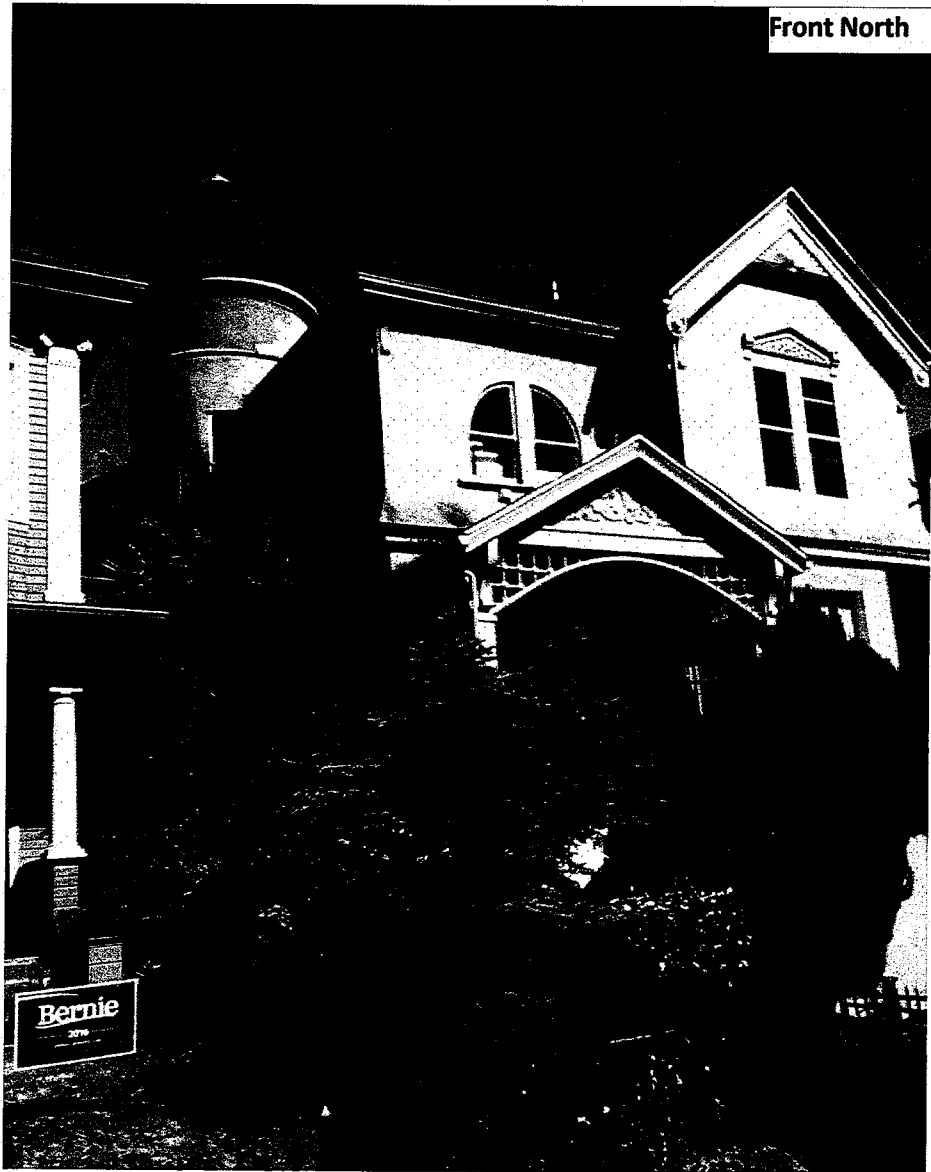
Work Plan 4: Replace missing decorative column



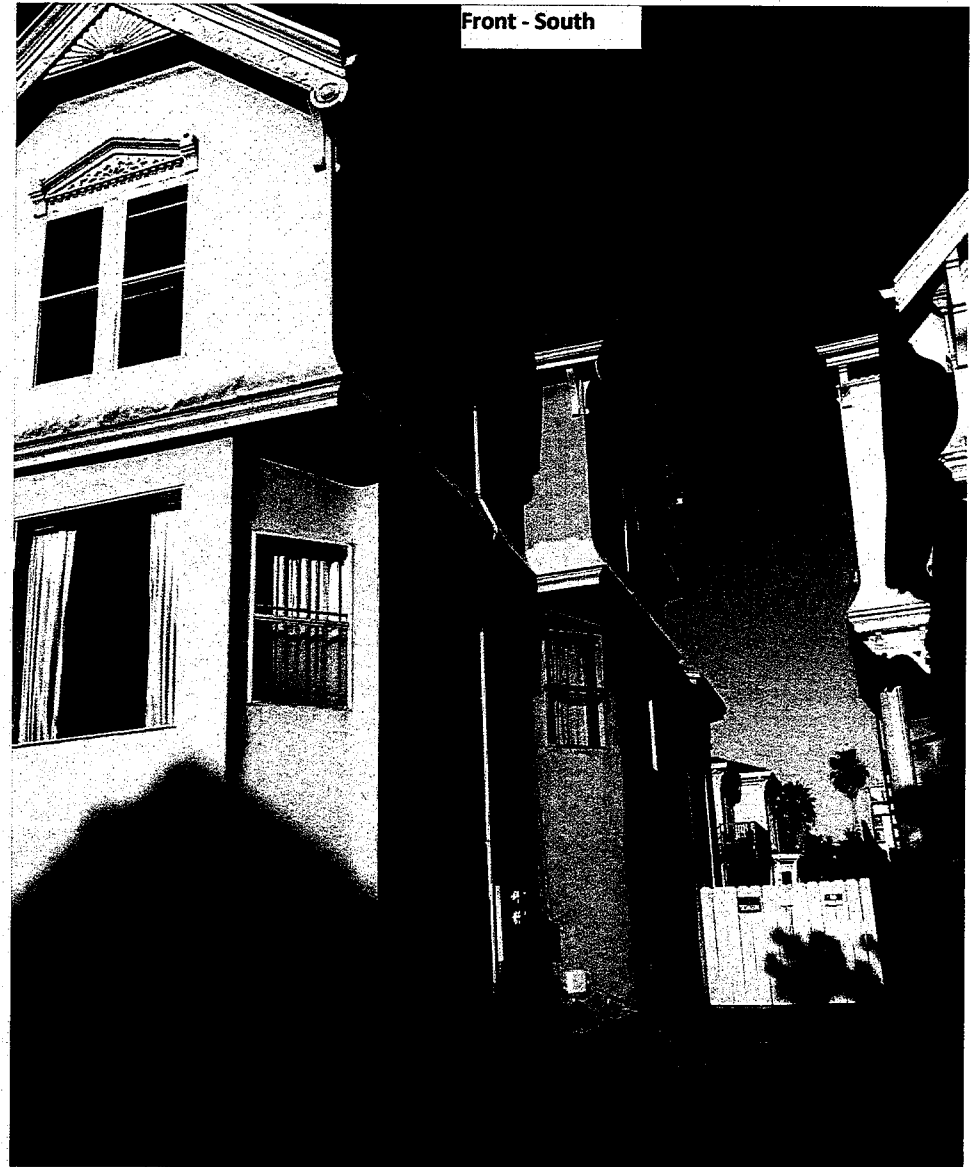
Work Plan 4: Replace/Fix street facing decorative wood

