

Landmarks Preservation Advisory Board
Mills Act Contract Applications

STAFF REPORT

July 1, 2024

2	Proposal:	Mills Act Contract Applications by owners
	Case File Number /Location/ City Council District/ Zoning:	1) MA24001: 5837-39 Ayala Av. (APN 16-1398-11); City Council District 1, Zoning RM-1 2) MA24002: 1311 East 27th St. (APN 22-355-30); City Council District 2, Zoning RM-2 3) MA24003: 384 Bellevue Av. (APN 10-784-22); City Council District 3, Zoning RM1/S-12 4) MA24004: 323-25 24th St. (APN 8-669-2); City Council District 3, Zoning D-BV-1
	Applicant/Owner:	Multiple, see individual applications attached
	Environmental Determination:	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).
	Action to be Taken:	Review and select applications to recommend for 2024 Mills Act contracts. Forward to Planning Commission as informational item. Forward recommendations to City Council.
For Further Information:	Contact case planner Betty Marvin at (510) 238-6879 or by email at bmarvin@oaklandca.gov	

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 participating historic properties, using an alternate tax assessment formula. The State law establishes the assessment formula, a ten-year perpetually renewing contract term, and penalties for non-fulfillment of the contract. City or county governments that elect to participate can 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 entire tax savings on a pre-approved, recorded program of eligible improvements* that restore or maintain the historic exterior character of the building and/or its physical 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, enhancement of neighborhoods, and showing preservation in a positive light. Oakland has entered into 89 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 property tax revenue loss of \$25,000 a year in new contracts, with additional larger reductions in Redevelopment areas (\$250,000 a year in the Central Business District and \$25,000 a year in each of the other Redevelopment areas). Since the abolition of Redevelopment in 2012, the special Redevelopment tax system no longer exists, but the (former) Redevelopment areas continue to be encouraged for Mills Act contracts. The ordinance also provides that tax losses may exceed any of the 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, Sections 50280 - 50290](#)). Oakland's Local Register - about 3 percent of buildings Citywide - is an umbrella category defined in Historic Preservation Element Policy 3.8 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 (Landmarks, Heritage Properties, and properties in S-7 and S-20 districts). Oakland's Mills Act program requires that properties not already formally designated by the Landmarks Board must concurrently obtain Heritage Property or other formal designation.

The State's Mills Act offers potential tax reductions by means of an alternate method of calculating ad valorem property tax, based on the income method of appraisal. In this method, property value is extrapolated each year from actual or potential estimated rental income, using a capitalization rate or multiplier. Under the Mills Act the capitalization rate, usually around 10%, is adjusted by the County Assessor for "historic property risk" of 4 percent for owner-occupied residential properties or 2 percent for all others, giving potentially a roughly 20 to 40 percent reduction of ad valorem tax to Mills Act ("historical restricted") properties. Special assessments are not affected. Assessment may be pro-rated between owner-occupied and income portions of a property, or between historic and non-historic portions ([California Revenue and Taxation Code, Article 1.9, Sections 439 – 439.4](#); State Board of Equalization assessment guidelines at <https://www.boe.ca.gov/proptaxes/pdf/Ita05035.pdf>). In Oakland the entire tax saving must be spent on an approved, recorded preservation work program.

Important features of the Mills Act program, established by the State legislation and incorporated into Oakland's Mills Act contracts and ordinance, 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 property's current market 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 entire tax savings be invested back into the property according to a ten-year work program that is recorded with the contract. Both the property and the work proposal must qualify for a contract.
- The contract runs with the property, that is, its benefits and obligations automatically transfer to each new owner, and upon sale the property is reassessed under the Mills formula rather than to full market value.
- 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, such as long-time ownership, taxes cannot increase due to a Mills Act contract, but it is not likely that they will decrease.

CONTRACT CONDITIONS, ALL PROPERTIES

The Secretary of the Interior's Standards for Rehabilitation are incorporated as conditions in Oakland's Mills Act agreement (Attachment 5) and apply whenever applications are reviewed to carry out work program items. Especially for windows, a significant item in all of this year's 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 5) spells out obligations and procedures including the following:

... 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 439.2(a) 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, [requirements of] the Office of Historic Preservation of the California 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.

c. If the schedule ... is not complied with... to determine whether the Owner(s) are making good faith progress on the schedule of work.... Owner(s) shall timely submit documentation of expenditures made to accomplish the next highest priority improvement project for the property ... 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. The schedule set out in Exhibit B shall be revised to reflect the schedule change. ...

