

	<p>Proposal: Case File Number /Location/ City Council District /Zoning:</p>	<p>Mills Act Contract Applications by owners.</p> <ol style="list-style-type: none"> 1) MA20-001: 676 Longridge Rd. (APN 11-883-45); City Council District 2, Zoning RD-1 2) MA20-002: 322 (318-334) Broadway (APN 1-139-14); City Council District 3, Zoning C-45/S-4 3) MA20-003: 1186 Trestle Glen Rd. (APN 23-437-3-1); City Council District 2, Zoning RD-1 4) MA20-004: 926 Rosemount Rd. (APN 11-891-15); City Council District 2, Zoning RD-1 5) MA20-005: 2804 Adeline St. (APN 5-456-23); City Council District 3, Zoning RM-2 6) MA20-006: 724 Campbell St. (APN 6-3-24); City Council District 3, Zoning RM-2 7) MA20-007: 326-28 Henry St. (APN 4-103-26); City Council District 3, Zoning RM-2 8) MA20-008: 5738 Picardy Dr. (APN 38-3171-22); City Council District 6, Zoning RD-1 9) MA20-009: 669-71 24th St./674 23rd St. (APNs 8-663-17, 8-663-6); City Council District 3, Zoning RU-1, RU-5 10) MA20-010: 369 MacArthur Bl. (APN10-785-21-2); City Council District 3, Zoning RU-2/S-12
	<p>Applicant/Owner:</p>	<p>Multiple, see individual applications attached</p>
	<p>Environmental Determination:</p>	<p>Categorically Exempt per CEQA Guidelines Sections: 15301 (Existing Facilities); 15305 (Minor Alterations in Land Use Limitations); 15306 (Information Collection); 15308 (Actions by Regulatory Agencies for Protection of the Environment); 15331 (Historical Resource Restoration/Rehabilitation); Section 15183 (Projects consistent with the General Plan or Zoning).</p>
	<p>Action to be Taken:</p>	<p>Discuss and select applications to recommend for 2020 Mills Act contracts. Forward to Planning Commission as informational item. Forward recommendations to City Council.</p>
	<p>For Further Information:</p>	<p>Contact case planner Betty Marvin at (510) 238-6879 or by email at: bmarvin@oaklandnet.com</p>

BACKGROUND

The Mills Act is a California state law passed in 1972 that allows property owners and local governments to contract for a potential property tax reduction for historic properties, using an alternate appraisal formula. The state law establishes a 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 criteria and work program requirements. Oakland requires that the property have local historic designation (Landmark, Heritage Property, S-7, or S-20) and *commits the owner to spending the amount of the tax savings on a pre-approved, recorded program of eligible improvements* that restore or maintain the historic exterior character of the building or its structural integrity. The relatively small tax benefit gives owners the means and motivation for high quality historically appropriate improvements, and can be especially beneficial for underutilized or undermaintained properties. Such projects further City goals including creation and preservation of housing, reduction of blight, and enhancement of neighborhoods. Oakland has approved 82 Mills Act contracts since the first contracts in 2008.

A two-year pilot Mills Act program was adopted by the Oakland City Council in 2006-07, partly as a recommended action from the West Oakland and Central City East redevelopment plans. In 2009 the City Council expanded the program and made it permanent. The 2009 ordinance authorized a City revenue loss of \$25,000 a year in new contracts, with additional larger quotas for Redevelopment areas (\$250,000 a year in the Central Business District and \$25,000 a year in each other Redevelopment area). Since the abolition of Redevelopment in 2012, the City share of property tax revenue is uniform across the city at 27.28% but the (former) Redevelopment areas continue to be targeted for Mills Act contracts. The ordinance also provides that tax losses may exceed any of these limits with approval of the City Council.

To be eligible for a Mills Act contract, a property must be on an official register of historical resources. (California Government Code [ARTICLE 12. Historical Property Contracts \[50280. - 50290.1\]](#)) Oakland's 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 (APIs), and Designated Historic Properties (DHPs: Landmarks, Heritage Properties, and properties in S-7 and S-20 districts). Properties not already formally designated by the Landmarks Board must concurrently obtain Heritage Property or other designation from the Board.

The Mills Act program uses an alternate method of calculating property taxes for participating properties based on the income method of appraisal. In this method, property value is extrapolated each year from actual or estimated potential rental income, using a capitalization rate or multiplier. Under the Mills Act the capitalization rate, usually around 10%, is adjusted for "historic property risk" by 4% for owner-occupied residential properties or 2% for all others, giving potentially a 20 to 40 percent tax reduction to Mills Act ("historic restricted") properties. Assessment may be pro-rated between owner-occupied and income portions of a property, or between historic and non-historic portions ([Revenue and Taxation Code - RTC / ARTICLE 1.9. Historical Property \[439. - 439.4.\]](#); State Board of Equalization, <https://www.boe.ca.gov/proptaxes/pdf/lta05035.pdf>).

Important features of the Mills Act program, established by the state legislation and incorporated into Oakland's Mills Act contracts, 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. If notice of non-renewal is given, the contract remains in effect for the balance of the current 10-year term.
- The agreement provides for periodic inspections to determine compliance with the contract.
- 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 tax savings be invested back into the property according to a work program that is recorded with the contract.