Work Plan 3: Replace Picture Window

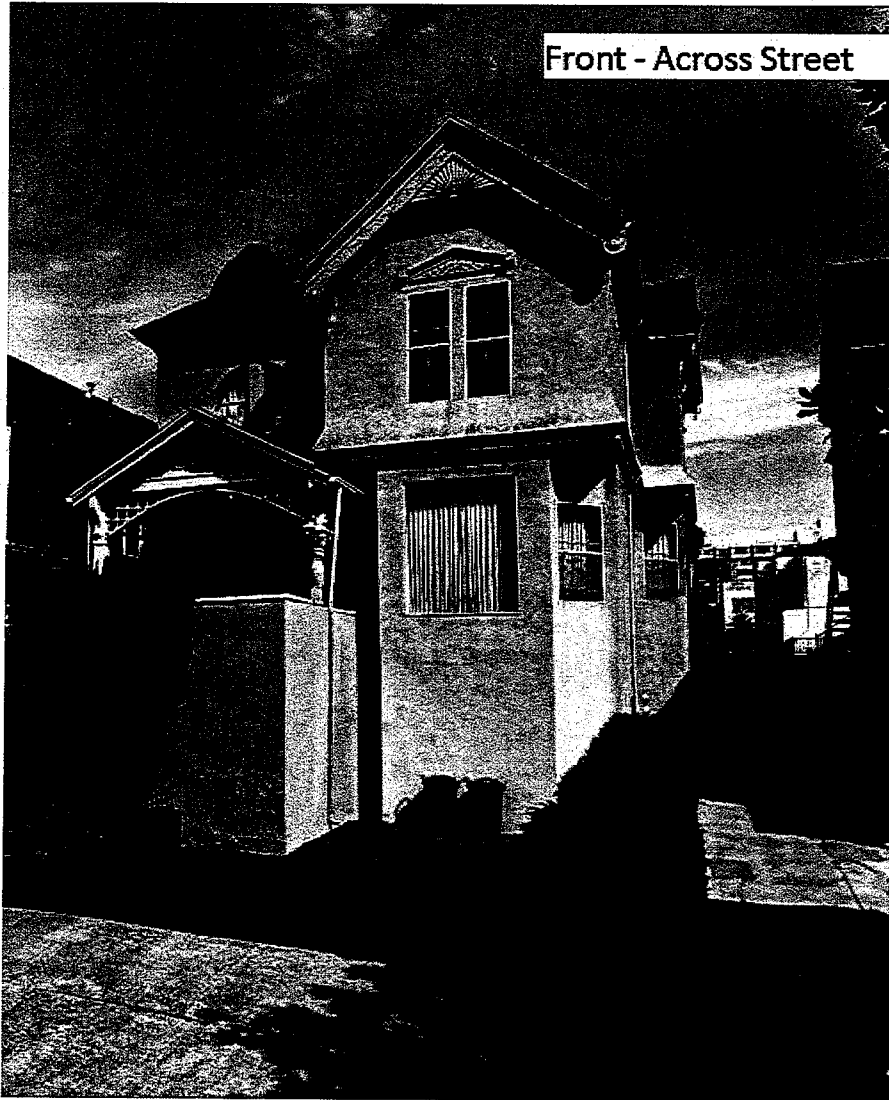




Front North



Front - South



Front - Across Street



Rear

Oak Center gets its due

■ After decades of citizen effort, historic district is declared

By Allyson Quibell

Some 40 years after the residents of Oak Center rebuffed the idea of demolishing their neighborhood in the name of urban renewal, Oak Center is Oakland's newest, and largest, Historic Preservation District.

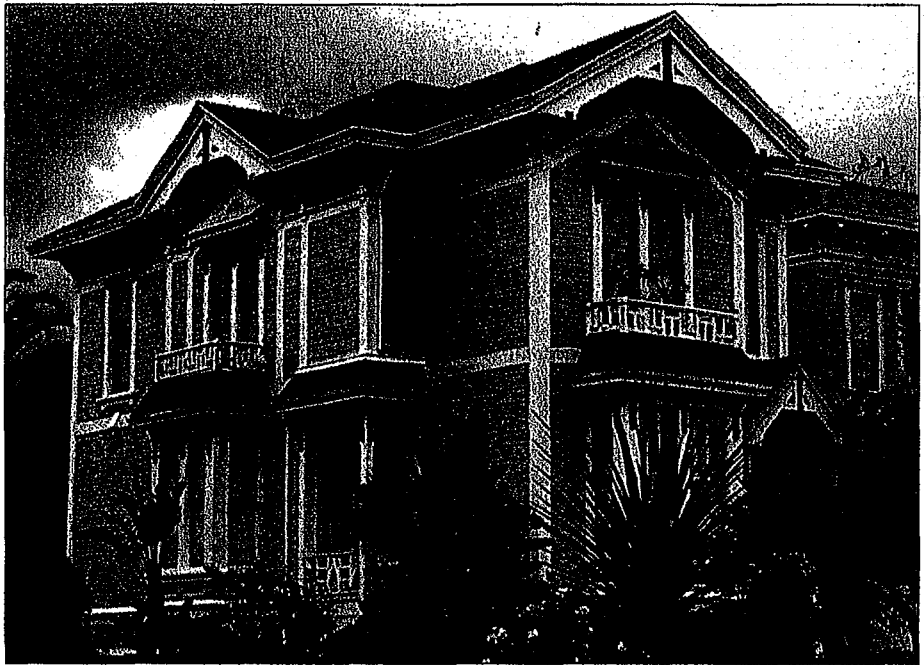
The district has over 600 parcels with more than 500 buildings on approximately 50 city blocks—bounded by 18th and 20th Streets to the north, 10th and 12th Streets to the south, and Brush Street and Union Street to the east and west. Its distinguished examples of Victorian and early 20th-century architecture include nine houses already individually designated as City Landmarks—the highest number of any Oakland neighborhood.

Approximately 70 percent of the residential buildings date from the period of significance (1860–1925), and 90 percent of those are intact enough to contribute to the district without restoration.

The Oakland City Council voted unanimously to make Oak Center an historic district in June 2003, after years of persistence and hard work by the Oak Center Neighborhood Association, a group founded in the 1960s and now led by longtime resident Ellen Wyrick-Parkinson.

While Wyrick-Parkinson speaks highly of the work done by all those involved—not only members of the community, but Oakland Heritage Alliance and numerous city officials—it's clear that without her stewardship and guidance, the designation never would have come to fruition.

The process had many starts and stops, especially with the changing faces on the City Council. "When Nancy Nadel was re-elected, that helped push it through," says Wyrick-Parkinson.



Alan Templeton

THIS WELL-KEPT VICTORIAN sits at 16th and Filbert streets, and was one of the stops on OHA's walking tour of Oak Center Historic District this summer.

Vice Mayor Nadel is, indeed, a strong supporter of the effort: "Preserving the historic beauty of a community always adds value to a city at large. . . It encourages people to value and understand the historic nature of the area."