PROGRAM EFFECTIVENESS: 2022 PROGRESS REPORTS AND UPDATES

In 2022, two years into the pandemic, with construction slow, archives closed, and many Mills inquiries but no complete applications, staff took the opportunity to look at the program so far. Topics included compliance with recorded work programs, effects of real estate and rent inflation, possible concerns about equity of the tax-based Mills assessment formula, participants' satisfaction with the tax outcomes and the program in general, and how to improve ongoing contact with participants,

In the fourteen years from the first contract in 2007 to 2022, 86 Mills Act contracts in Oakland were recorded, from one to thirteen properties a year. As was intended when Oakland created its Mills program, the great majority of contracts are with small residential properties, mostly owner-occupied single family houses and duplexes or small multi-unit income properties such as houses converted to two to four units. About fifteen larger projects are participating, including apartment and condo buildings, work-live conversions and other adaptive reuse projects. Staff used the program as an incentive to improve the preservation component in several significant adaptive reuse residential conversions that were already in progress in 2018 and 2020: 4690 Tompkins, 5701 International Blvd., 322 Broadway, and 674 23rd Street.

Staff has not undertaken systematic ongoing checks of permit records for Mills Act properties over the years as a way to monitor compliance. A few conscientious or proud owners have invited staff visits or submitted written reports and photos on their own initiative. These spontaneous reports have been rare but offer a model for self-reporting if time is not available for regular on-site inspections. Recent revisions to the Mills Act by the State require inspections every five years.

In 2022, staff emailed all listed contract holders with copies of their work programs, asking for updated contact information, progress reports on the work program, and any comments about the Mills program. In general, work programs were being carried out, though affected by availability of labor and materials, changing urgency of specific repairs, rising construction costs, and similar natural delays. Many owners reported that tax reductions are far less than they expected and less than they planned on when designing their work programs. Most recognized this as the effect of inflation in the real estate and rental markets, and several said they appreciated even the smaller tax benefit as well as the encouragement and recognition for preservation. This observation – also true in other cities - has been incorporated into information for new applicants, with a caution not to over-promise.

The Lakeshore neighborhood has enthusiastically supported the Mills Act, with 14 contracts that have assisted reversal of misguided window replacements, structural support on the neighborhood's hilly creekside lots, and much more. Lakeshore is second only to West Oakland which has 22 contracts, demonstrating the suitability of the program for neighborhoods of widely differing age, building stock, and economic character. Mills participants have assisted each other as a virtual "brain trust" when staff has forwarded inquiries about their experience with accuracy of tax expectations, insurance for historic properties, window repair or replacement, asbestos siding removal, and other shared concerns.

About 16 properties have changed hands since their original contracts. Most transfers through real estate agents do not seem to inform the buyer about the Mills contract in any detail (even though it is recorded on the title and runs with the property). Staff has often had to educate new owners retroactively once transfers become known. The contract needs to require notification to the City when ownership or owner contact information changes.

Except for a small number of unreachable or uncommunicative owners, compliance with recorded work programs seems generally good though often behind schedule. The need to catch up can be documented by amending the recorded schedule to roll over uncompleted work beyond Year 10 of the initial contract term, rather than turning to potential penalties or just letting work items drop. After the first ten years owner obligations are normally only to preserve historic character, keep up maintenance and repairs, and observe the Secretary's Standards. Contract paragraph 4)c., cited on page 3 above, provides a formal revision procedure that is especially important at change of ownership.

The Mills Act defines penalties the City can impose for non-compliance with the contract, preferably specific performance of the agreed-upon work but also non-renewal over a ten-year phase-out period or immediate cancellation (subject to public hearing) with a penalty of 12.5 percent of the property's market value. Statewide, penalties are almost never imposed. For two early Oakland contracts with owners who were completely unresponsive to the 2022 survey, non-renewal should probably be considered.

Participants in Oakland have been remarking on shrinking tax reductions since about 2016, when Assessor's staff responded, "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" - meaning a smaller tax reduction for owners (and less revenue reduction for the City). Assessment is done property by property in the new tax year (i.e., in 2025 for 2024's contracts). A simplified spreadsheet calculator (<https://www.oaklandca.gov/search?query=mills+act+calculator>) allows applicants to make a *rough estimate* of tax outcomes. Applicants are advised to do some local research and put a higher rent per square foot in the calculator (around \$3, vs. \$1.25 when the calculator was designed in 2006),

Ever since the 1970s when the Mills Act program was created by the California legislature, tax outcomes of the Mills formula have been affected in unanticipated ways by changes in the real estate market. Because of inflating sale prices and rents and the Proposition 13 system where reassessment to market value occurs only at change of ownership, new owners of high-value properties can benefit from the Mills Act formula while there is nothing for long-time owners with low assessments, regardless of the significance or restoration needs of their properties.