- The contract runs with the property, that is, its benefits and obligations automatically transfer to each new owner and the property is not reassessed to full market value upon sale.
- The amount of tax reduction depends on a number of variables. The largest tax reductions usually occur for properties purchased or reassessed in recent years and at high market values. For properties with existing low assessments, taxes cannot increase due to a Mills Act contract, but it is possible that they will not decrease.

CONTRACT CONDITIONS, ALL PROPERTIES

The Secretary of the Interior’s Standards for Rehabilitation are incorporated as conditions in the Mills Act agreement (Attachment 11), and apply whenever work is submitted for permits to carry out work program items. Especially in regard to windows, a significant item in most of 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 (8 pages, Attachment 11) 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 for 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 Department of Planning and Building of the City of Oakland.

2020 MILLS ACT APPLICATIONS

Mills Act applications are accepted from January to May of each year, to allow time for processing by the City and recording with the County by December 31. Ten completed Mills Act applications were submitted this year and are before the Landmarks Board for review. All ten are also applying for Heritage Property designation at this meeting. As in past years, most applications are for small residential buildings (houses and duplexes). Three applications – MA20-002, -009, and -010 – are for multi-unit adaptive reuse projects involving restoration and expansion of formerly derelict properties, whose potentially larger tax bills and larger revenue reductions may require special Council approval.

Geographic Distribution and Outreach

The map on the next page illustrates geographic distribution of all current and proposed Mills Act properties. The 2020 applications include three houses and one adaptive reuse project in West Oakland, three houses in Lakeshore-Trestle Glen, and one project each in the Central Business District (commercial building adaptive reuse), Adams Point (house restoration and expansion), and East Oakland (single-family house).

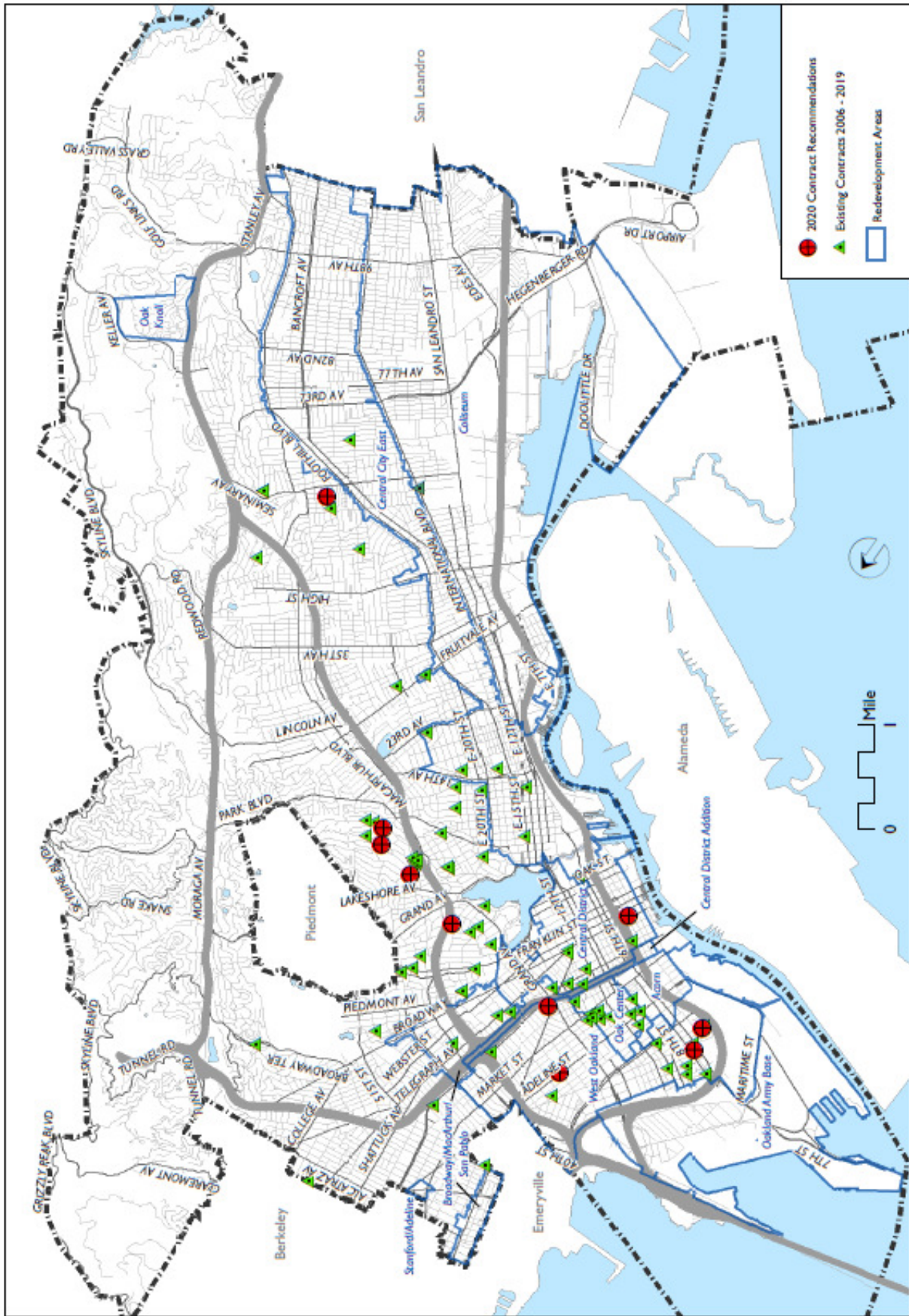
As usual, at least 100 inquiries about the program were received from all parts of Oakland during 2019-2020, and a larger group than usual followed up with complete applications. Applicants heard about the program from neighbors, real estate agents, neighborhood and preservation organizations, and the City website. In addition, staff mentions the program whenever contacted by owners, permit applicants, or real estate agents about seemingly eligible properties, and planners actively encouraged this year's three adaptive reuse applicants to consider using the Mills Act to support historically appropriate exterior restoration of these significant but challenging properties.