"If a community shows pride, it's [the city's] obligation to help them enhance their neighborhood," she says. "It's a pleasure to have such a high level of civic participation in one neighborhood. . . I ride around West Oakland every morning and I'm always astonished by how beautiful the homes are. And I've seen more and more people making improvements."

Along with the historic designation, the City also adopted a new zoning classification: the S-20 Historic Preservation District Combining Zone.

The S-20 is a modification to the existing S-7 zone, designed to streamline the review process in very large historic districts like Oak Center.

Betty Marvin, the City's historic preservation planner, explains that "With S-20 we tried to write something that wouldn't increase the complexity of project review but would provide adequate historic direction. They get more protection [from an owner who wants to change grossly or alter a building's façade] and get design review fees waived."

She hopes that Oak Center will be the first of many S-20 zones. The City's Cultural Heritage Survey has identified hundreds of districts citywide, many of them good zoning candidates, and has had

see OAK CENTER on page 2



President's message

By Mary MacDonald, President

We are pleased to bring you another issue of the *OHA News* soon after the publication of our last issue, and I would like to thank our layout editor Erika Mailman and stalwart contributors Allyson Quibell and Kathleen DiGiovanni for their diligent research and writing.

On the preservation front, OHA continues to keep tabs on proposals for development at the Ninth Avenue Terminal, in the Uptown area, and at the Altemheim. We also monitor the danger of eminent domain being used to displace the 5th Avenue artisan community in the Central City East Oakland Redevelopment District. Since January, we have been communicating with the Planning Department regarding the necessity for an EIR to be conducted for the planned expansion at Mountain View Cemetery. OHA believes that alternatives to the siting, size, and design of the proposed project must be considered under CEQA because of the historic significance of

the cemetery, which was designed by Frederick Law Olmsted, the father of landscape architecture in the United States. We believe that mitigations for any adverse effect upon the historic resource must be required. The Planning Commission was not persuaded, and approved the project in early August. The Piedmont Avenue Neighborhood Improvement League was instrumental in bringing attention to the need for a CEQA analysis, and an article about that group's plans appears in this issue. Our Preservation Action Committee also recently met with the owner of the historic Fruitvale Hotel, who is eager to preserve the building once legal questions about its title have been resolved.

We need additional, committed members for our Preservation Action Committee. Planners, architects, engineers, or others with an interest in preservation action are encouraged to give us a call or send an email.

As you know, last December the OHA membership authorized the board to

increase the number of board members to fifteen. We now have some additional board positions, and we are looking to fill these open spots with responsible, interested persons. Serving on the board is a fantastic way to get involved in Oakland, learn about preservation and Oakland history, meet wonderful people, and do fun things. Some of our board members emphasize preservation action, while others focus on the programs, education and publication arms of our mission. We welcome all types! If you are interested in serving on the board, please send us a statement of interest and a description of your background for our consideration.

Finally, we have had a really good Walking Tour season, which has brought in many new members as well as some much-needed revenue. We are always in need of donations, however, to help with our expenses, including office and support staff. Any contribution you can make to OHA will be much appreciated and will help OHA continue its preservation action and education.

Oak Center

Continued from page 1

"nibbles from other neighborhoods already. They are watching this process. . . . Now there's a model to follow."

HISTORY OF OAK CENTER

The history of Oak Center as a residential neighborhood began when Dutch-born

banker and gentleman farmer James DeFremery built his grand estate west of Adeline in the early 1860s. At the time, other prosperous businessmen were building estates in the country—the East Bay, Marin and the Peninsula—to escape San Francisco's noise, dirt and fog. Improved ferry service and the arrival of the transcontinental railroad in 1869 made West Oakland ripe for development.

The prestigious Oak Center neighborhood developed at a leisurely pace through the 1870s and into the 1900s. About 360 of the 589 buildings in Oak Center were built before 1910. The earliest purchasers typically claimed corner lots of half or quarter blocks; later infill produced a neighborhood that is an elegant patchwork of 19th and turn-of-the-century styles.

Well-known early Oakland and Bay Area architects are represented in the district: Charles Mau, A.W. Pattiani, Howard Burns and Elmer Childs, just to name a few. Their work is a stunning collection

of Italianate, Stick, Queen Anne, Colonial and Shingle residential architecture. One of Oakland's finest remaining Italianate townhouses was built during this period (the Canning House at 954 16th Street).

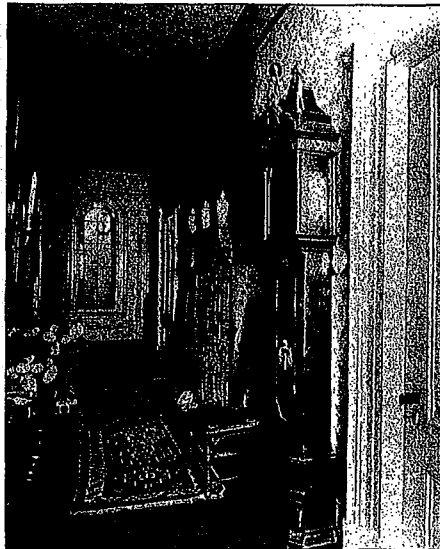
Oak Center became home to many downtown Oakland professionals and San Francisco commuters. Prior to 1910, about half of the identified owners could be described as middle class or professionals: bookkeepers, government employees, produce merchants, manufacturers, teachers and newspapermen. After 1910, there were more artisans, clerks and individuals described as laborers. Many early residents remained in the neighborhood for decades. In fact, one reason why so many of the Oak Center houses have survived is because of long-term owner occupancy.

Like the rest of West Oakland, the Oak Center area began to fall from grace as the electric railways and the post-1906