Concerns can be raised about equity of the tax-based Mills assessment formula. Most fundamentally, the program benefits only owners of taxable real property. The Mills assessment formula is established by State law and is the only basis on which a local government can offer that incentive. Localities can define their own standards for eligibility, for example by limiting participation to specific property types, locations, or categories of projects. Some cities have restricted eligibility to properties with assessed or market values below some limit, such as \$500,000 or \$1 million, or to certain uses. Oakland has preferred to support preservation as widely as possible, looking for geographic and building type diversity and catalyst potential and using the small Mills program as a positive educational tool. Staff believes that Oakland's existing Mills Act selection criteria, spelled out in the application form, do support equitable selections within the capacity of the State law, as they are applied more rigorously than in the early years when we were grateful for any and all participation.

Application fees are low (no fee for Heritage Property; just over \$650 for Mills Act) and are not collected until a complete and seemingly viable application is submitted. Applicants are strongly encouraged (and assisted) to prepare their own applications, avoiding the cost of hiring a consultant while getting to know the building and its needs and preparing for active participation in a long-term

hands-on restoration project. However, professional assistance is strongly advised for large development and reuse projects.

The Mills Act cannot address all of Oakland’s preservation needs. It is important to consider how else the City can support preservation of at-risk properties that cannot benefit from the tax-based Mills mechanism, such as properties with rock-bottom Prop. 13 assessments and tax-exempt and publicly owned properties. There is a perception among some property owners and real estate advisors that historic property ownership equals entitlement to a grant or a tax break, and it is important to manage such expectations and to be aware of any other available funding such as Residential Lending, Earthquake Safe Homes and Brace and Bolt seismic retrofit programs, Alameda County Healthy Homes, and Oakland’s commercial Façade and Tenant Improvement grants.