Historic Preservation Staff Review

Selection criteria for Mills Act applications were developed by a Landmarks Board committee and adopted by the Board during the first year of the Mills pilot program, to screen and rank applications, as well as to direct applicants as they develop their applications. Evaluation focuses on:

- *significance* of the property;
- immediate *necessity* of the work to prevent 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 ten 2020 Mills Act contract applications, as satisfying the applicable criteria for both Heritage Property designation and Mills Act participation. The Class of 2020's Mills and Heritage applications are all well researched, documented, and explained, four properties are in the targeted area of West Oakland, and at long last there is an application from Picardy Drive. Further details are provided in the individual property summaries on the following pages and in the full applications, Attachments 1 through 10.



Planning & Building Department
June 2020

Mills Act Contracts and Contract Recommendations



Financial Impacts - 2020 Mills Act Applications

A simple calculator on the City website <https://www.oaklandca.gov/search?query=mills+act> allows applicants to make a *rough estimate* of tax outcomes: see table of estimates for 2020 applicants on the next page. Based on Alameda County records and information from applicants, columns 2 and 3 list the current assessed value and ad valorem property tax for each property (note that special assessments – about \$1000 to \$1500 a year for most properties - are not affected by the Mills Act and are not reflected in the table). Column 4 lists the *estimated* Mills Act ad valorem tax, using the state formula based on square footage and hypothetical or actual rent. Column 5 lists the difference between current taxes and the *estimated* tax under the Mills Act. The City receives approximately 27.28% of ad valorem property taxes. Column 6 is 27.28% of the estimated change in taxes due to the Mills Act calculation, being the estimated first-year reduction of property tax revenue to the City.

In addition to the one-size-fits-all estimates from the calculator, over the years some applicants have provided their own calculations – some higher, some lower - based on conversations with the Assessor or on personal research into likely market rents. Though there have been no major discrepancies for small residential properties, the range of estimates confirms the rough nature of these figures, especially as 2020-21 assessments have not been published at the time of this report and the 2021-22 Mills Act or “historical restricted” assessments based on market rents will not be calculated by the county until 2021. The three adaptive reuse projects, in addition, are still assessed in their quasi-derelict state, so their actual future assessments will depend on many factors: rents in the completed project, construction costs, proration between historic and new construction, and the likely higher quality of the finished project due to Mills Act funds and work program commitments.

Since the Mills Act program was created by the legislature in the 1970s, and even since Oakland’s program was adopted in 2007-09, tax outcomes of the Mills formula have been affected by changes in the California real estate market. Inflation of real estate prices and the Proposition 13 system under which properties are reassessed to market value only at change of ownership mean that new owners are likely to benefit much more than long-term owners. Because the Mills Act assessment formula is based on the income method of appraisal (using a hypothetical market rent), the current spike in rental prices means that Mills Act savings may be less than in past years. According to staff at the Assessor’s office in 2016, “higher rents will have an impact on Mills Act restricted assessments. The restricted [Mills Act] assessment will be calculated using market rent as of January 1. An increase in market rents would yield a higher restricted assessment.” Assessment is done property by property in the new tax year (2021). Applicants were advised to put a higher rent per square foot in the calculator (at least \$2.50 to \$3 in 2020, vs. \$1.25 when the calculator was designed by EPS consultants in 2006). Lower Mills Act savings for owners would, of course, also mean less revenue reduction for the City.

Disclaimer (accompanies calculator on the City website):

The online calculator that produces 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.