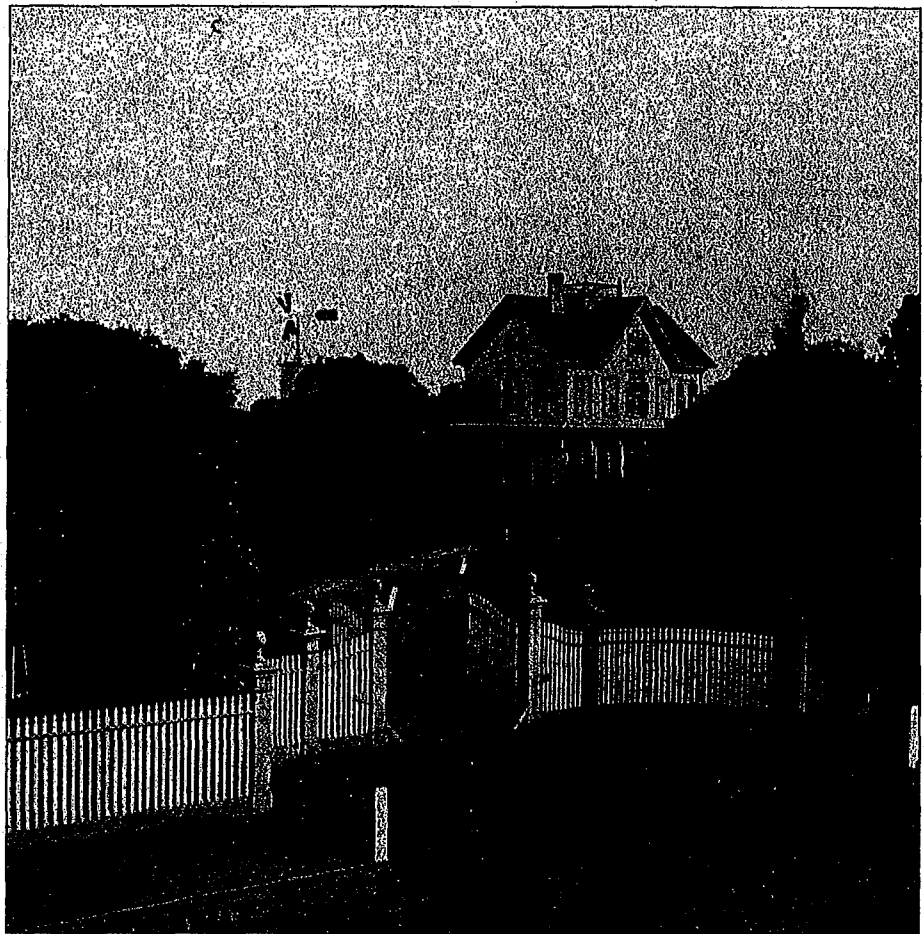
see OAK CENTER on page 3

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Walking Tours Photo Album	8
Mountain View Cemetery	10
Landmarks Board Summaries	11
The Peralta Theater	12



THE DEFREMERY HOUSE still stands today, although not on such a dramatically rural plot. At right is a c. 1873 Carleton Watkins stereograph print. At bottom right is a 1910 party to celebrate Leon DeFremery's coming of age, held in the music room, while above is the hall entrance, photographed in 1910.



All photos this page: Oakland History Room

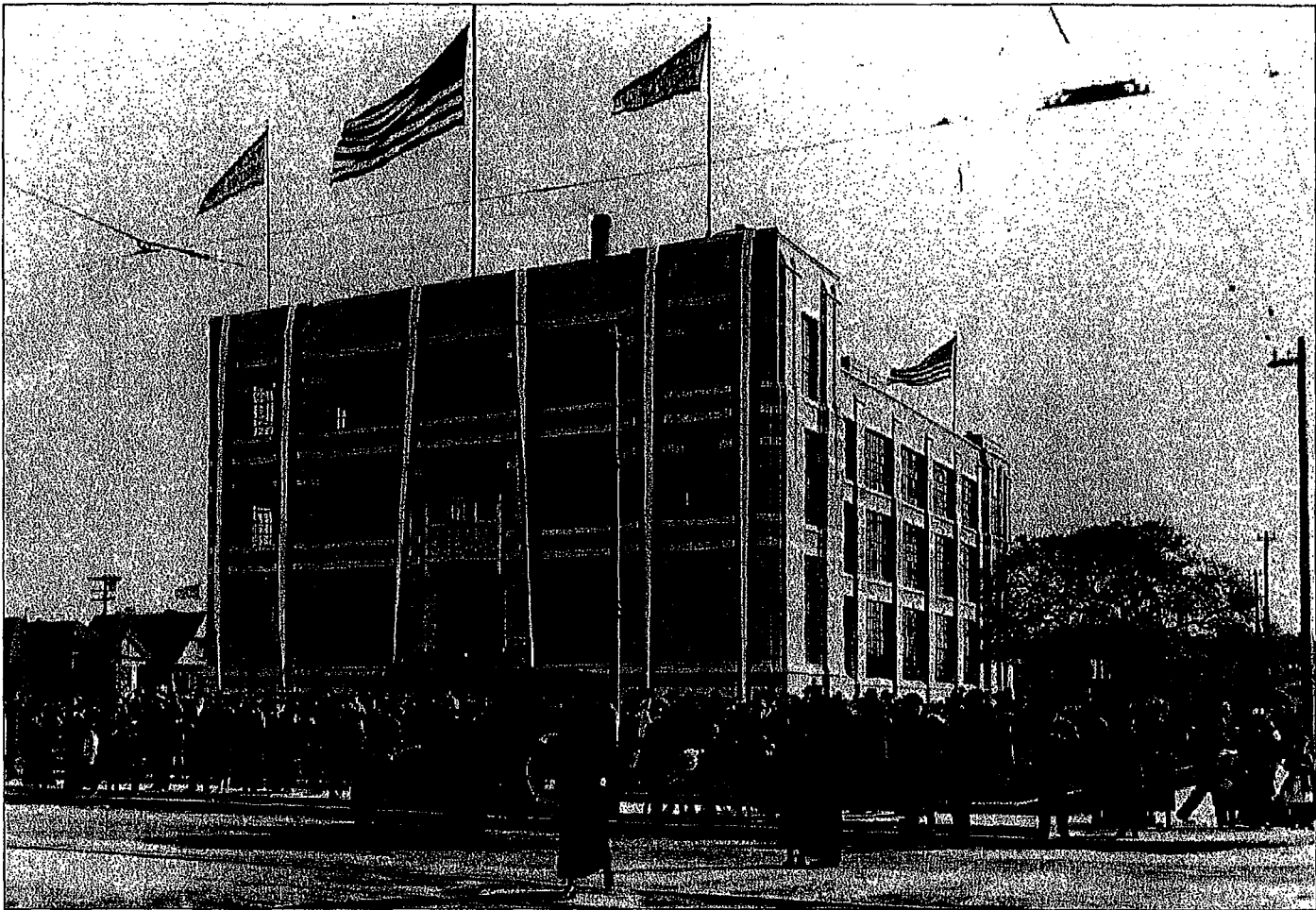
Oak Center

Continued from page 2

earthquake boom opened up the lower hills and "East of the Lake" districts, but its fall was very gradual. Even after the Nabisco Shredded Wheat plant was built at 14th and Union streets in 1915-16, houses still commanded some of the highest rents in the city: \$50 a month and up, according to a map in the 1921 *Tribune Year Book*.

After World War II, most residents were African-American, drawn to Oakland by wartime military jobs. As the older homes in the neighborhood deteriorated, many owners chose to evict renters and tear down houses rather than spend the money needed to bring them up to code. Large areas adjoining the neighborhood were razed in the 1930s for the Peralta Villa housing project, and more in the 1950s for the Cypress freeway.

See **OAK CENTER** on page 4



Oakland History Room

OPENING DAY AT THE SHREDDED WHEAT FACTORY: Two company flags flank the American flag in 1917, when the factory opened. Later, the company was sold to Nabisco.

Oak Center

Continued from page 3

1960s URBAN RENEWAL AND BEYOND

The history of redevelopment in Oak Center is one reason for its historic district nomination. In the early 1960s, urban renewal projects spearheaded by the federal Department of Housing and Urban Development razed blocks of beautiful Victorian homes near Oak Center to make way for the Acorn housing project. Oak Center would have been next if not for the efforts of neighborhood activists, including Wyrick-Parkinson, whose pioneering efforts redirected redevelopment from

demolition to preservation.

Those activists' grassroots efforts, researching the history and lobbying politicians locally and in Washington, D.C., produced an area redevelopment plan in 1973.