ESTIMATED TAX RESULTS, 2020 MILLS ACT APPLICATIONS

1 Mills Act Application	2 Assessed Value 2020 (county record - land & improvements)	3 Current Ad Valorem Property Tax (county rec.)	4 Mills Act Taxes from calculator (estimate based on ~\$2-3.50/sf rent)	5 Change in Taxes (current less Mills estimate)	6 City Revenue Loss, Year 1 (27.28% of tax change)
Small residential properties, citywide:					
MA20-001, Longridge	\$1,597,843	\$21,775	\$10,511	(\$11,264)	(\$3,073)
MA20-003, Trestle Glen	\$675,367	\$9,149	\$4,435	(\$4,714)	(\$1,286)
MA20-004, Rosemount	\$843,587	\$11,547	\$5,228	(\$6,319)	(\$1,724)
MA20-005, Adeline *	\$800,000	\$11,200	\$4,946	(\$6,254)	(\$1,706)
MA20-006, Campbell	\$714,000	\$9,773	\$3,705	(\$6,068)	(\$1,655)
MA20-007, Henry *	\$469,294	\$6,570	\$2,544	(\$4,026)	(\$1,098)
MA20-008, Picardy	\$802,740	\$10,988	\$5,031	(\$5,957)	(\$1,625)
TOTAL small residential	\$5,902,831	\$81,002	\$36,400	(\$44,602)	(\$12,167)
<i>Approximate total small residential tax reductions:</i>				total tax reduction (\$44,602)	City revenue (\$12,167)
Large adaptive reuse projects and multi-unit properties **:					
MA20-002, Broadway	\$4,836,700	\$67,714	\$44,426	(\$23,288)	(\$3,073)
MA20-009, 24th/23rd	4,740,200	\$99,298	\$69,000	(\$30,298)	(\$8,265)
MA20-010, MacArthur	1,970,000	\$27,580	\$8,666	(\$18,914)	(\$5,160)
<i>Approximate total large project reductions:</i>				total tax reduction (\$72,500)	City revenue (\$19,778)
TOTAL Estimated City tax revenue loss, year 1 (tax year 2 2021-2022)					(\$31,945)

* **Adeline and Henry: new owners, value shown represents purchase price information from owners**

** **Broadway: applicant’s estimate of future assessed value of historic bldg., based on rehab costs**

23rd/24th: applicant’s estimate of annual savings, per work program

MacArthur: applicant’s estimate of future assessed value of historic bldg., based on rehab costs

An estimated reduction of \$12,167 for the 7 small residential properties is well below the annual City revenue loss limit of \$25,000 for new Mills Act contracts (though higher than most past years, due to both inflation and the large number of applications). Three are in the West Oakland Redevelopment Area.

The three large adaptive reuse projects (Broadway in the CBD, 24th Street in West Oakland, MacArthur in Adams Point) appear to produce a combined revenue reduction of approximately \$19,778, for an overall total of \$31,945. This exceeds the \$25,000 limit established in 2007 for properties outside Redevelopment areas by approximately \$7,000, again a very rough estimate.

2020 Contracts, 2007 Loss Limit

Staff believes it is reasonable to recommend all ten applications for Mills Act contracts, and to recommend approval of contracts over the \$25,000 “City revenue” limit, for these reasons:

- Inflation: property prices and taxes have risen sharply in the last decade. In 2006 the staff report for the Mills pilot program stated that the “\$25,000 tax loss amounts to 0.03% of the annual [property] tax revenues which total \$85 million.” The City’s published 2019-2024 five-year forecast projected \$222 million in annual property tax revenue, almost three times what it was when Oakland’s Mills Act program was designed. (.03% would be approximately \$67,000)
- Redevelopment area allowances: In addition to the \$25,000 “City revenue” reduction, the 2007 and 2009 ordinances provided substantial additional tax reductions in Redevelopment areas (see page 2) with their separate tax and funding formulas, covering most of Central, West, and East Oakland. Redevelopment was abolished in 2012, but the areas and their area specific plans continue to exist, leaving some ambiguity about the additional Mills tax reductions in those areas. In the future, the Mills program could be formally revised to clarify effects of the end of Redevelopment, or overall reductions could simply continue to be subject to Council approval. Five of the ten applications in 2020 are in Redevelopment areas (four in West Oakland, one in the Central District).
- Rising property values and growing awareness of the Mills program as a way to support rehabilitation and adaptive reuse mean more and larger applications. Council approval was sought and received in 2018 and 2019 to exceed the \$25,000 “City revenue” limit. Three applications in 2020 are for large reuse projects with expected larger tax bills and larger revenue reductions, which could require City Council approval. Two of those three are in Redevelopment areas.
- Until 2017, first-year revenue loss estimates for new contracts were consistently far below even the \$25,000 City revenue limit, ranging from \$1,885 in 2011 to \$10,740 in 2015. In 2018 the \$25,000 limit was exceeded for the first time, with a projected total reduction of \$31,720 divided about equally between seven small residential properties (~\$15,700 total) and two large adaptive reuse projects (~\$16,000 total, one in the Coliseum Redevelopment Area and one in the hills).
- Improvements made under Mills Act work programs raise property values and make up for initial tax losses, even at the lower Mills Act tax rate, especially when projects involve substantial rehabilitation that might not have been undertaken without the Mills incentive. Mills contract requirements insure high quality, high value, historically appropriate projects.
- Early Mills Act projects for two large Central Business District properties (Cathedral Building, 1605-15 Broadway, 2010; Girls Inc., 512 16th Street, 2011) provided almost immediate revenue gains to the City as these long-underutilized buildings were purchased, improved, reoccupied, and reassessed. The same effect is anticipated from reuse projects submitted in 2018, 2019, and 2020, though it is too early to analyze tax results. Large projects are typically finished, in service, and back on the tax rolls sooner than more gradual ten-year homeowner projects.
- The City’s share of ad valorem property tax revenue, and therefore of any tax reduction to the owners, is 27.28%. Property owners must reinvest the *entire* tax saving in the restoration program, so the City tax reduction leverages almost four times its value in reinvestment in Oakland’s historic buildings. This reinvestment will in turn result in higher assessed property values as the Mills work programs are carried out, as well as revenue from the actual materials and labor.