The most recent push for historic designation and rezoning began in late 1999,

Oak Center: a district with many aliases. . . .

Historic Names: Central Homestead, DeFremery Estate, Galindo Tract and North Oakland Homestead Tract.

Common Names: Oak Center, Oak Center Redevelopment Area

Period of Significance: 1860-1925

when the Neighborhood Association made its intentions known to the Landmarks Preservation Advisory Board. Community meetings and presentations followed before the nomination was officially made to the Board. The next two hurdles were getting stamps of approval from the Board and the Planning Commission, both of which came in late 2002.

WHAT'S NEXT

"We hope this [designation] will preserve the façades of our Victorian homes, that it will go down in history and someday be a tourist attraction," imagines Ellen Wyrick-Parkinson.

See OAK CENTER on page 5



Oak Center

Continued from page 4

A plaque from the city and appropriate new street signs are seen as first steps. "We want to make it stand out," she says. Additionally, "We want to keep up the neighborhood and get the word out to owners to keep their homes and property up as much as possible."

Joseph Taylor, a member of the Oak Center Preservation Committee and the OHA board of directors, agrees, noting that "If [the designation] spurs people to beautify their homes, that's a positive." He adds that while some see preservation as something that restricts growth, he sees it as an attraction: "'Vintage' and 'classic' are buzzwords these days. That's what people pay for."

"Now people will become aware of the history. This will generate interest from both inside and outside the community, making the community what it could and should be."

For more about Oak Point, see back page for an article on a theater there. Also see photos of the Oak Center walking tour on p. 9.



THIS UNKNOWN YOUNG WOMAN stands on the lawn at 929 Chestnut St. (near 11th Street). Behind her are the homes of Oak Center. The photo was taken by Nellie McGraw around 1901.

All photos this page: Oakland History Room

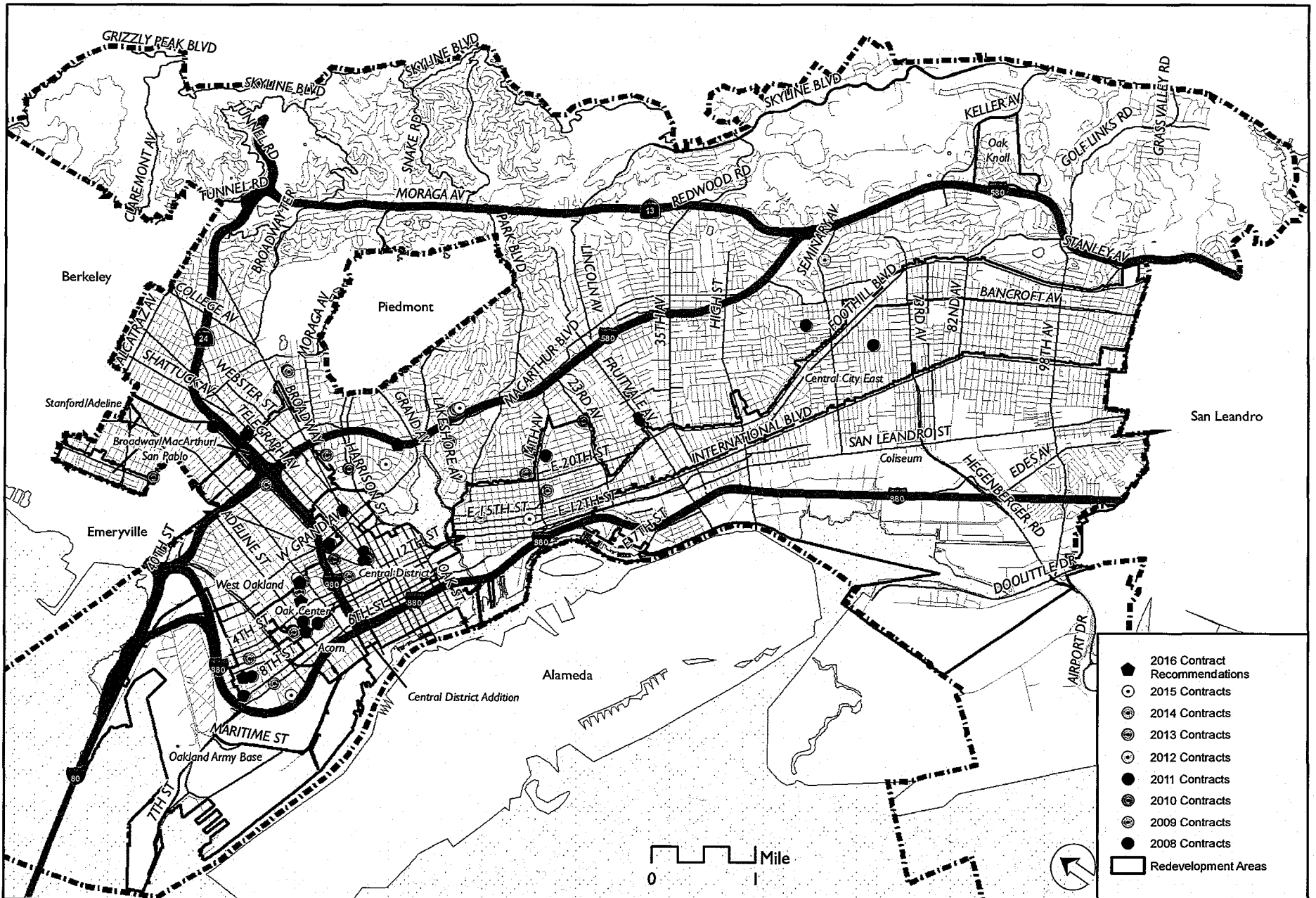


OAK CENTER TRACK RECONSTRUCTION: In 1918, the tracks on West 16th Street, looking east from Chestnut Street (right), were given fresh new sidewalks—you can see the "before and after" on either side of the tracks. The photo above (from a nearby street) shows how horses graded the material.



The Secretary of the Interior's Standards for Rehabilitation

- 1. A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.**
- 2. The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.**
- 3. Each property shall be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or architectural elements from other buildings, shall not be undertaken.**
- 4. Most properties change over time; those changes that have acquired historic significance in their own right shall be retained and preserved.**
- 5. Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a property shall be preserved.**
- 6. Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.**
- 7. Chemical or physical treatments, such as sandblasting, that cause damage to historic materials shall not be used. The surface cleaning of structures, if appropriate, shall be undertaken using the gentlest means possible.**
- 8. Significant archeological resources affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken.**
- 9. New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.**
- 10. New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.**



Planning & Building Department
June 2016



Mills Act Contracts and Contract Recommendations

ATTACHMENT 8

2016 SEP 29 PM 3:29

OAKLAND CITY COUNCIL

Approved as to Form and Legality

Mark P. Wall
City Attorney

RESOLUTION NO. _____ C.M.S.

Introduced by Councilmember _____

A RESOLUTION, AS RECOMMENDED BY THE LANDMARKS PRESERVATION ADVISORY BOARD, APPROVING FOUR (4) MILLS ACT CONTRACTS BETWEEN THE CITY OF OAKLAND AND THE PROPERTIES AT 523 41ST STREET (ESTIMATED \$4,589/YEAR PROPERTY TAX REDUCTION), 1824 MYRTLE STREET (ESTIMATED \$3,045/YEAR PROPERTY TAX REDUCTION), 1733 10TH STREET (ESTIMATED \$2,738/YEAR PROPERTY TAX REDUCTION), AND 1506 LINDEN STREET (ESTIMATED \$4,482/YEAR PROPERTY TAX REDUCTION), 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

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 439.2 of the California Revenue and Taxation Code, to promote historic preservation; and

WHEREAS, the Oakland City Council adopted a permanent Mills Act Property Tax Abatement Program for qualified historic properties on January 5, 2010, via Ordinance No. 12987 C.M.S.; and

WHEREAS, the implementation of the Mills Act Program meets numerous General Plan Land Use goals and policies, including housing rehabilitation, preservation of community character and identity, sustainability, revitalization, and image; and

WHEREAS, the City has received four Mills Act contract applications in 2016 from qualified properties, all of which are City of Oakland Designated Historic Properties: (1) 1506 Linden Street, a Queen Anne house, is a contributor to the Oak Center S-20 Historic District, designated by City Council in 2002; (2) 523 41st Street, a Colonial Revival house in the Temescal neighborhood; (3) 1824 Myrtle Street, a Queen Anne house in the Oak Center neighborhood; and (4) 1733 10th Street, an Italianate house in the Oakland Point-Prescott neighborhood; the latter three were designated as Heritage Properties by the Landmarks Preservation Advisory Board on July 11, 2016, in conjunction with the Mills Act applications; and

WHEREAS, at a duly noticed meeting, the Landmarks Preservation Advisory Board on July 11, 2016, recommended the four applications for contract approval for the 2016 Mills Act program; and

WHEREAS, at a duly noticed meeting on July 20, 2016, the Landmarks Preservation Advisory Board's Mills Act contract recommendations were reviewed and unanimously recommended for approval by the Planning Commission; and

WHEREAS, the City Council Community and Economic Development Committee considered the matter at its October 11, 2016, duly noticed meeting and recommended its approval to the City Council; and

WHEREAS, the City Council considered the matter at its October 18, 2016, 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:

- 523 41ST STREET, Oakland CA**
- 1824 MYRTLE STREET, Oakland CA**
- 1733 10TH STREET, Oakland CA**
- 1506 LINDEN STREET, Oakland CA**

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and PRESIDENT GIBSON MCELHANEY

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California

FILED
OFFICE OF THE CITY CLERK
OAKLAND

10 JAN 11 AM 11:16
INTRODUCED BY COUNCIL MEMBER De La Fuente

Attachment B
Corrected
APPROVED AS TO FORM AND LEGALITY

Mark P. Wall
City Attorney

OAKLAND CITY COUNCIL

ORDINANCE NO. 12987 C.M.S.

AN ORDINANCE EXPANDING AND MAKING PERMANENT THE MILLS ACT PROPERTY TAX ABATEMENT PROGRAM FOR QUALIFIED HISTORIC PROPERTIES WHICH WAS ESTABLISHED AS AT TWO-YEAR PILOT PROGRAM VIA ORDINANCE NO. 12784 C.M.S.

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 439.2 of the California Revenue and Taxation Code, to promote historic preservation; and

WHEREAS, establishment of a permanent Mills Act Program would meet numerous General Plan Land Use goals and policies, including housing rehabilitation, preservation of community character and identity, sustainability, commercial and corridor revitalization, and image; and

WHEREAS, the Landmarks Preservation Advisory Board adopted the establishment of a Mills Act Property Tax Abatement Program for the City of Oakland as a major goal for 2005/06; and

WHEREAS, the City of Oakland has a wealth of historic buildings and neighborhoods matched by few other California cities; and

WHEREAS, the City Council adopted a two-year pilot Mills Act Property Tax Abatement Program for Qualified Historic Properties in 2007 via Ordinance No. 12784 C.M.S.; and

WHEREAS, the two-year pilot program has successfully been implemented, with applications submitted representing geographic diversity within the City, and with applications submitted that are within both the range of the limit on the number of contracts and the limit of losses on Property Tax revenues, with the exception of large commercial properties; and

WHEREAS, the two-year pilot program demonstrated the need to expand the limits of

of losses of Property Taxes in the Central Business District to include these large commercial properties in the Program, to provide an incentive for rehabilitation of Central Business District historic properties, which benefit both the property owner with a potential tax reduction and the City with a potential Tax Revenue increase; and

WHEREAS, the establishment of a permanent and expanded Mills Act Program for the City of Oakland could affect historic properties city-wide and has the potential to be a catalyst for further revitalization and reinvestment of its distinct and diverse neighborhoods, including the Central Business District, and its strong historical character; and

WHEREAS, staff has solicited direction from the historic community and in-house City stakeholders, including the Landmarks Preservation Advisory Board, the Oakland Heritage Alliance, interested Developers and the City Redevelopment Agency, in order to create an inclusive program that responds to a variety of Oakland concerns; and

WHEREAS, the Landmarks Preservation Advisory Board and the Planning Commission have strongly supported the goals to expand and make permanent the Mills Act Tax Abatement Program; **NOW, THEREFORE**,

THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

SECTION 1. The City Council finds and determines that an expanded and permanent Mills Act Program will implement the General Plan Historic Preservation Element, provide an incentive for historic property maintenance, preservation and/or rehabilitation and thereby act as a catalyst for revitalization citywide, thus promoting the health, safety and welfare and furthering numerous general plan policies and objectives.

SECTION 2. The City Council hereby adopts an expanded and permanent Mills Act Program, as detailed in the December 1, 2009 City Council Agenda Report. There shall be a limit of the program impact on City revenues limited to \$25,000/year, on Redevelopment revenues to \$25,000/year in any single redevelopment area with a cumulative limit of \$250,000/year for all redevelopment areas with the exception of the Central Business District. In the Central Business District, there shall be a limit of the program impact on Redevelopment revenues to \$100,000/building/year with a cumulative limit of \$250,000/year.

Additionally, any Mills Act Program property applicant, whose estimated Property Tax loss exceeds the above limits, may request special consideration by the City Council.

The Landmarks Preservation Advisory Board shall review and consider all Mills Act contracts, which shall be in substantial conformance to the Model Mills Act Agreement (**Exhibit A**), and shall forward its recommendations to the City Council. Staff shall present a report analyzing the cumulative fiscal effects of all existing Mills Act contracts

prior to Council consideration of additional Mills Act contracts. If the City Council approves any Mills Act contracts, it shall do so by resolution.

SECTION 3. The City Council finds and determines that the requirements of the California Environmental Quality Act of 1970 (CEQA), the CEQA Guidelines, and the provisions of the Environmental Review Regulations of the City of Oakland have been met, and the actions authorized by this Ordinance are categorically exempt from CEQA under CEQA Guidelines Section 15331: Historical Resource Restoration/Rehabilitation.

SECTION 4. The City Council authorizes staff to take any and all steps necessary to implement the Mills Act Pilot Program consistent with this ordinance.