Adaptive Reuse Projects with Additions: Special Considerations

Future tax effects of the three adaptive reuse projects in 2020 are necessarily conjectural for many reasons. There are no clearly comparable “before” and “after” tax assessments, given recent changes of ownership, the deteriorated state and therefore low current valuation of the improvements, and – for the first time in 2020 - the effect of substantial newly constructed additions. Applicants have provided their best estimates of project square footage, costs, and anticipated rents to produce rough estimates of taxes under the Mills Act. Note that newly constructed additions beyond the original building envelope are typically assessed separately from the historic buildings, not under the Mills Act formula.

The Mills Act contract (Attachment 11) declares, “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 ... All work on the Property shall meet, at a minimum, the Secretary of Interior’s Standards for Rehabilitation of Historic Properties....” *Rehabilitation* is defined in the Standards as “making possible an efficient compatible use for a property through repair, alterations, and additions while preserving those portions or features which convey its historical, cultural, or architectural values.” The property needs to retain its integrity and identity as a historic resource to be eligible for historic designation and to participate in the Mills Act program.

All three adaptive reuse projects this year involve substantial additions, whose effects on the historic buildings’ integrity need to be considered. Secretary of the Interior’s Rehabilitation Standards 9 and 10 address additions:

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.

Staff believes that the proposed additions meet Rehabilitation Standard 9 since they are subordinate to the historic buildings in size, design, and visual prominence, set back from the facades and not designed to attract the eye or overpower the original building. Under Rehabilitation Standard 10, the additions do not remove essential historic fabric, so they could theoretically be removed. All three work programs propose meticulous exterior restorations that follow the other eight Standards and will improve the integrity of design, materials, and workmanship of the historic building envelopes, balancing the lesser effects of additions above or behind the buildings on integrity of design and feeling. Staff will continue to work with applicants on exterior finishes of the additions.

Next Steps

Following Landmarks Board recommendation at this meeting, the selected Mills Act applications 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 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 nominated properties are all eligible for Heritage Property designation and Mills Act participation.

MILLS ACT CONTRACT APPLICATIONS

MA20-001: 676 Longridge Road (APN 11-883-4) (see Att. 1)

Applicants: Alison and Stephen Sanger, owners/residents; application written by Stacy Farr



OCHS Rating: C2+ (prelim., 1986), secondary importance or superior example; contributor to potential Lakeshore – Trestle Glen Area of Secondary Importance.

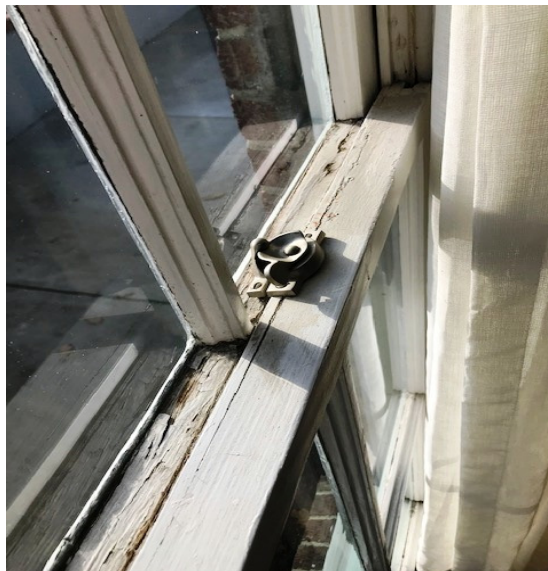
Landmark/Heritage Property Eligibility Rating: B (32 points)

Work Program (see Attachment 1):

- repair patterned face-brick veneer on lower story
- rebuild brick porch steps and walkway
- repair/replace windows to match originals
- repair/replace arched and columned portico and front door
- paint house

Application Strengths:

- addresses a century of deferred maintenance
- maintaining Georgian Colonial Revival details
- tenth application in Lakeshore Homes tract, seeds of possible district designation
- illustrates importance and quality of builder-designed houses in the neighborhood



MA20-002: **322 (318-334) Broadway** (APN 1-139-14), Buswell Block (Att. 2)
 Applicant: Chris Porto, 322 Broadway LLC, owner



OCHS Rating: Ba2+ (Central District intensive, 1981ff): major to highest importance (dual rating reflects 20th c. alterations), contributor to Lower Broadway Area of Secondary Importance
 Landmark/Heritage Property Eligibility Rating: A (38 points, reflects current addition)

Work Program (see Attachment 2):

- seismic support for historic exterior walls; new interior structure
- custom wood-sash windows throughout, based on surviving parts and historic illustrations
- reconstructed storefronts and entries based on historic illustrations and physical discoveries
- re-creating stone-scored stucco finish, window caps, cornice and brackets

Application Strengths:

- adaptive reuse of long endangered and deteriorated, highly significant building
- detailed restoration of historic shell, balancing upper-story addition
- extensive pictorial research and building archaeology/exploratory demolition
- part of potential Lower Broadway district of Oakland’s very oldest commercial buildings