IN COUNCIL, OAKLAND, CALIFORNIA, JAN - 5 2010

PASSED BY THE FOLLOWING VOTE:

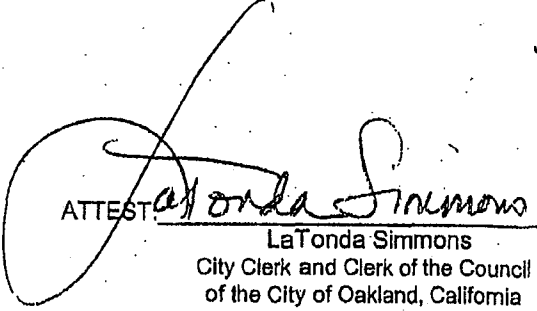
AYES- BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT BRUNNER - 8

NOES- 0

ABSENT- 0

ABSTENTION- 0

ATTEST


LaTonda Simmons

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

Introduction Date: DEC - 8 2009

DATE OF ATTESTATION: 1-7-2010

NOTICE & DIGEST

AN ORDINANCE EXPANDING AND MAKING PERMANENT THE MILLS ACT PROPERTY TAX ABATEMENT PROGRAM FOR QUALIFIED HISTORIC PROPERTIES WHICH WAS ESTABLISHED AS AT TWO-YEAR PILOT PROGRAM VIA ORDINANCE NO. 12784 C.M.S.

This ordinance (a) adopts a permanent Mills Act Property Tax Abatement Program which allows reductions of property tax assessments for eligible historic properties if the owner signs an agreement with the city to preserve and maintain the historic characteristics of the property, based on the two-year pilot program via Ordinance No. 12784 C.M.S.; and (b) expands the program so that large commercial properties in the Central Business District can participate in the Program.

Attachment C

WHEN RECORDED, RETURN TO:

City of Oakland
Community & Economic Development Agency
Attn: Planning & Zoning, Historic Preservation/Secretary of Landmarks Board
250 Frank H. Ogawa Plaza, Suite 3315
Oakland, CA. 94612

**(MODEL) MILLS ACT AGREEMENT FOR
PRESERVATION OF HISTORIC PROPERTY**

This Agreement is entered into this _____ day of _____, 200_, by and between the City of Oakland, a municipal corporation (hereinafter referred to as the "City"), and _____ (hereinafter referred to as the "Owner(s)", owner(s) of the structure located at _____, in the City of Oakland (Exhibit A – Legal Description of Property).

RECITALS

Owner possesses and owns real property located within the City and described in Exhibit A ("Property") attached and made a part hereof.

The Property is a Qualified Historic Property within the meaning of Oakland City Council Resolution No. ____ C.M.S., in that it is a privately owned property which is not exempt from property taxation and is on the City of Oakland's Local Register of Historic Resources.

Both City and Owner desire to carry out the purposes of Section 50280 of the California Government Code and Section 439 of the California Revenue and Taxation Code.

Both Owner and City desire to enter into a Agreement to preserve the Property so as to retain its characteristics of cultural, historical and architectural significance and to qualify the Property of an assessment of valuation pursuant to Section 1161 of the Revenue and Taxation code of the State of California.

NOW, THEREFORE, both Owner and City, in consideration of the mutual promise, covenants and conditions contained herein and the substantial public benefit to be derived therefrom, do hereby agree as follows:

1) **Effective Date and Term of Agreement (California Government Code Section 50281.a)** The term of this Agreement shall be effective commencing on _____ and shall remain in effect for a term of ten (10) years thereafter. Each year, upon the anniversary of the effective date of this Agreement (hereinafter "renewal date"), one (1) year shall automatically be added to the term of the Agreement, unless timely notice of nonrenewal, as provided in paragraph 2, is given. If either City or Owner(s) serves written notice to the other of nonrenewal in any year, the Agreement shall remain in effect for the balance of the term then remaining, either from its original execution or from the last renewal of the Agreement, whichever may apply.

2) **Notice of Nonrenewal (California Government Code Section 50282, California Revenue and Taxation Code Section 439.3)** If City or Owner(s) desires in any year not to renew the Agreement, that party shall serve written notice of nonrenewal in advance of the annual renewal date of the Agreement as follows:

- a. Owners must serve written notice of nonrenewal at least ninety (90) days prior to the renewal date; or
- b. City must serve written notice within sixty (60) days prior to the renewal date. Owners may make a written protest of the notice. City may, at any time prior to the annual renewal date of the Agreement, withdraw its notice of nonrenewal to Owner(s).
- c. If the City or Owner(s) serves notice of intent in any year to not renew the Agreement, the existing Agreement shall remain in effect for the balance of the period remaining since the original execution or the last renewal of the Agreement, as the case may be.
- d. Any notice required to be given by the terms of this Agreement shall be provided by U.S. mail or hand delivery at the address of the respective parties as specified below or at any other address as may be later specified in writing by the parties hereto.

To City: City of Oakland

Community and Economic Development Agency

250 Frank H. Ogawa Plaza, Suite 3315

Oakland, CA 94612-2032

ATTN: Secretary, Landmarks Preservation Advisory Board

To Owner:

3) **Valuation of Historical Property (California Revenue and Taxation Code, Section 439.2)** During the term of this Agreement, Owner(s) are entitled to seek assessment of valuation of the Historical Property pursuant to the provisions of

Section 439 et. seq. of the California Revenue and Taxation Code.

- 4) **Preservation/rehabilitation and Maintenance of Property (California Government Code Section 50281(b)1)** During the term of this Agreement, the Property shall be subject to the following conditions, requirements and restrictions:
- a. Owner(s) agree to preserve/rehabilitate and maintain cultural, historical and architectural characteristics of the Property during the term of this Agreement as set forth in the attached schedule of improvements, which has been reviewed by the Landmarks Preservation Advisory Board and approved by the City Council (Exhibit B attached and made a part hereof). No demolition or other work may occur which would adversely impact the cultural, historical and architectural characteristics of the Property during the term of this Agreement.
 - b. All work on the Property shall meet , at a minimum, the Secretary of Interior's Standards for Rehabilitation of Historic Properties ,the Office of Historic Preservation of the Department of Parks and Recreation (Exhibit C attached and made a part hereof), the Minimum Property Maintenance conditions (Exhibit D attached and made a part hereof) the State Historical Building code as determined as applicable by the City of Oakland and all required review and conditions of the Landmarks Preservation Advisory Board, the Planning Commission, the City Council, and/or the Community and Economic Development Agency of the City of Oakland.
 - c. If the schedule set out in Exhibit B is not complied with, then City will use the following process to determine whether the Owner(s) are making good faith progress on the schedule of work. Upon City's request, the Owner(s) shall timely submit documentation of expenditures, made to accomplish the next highest priority improvement project for the property within the last 24 months. The Owner(s) shall be determined to be in substantial compliance when the expenditures are equal to or greater than the property tax savings provided by the Property being in the Mills Act Program. This schedule set out in Exhibit B shall be revised to reflect the schedule change. The Community and Economic Development Agency's Director, or his/her designee, shall have the ability to administratively adjust the schedule timeline, in concurrence with the Property Owners(s), only by written recorded instrument executed by the parties hereto.
 - d. Owner(s) shall, within five (5) days notice from the City, furnish City with any information City shall require to enable City to determine (i) the Property's present state, (ii)its continuing eligibility as a Qualified Historic Property, and (iii) whether the Owner is in compliance with this Agreement.