MA20-003: **1186 Trestle Glen Rd.** (APN 23-437-3-1); Hoffschneider house (see Att. 3)
Applicants: Rhonda and Scott Sibley, owners/residents



OCHS Rating: D2+ (Preliminary survey, 1986): minor importance, ASI contributor
Landmark/Heritage Property Eligibility Rating: B (27 points)

Work Program (see Attachment 3):

- repoint and waterproof brick chimney and porch pillars
- repair cracked stucco and exterior woodwork, paint house and garage
- repair non-functional casement and double-hung windows
- re-roofing, including gutters, eaves, flashing

Application Strengths:

- owners since 2001, well informed about house's condition and needs
- detailed work program emphasizes repair over replacement
- eleventh application in Lakeshore Homes tract, eighth on Trestle Glen Road
- discussion of small houses and bungalows adds nuance to Lakeshore's upscale image



LM20-004: **926 Rosemount Rd.** (APN 11-891-15), B.S. Hanson spec house (see Att. 4)
Applicants: Alexis and Edward Bayley, owners/residents



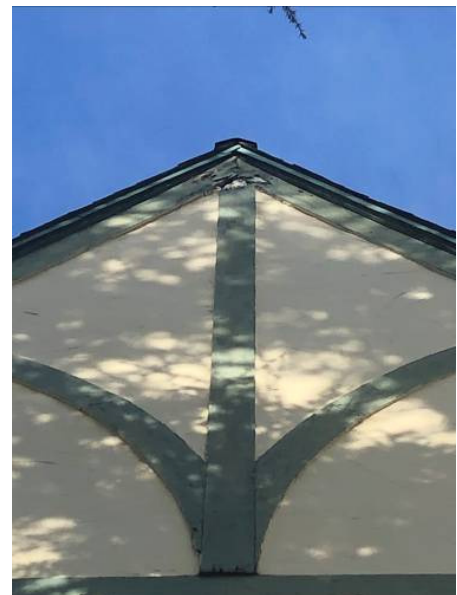
OCHS Rating: C2+ (preliminary/field, 1986): secondary importance, ASI contributor
Landmark/Heritage Property Eligibility Rating: B (27 points)

Work Program (see Attachment 4):

- major foundation, seismic, and drainage work at top of steep slope
- dry rot repair around windows
- repair half-timber trim in gable end

Application Strengths:

- addresses widespread problem of site stability on Lakeshore’s hilly, contoured lots
- application includes detailed job description and estimate
- twelfth application in Lakeshore Homes tract, seeds of possible district designation
- discusses influence of high-style Tudor Revival on builders’ spec houses



MA20 -005: 2804 Adeline St. (APN 5-456-23), Hutchinson-Bodin house, 1905-06– see Att. 5)
Applicant: Omar Morales, owner



OCHS Rating: C2+ (preliminary, 1992) secondary importance, ASI contributor
Landmark/Heritage Property Eligibility Rating: B (29 points)

Work Program (see Attachment 5):

- foundation and structural reinforcement
- repair/replace windows throughout, matching original pattern
- reintegrating stairs, porches, and paved walkways at front/back of house
- prep and paint exterior trim

Application strengths

- fine, largely intact high-gabled shingle house on prominent corner site
- potential catalyst for neighborhood and block improvement
- 16th Mills Act project in West Oakland (4 this year!), area targeted in original ordinance
- adds to knowledge of social and ethnic history of Clawson neighborhood



MA20-006: **724 Campbell St.** (APN 6-3-24), Daniel Martin house, 1875 (see Attachment 6)
 Applicants: Raquel Orbegoso Pea and Rosana Orbegoso Pea, owners



OCHS Rating: Ec3 (West Oakland survey, 1992): secondary importance but heavily altered
 Heritage Property Eligibility Rating: B (26 points)

Work Program (see Attachment 6):

- repair dry-rotted woodwork including siding and trim
- replace windows, doors, and frames with historically accurate counterparts
- rebuild porch and steps, retaining features such as chamfered columns
- repair roof and gutters
- exterior paint

Application Strengths:

- fine small Italianate house, typifies Oakland Point neighborhood
- work program picks up from previous owner’s partial restoration
- potential neighborhood catalyst
- 17th Mills Act project in West Oakland (4 this year!), area targeted in original Mills ordinance
- well researched, thoughtful Heritage application ties house to larger patterns of history



MA20-007: **326-28 Henry St.** (APN 4-103-26), Brown-Pereira house, 1874-76 (Attachment 7)
Applicants: Megan Sveiven and Gustavo De Leon, owners/residents



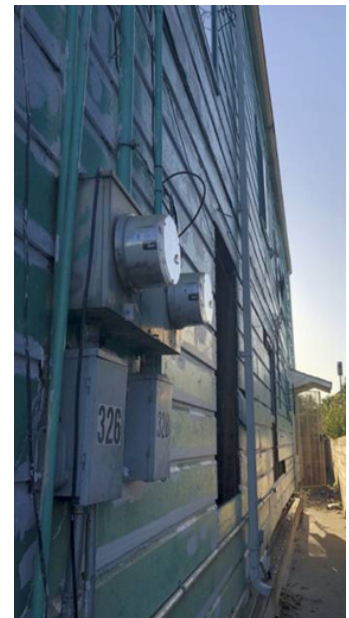
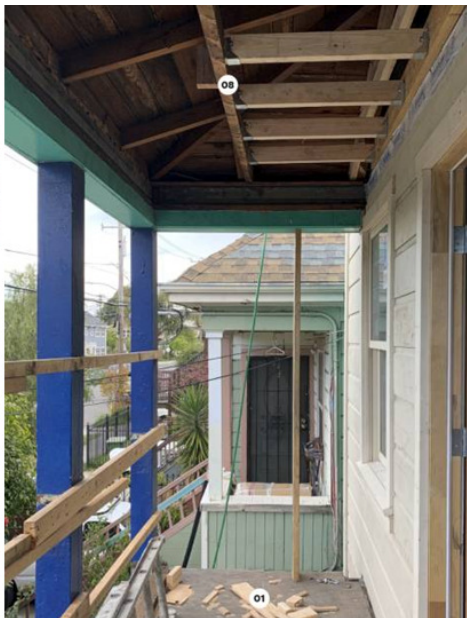
OCHS Rating: C1+ (intensive survey, 1985): secondary importance, contrib. to primary district
Heritage Property Eligibility Rating: B (24 points)

Work Program (see Attachment 7):

- replace vinyl windows with wood sash, restoring original size, shape, and configuration
- rebuild front stairs and porch
- restore wood trim based on original traces and similar houses in neighborhood
- paint exterior
- front yard landscaping

Application Strengths:

- typifies significant building type, minimal raised-basement workers' cottage in South Prescott
- resisting impulse to add Victoriana to a very basic house
- 18th Mills Act project in West Oakland, second in South Prescott
- potential neighborhood catalyst



MA20-008: **5738 Picardy Dr.** (APN 38-3171-22), Hartwig - Davis house (Att. 8)
Applicants: Laura, Jenna, Paul, and Anne Redmond, owners/residents



OCHS Rating: C1+ (Neighborhood Centers survey, 1980ff): secondary importance, contributor to Area of Primary Importance
Heritage Property Eligibility Rating: B (33 points)

Work Program (see Attachment 8):

- replace entire foundation
- drainage work to protect foundation in the future
- repair and refinish paneled and glazed front door
- refurbish woodwork and paint exterior

Application Strengths:

- detailed work plan and estimate for foundation
- first Mills contract in Normandy Garden/Picardy Drive (at last!), an API since 1980
- example for thousands of 1920s small stucco houses in East Oakland
- catalyst for neighborhood improvement and Mills participation



MA20-009: 669-71 24th St./674 23rd St. (APNs 8-663-17, -6), National Guard Armory, (Att. 9)



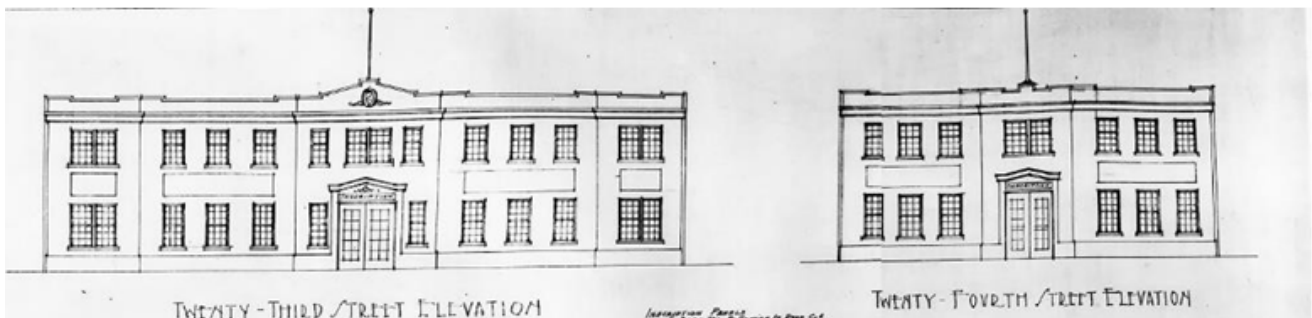
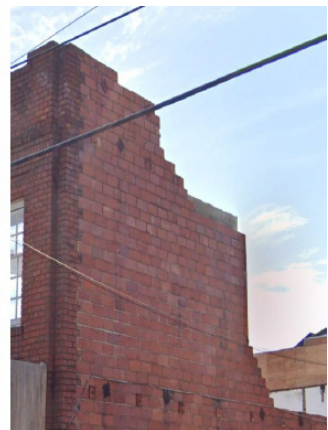
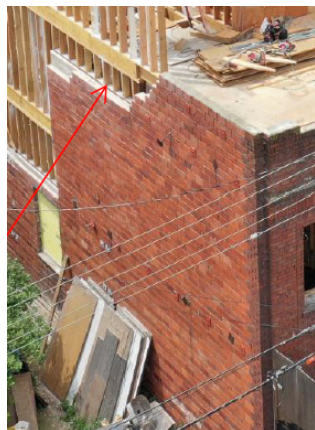
Applicant: 671 24th Street LLC: Colin Nelson, Jeremy Harris, oWOW Design
OCHS Rating: C3 (URM and W. Oak. surveys, 1992ff): secondary importance, not in a district
Heritage Property Eligibility Rating: B (27 points, considering upper addition)