- 5) **Destruction through ‘Acts of God’ or “Acts of Nature”**. To the extent authorized by state law, Owner(s) shall not be held responsible for replacement/repair of the Property if it is Damaged or Destroyed through “Acts of God’/Nature, such as slide, flood, tornado, lightning or earthquake. Damaged or Destroyed means that the property is no longer restorable to a condition eligible for historic designation due to substantial loss of integrity, as determined by an Historic Architect.
- 6) **Inspections (California Government Code Section 50281(b)2)**. Owner(s) agrees to permit such periodic examinations/inspections, by appointment, of the interior and exterior of the Property by the City staff, Members of the Landmarks Preservation Advisory Board, representatives of the County Assessor’s Office, representatives of the State Board of Equalization and representatives of the Department of Parks and Recreation as may be necessary to determine the Owner’s compliance with this Agreement. Such examination/inspection shall be upon not less than five (5) days written or oral notice.
- 7) **Payment of Fees (California Government Code Section 50281.1)** The Owner shall pay the City a fee established pursuant to the City’s Master Fee Schedule, for costs related to the preparation and review of the Agreement and related documents **at the time of application**.
- 8) **Binding on Successors and Assigns (California Government Code Section 50281.b.3)** Owner agrees that this Agreement shall be binding upon and inure to the benefit of all parties herein, their heirs, successors in interest, legal representatives, assigns and all persons acquiring any part or portion of the Property, whether by operation of law or otherwise, and that any such person(s) shall have the same rights and obligations under this Agreement.
- 9) **Cancellation (California Government Code Section 50284)** City, following a duly noticed public hearing before the City Council, as set forth in California Government Code Section 50285, may cancel this Agreement if it determines that Owner(s): (a) have breached any of the conditions of the Agreement; (b) have allowed the property to deteriorate to the point that it no longer meets the standards for being on the City’s Local Register of Historic Resources ; or (c) if the Owner(s) have failed to restore or rehabilitate the Property in the manner specified in paragraph 4 of this Agreement.

In the event of cancellation, Owner(s) shall be subject to payment of those cancellation fees set forth in California Government Code Sections 50280 et seq., described herein. Upon cancellation, Owner(s) shall pay a cancellation fee of twelve and one-half percent (12 ½%) of the current fair market value of the Property at the time of cancellation, as determined by the County Assessor as though the Property were free of any restrictions pursuant to this Agreement.

10) **No Compensation** Owner shall not receive any payment from City in consideration of the obligations imposed under this Agreement, it being recognized and agreed that the consideration for the execution of this Agreement is the substantial public benefit to be derived therefrom and the advantage that will accrue to Owner as a result of the effect upon the Property's assessed value on account of the restrictions required for the preservation of the Property.

11) **Enforcement of Agreement** As an alternative to cancellation of the Agreement for breach of any condition as provided in paragraph 9, City may, in its sole discretion, specifically enforce, or enjoin the breach of the terms of this Agreement. In the event of a default, under the provisions of this Agreement by the Owners, City shall give written notice to Owners by registered or certified mail. If such a violation is not corrected to the reasonable satisfaction of City within thirty (30) days thereafter, or if not corrected within such a reasonable time as may be required to cure the breach or default if said breach or default cannot be cured within thirty (30) days provided that acts to cure the breach or default may be commenced within (30) days and must thereafter be diligently pursued to completion by Owners, then City may, without further notice, declare a default under the terms of this Agreement and may bring any action necessary to specifically enforce the obligations of Owners growing out of the terms of this Agreement, apply to any violation by Owners or apply for such other relief as may be appropriate.

12) **Indemnification** Owner shall indemnify, defend (with counsel reasonably acceptable to City) and hold harmless the City of Oakland, and all of its boards, commissions, departments, agencies, agents, officers, and employees (individually and collectively, the "City") from and against any and all actions, causes of actions, liabilities, losses, costs, claims, judgments, settlements, damages, liens, fines, penalties and expenses (collectively called "Claims") incurred in connection with or arising in whole or in part from this Agreement, including without limitation:

- a. any accident, injury to or death of a person, loss of or damage to property occurring in or about the Property;
- b. the use or occupancy of the Property by Owner, its Agents or Invitees;
- c. the condition of the Property; or
- d. any construction or other work undertaken by Owner on the Property.

This indemnification shall include, without limitation, reasonable fees for attorneys, consultants and experts and related costs and City's cost of investigating any Claims. Owner shall defend the City from any and all Claims even if such Claim is groundless, fraudulent or false. Owner's obligations under this Paragraph shall survive termination of this Agreement.

13) **Governing Law** This Agreement shall be construed and enforced in accordance with the State of California.

- 14) **Amendments** This Agreement may be amended in whole or in part only by a written recorded instrument executed by the parties hereto in the same manner as this Agreement.
- 15) **No Waiver** No failure by the City to insist on the strict performance of any obligation of Owner under this Agreement or to exercise any right, power or remedy arising out of a breach hereof, shall constitute a waiver of such breach or of City's right to demand strict compliance with any terms of this Agreement. No acts or admissions by City; or any agent(s) of City, shall waive any or all of City's right under this agreement.
- 16) **Severability** If any provision of this Agreement is determined to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each other provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.
- 17) **Recording with Alameda County (California Government Code Section 50282.e)** No later than 20 days after execution of this Agreement, the Owner shall record with the county recorder a copy of the Agreement and provide proof of such to the City.
- 18) **Notice to State Office of Historic Preservation** The Owner shall provide written notice of the Agreement to the State Office of Historic Preservation within six (6) months of the date of this Agreement, and provide City with a copy of such notice.
- 19) **Eminent domain (California Government Code Section 50288)** In the event that the Property is acquired in whole or in part by eminent domain or other acquisition by any entity authorized to exercise the power of eminent domain, and the acquisition is determined by the legislative body to frustrate the purpose of the Agreement, such Agreement shall be canceled and no fee shall be imposed under paragraph 9. This Agreement shall be deemed null and void for all purposes of determining the value of the Property so acquired.
- 20) **General Provisions** None of the terms provisions or conditions of this Agreement shall be deemed to create a partnership hereto and any of their heirs, successors or assigns, nor shall such terms, provisions or conditions cause them to be considered joint ventures or members of any joint enterprise.
- 21) **Attorney's Fees** In the event legal proceedings are brought by any party or parties hereto, to enforce or restrain a violation of any of the covenants, reservations or restrictions contained herein, or to determine the rights and duties of any party hereunder, the prevailing party in such proceeding may recover its reasonable attorney's fees in addition to court costs and other relief ordered by the court.

On _____, before me, _____
a Notary Public for the State of California, personally appeared _____
_____, personally known to me (or proved to me on the basis of
satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to in the within
instrument, and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the
day and year first written above.

Notary Public
State of California

EXHIBITS

EXHIBIT A: Legal Description of Property

EXHIBIT B: Schedule of Improvements

EXHIBIT C: The Secretary of the Interior's Standards for Rehabilitation

EXHIBIT D: Minimum Property Maintenance Standards