Work Program:

- seismic retrofit and structural support of brick, concrete, and hollow clay tile exterior walls
- cleaning, repair, repointing, and waterproofing of brick street facades and clay tile sides
- window replacement according to original design and character

Application Strengths:

- adaptive reuse of fire-damaged, deteriorated, and endangered special-purpose building
- detailed protocol for masonry protection and restoration (brick and hollow clay tile)
- restoration of entire historic shell, balancing upper-story addition
- first application in neighborhood (19th in W.Oak.), catalyst for other light-industrial buildings
- work under direction of preservation architect



MA20-010: **369 MacArthur Bl.** (APN10-785-21-2), Lemos (Frank and Mary) house (Att. 10)
Applicant: 369 MacArthur Blvd LLC, Arvand Sabetian, owners



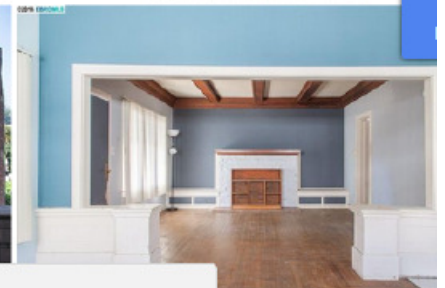
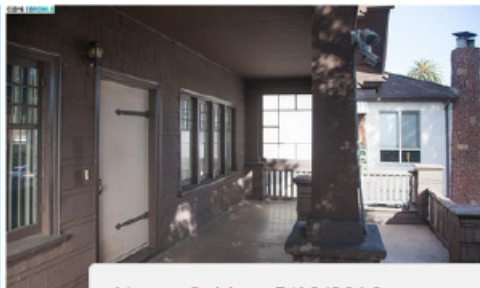
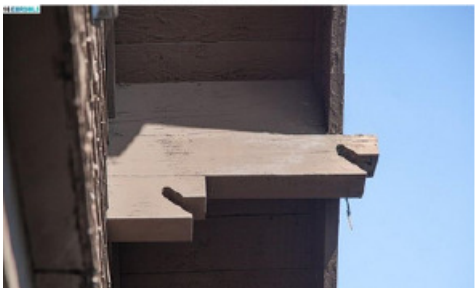
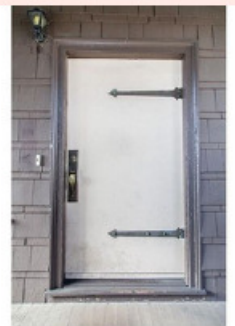
OCHS Rating: Cb2+ (Adams Point intensive, 1986): secondary to major imp., ASI contributor
Landmark/Heritage Property Eligibility Rating: B (27 points, reflects rebuild and addition)

Work Program:

- structural reconstruction of partially demolished walls and roof, based on surviving portion
- repairing or replacing deteriorated or missing windows and doors
- repair and rebuild patterned shingle siding, bargeboard and eave details
- rebuild front porch, steps, and railings to original design

Application Strengths:

- accepted staff's encouragement to restore partially demolished historic house
- reconstruction of distinctive shingling, woodwork, and windows
- expansion by means of compatible rear addition
- fourth Mills Act project in Adams Point neighborhood



RECOMMENDATIONS

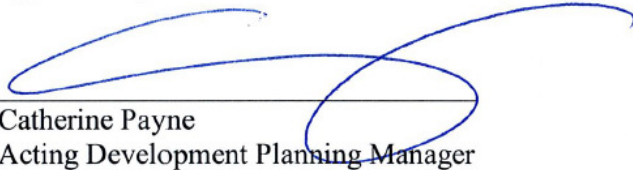
1. Receive any testimony from applicants and interested citizens;
2. Discuss and provide recommendations on Mills Act applications for 2020; and
3. Based on the above discussion:
 - a. Recommend all or selected applications to City Council for 2020 Mills Act contracts;
 - b. Forward the recommendations to the Planning Commission as an information item.

Prepared by:



Betty Marvin
Historic Preservation Planner

Approved by:



Catherine Payne
Acting Development Planning Manager

Attachments:

1. Application, work program, and photos: MA20-001: **676 Longridge Rd.**
2. Application, work program, and photos: MA20-002: **322 Broadway**
3. Application, work program, and photos: MA20-003: **1186 Trestle Glen Rd.**
4. Application, work program, and photos: MA20-004: **926 Rosemount Rd.**
5. Application, work program, and photos: MA20-005: **2804 Adeline St.**
6. Application, work program, and photos: MA20-006: **724 Campbell St.**
7. Application, work program, and photos: MA20-007: **326-28 Henry St.**
8. Application, work program, and photos: MA20-008: **5738 Picardy Dr.**
9. Application, work program, and photos: MA20-009: **669-71 24th St./674 23rd St.**
10. Application, work program, and photos: MA20-010: **369 Macarthur Bl.**
11. Model Mills Act Agreement, including Secretary of the Interior's Standards for Rehabilitation