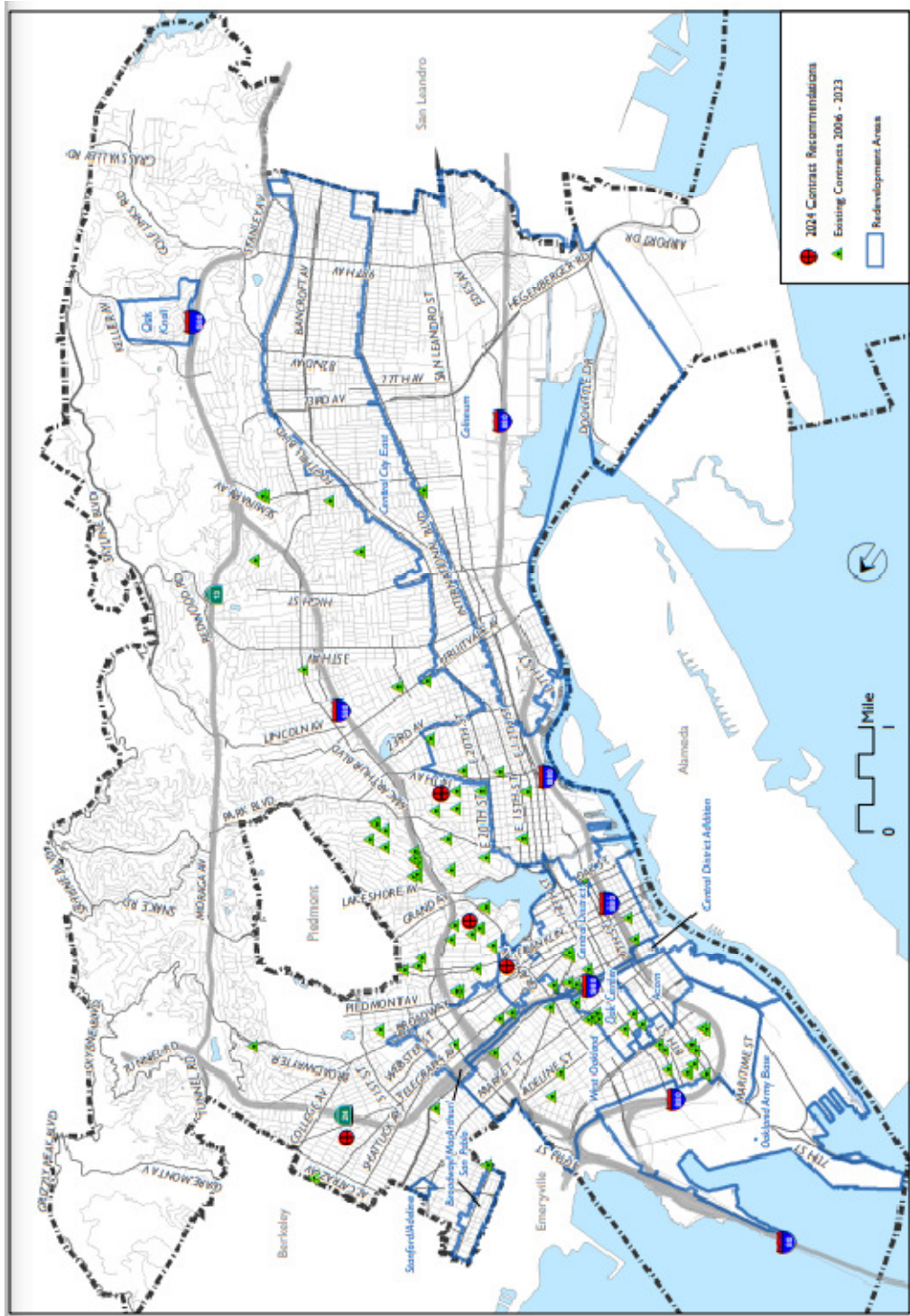
2024 MILLS ACT APPLICATIONS

Mills Act applications are accepted from January 1 to May 1 of each year, to allow time for processing by the City and recording with the County by December 31. Four Mills Act applications were submitted this year and are before the Landmarks Board for review. All four are also applying for the prerequisite Heritage Property designation at this meeting.

Geographic Distribution and Outreach

The map on the next page illustrates geographic distribution of Oakland’s current and proposed Mills Act properties. The 2024 applications are located in the Adams Point and Waverly neighborhoods just north of Lake Merritt, in Temescal, and in Highland Park in the San Antonio district. Coincidentally all four properties are Colonial and/or Craftsman houses or flats, built between 1905 and 1911 in the boom years around the 1903 Key System transit expansion, the 1906 earthquake, and the 1909 annexation of the hills and East Oakland beyond about 23rd Avenue. Each of the applicants looked closely at the houses in relation to the “architectural portraits” in *Rehab Right* and explored the real-life variety and subtlety within *Rehab Right*’s broad style categories of “Classic Box” and “Craftsman Bungalow” and uncovered illuminating histories in their Heritage Property research. Many of the buildings’ restoration needs are similar: shingles and siding, woodwork and trim, drainage and foundation (Oakland’s hills and creeks), and windows. Each has recent owners and a history of deferred maintenance.

As in past years, at least weekly phone and email inquiries about the program were received from all parts of Oakland. Prospective 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. Staff also emailed reminders to potential applicants from 2021-2023 and some earlier inquiries. Staff and potential applicants discuss in detail to find out if the property is a good match for the program in terms of building significance, restoration needs, tax status, risk tolerance, commitment to a long-term work program, and more, and applicants ultimately self-select. This year several owners of well qualified properties started applications but decided to wait, citing economic uncertainty and a desire to take time to know their buildings better. Staff will continue to remind them next year.



Mills Act Contracts and Contract Recommendations



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 (benefit from City’s foregone taxes);
- *appropriateness* of the work to maintain or restore historic integrity under Secretary’s Standards;
- *visibility* of the work, as a catalyst for neighborhood improvement and a public benefit;
- *neighborhood* diversity, to spread the benefits to as many communities as possible;
- *building type* diversity, to illustrate value of preservation for a wide range of properties;
- *thoroughness and originality* of the application above and beyond being minimally complete;
- *understanding and committing* to Mills Act purpose and requirements.

The 2024 Mills and Heritage applications are all well researched, documented, and explained, are well distributed geographically, address significant restoration and maintenance needs, and show thoroughness and commitment. Further details are provided in the individual property summaries on the following pages and in the full applications, Attachments 1 to 4. Staff is recommending that the LPAB review the applications and find all four eligible for contract recommendations in 2024, as fulfilling the applicable criteria for both Heritage designation and Mills Act participation.

Tax Estimates and Financial Impacts - 2024 Mills Act Applications

A spreadsheet calculator (<https://www.oaklandca.gov/search?query=mills+act+calculator> and Attachment 6) allows applicants to make a *rough estimate* of tax outcomes: see table below summarizing 2024 estimates. The calculator was designed by consultants Economic Planning Systems Inc. under a National Trust for Historic Preservation grant in 2006 to simulate the Mills assessment formula in a simplified version most suited to uncomplicated residential properties. Tax rate and interest rate are updated periodically by staff in consultation with the County Assessor. Estimates for each property are based on assessment data from Alameda County and rental estimates from applicants and online sources. Note that 2024-25 property tax assessments are not published at the time of this report, so estimates are based on 2023-24 taxes. For 2024 applicants, actual Mills or “historical restricted” assessments will not be calculated and billed by the County until Fall 2025, based on Assessor’s judgment of January 2025 market rents

Columns 2 and 3 in the following summary table list the current assessed value and ad valorem property tax for each property. Special assessments – several thousand dollars a year for typical 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 estimate of hypothetical or actual rent.

Column 5 lists the difference between current taxes and the *estimated* tax under the Mills Act.

Column 6 is 27.28% of the estimated change in taxes due to the Mills Act formula. The City receives approximately 27.28% of ad valorem property taxes, so 27.28% of the change is the *estimated first-year reduction of property tax revenue* to the City.

ESTIMATED TAX RESULTS, 2024 MILLS ACT APPLICATIONS

1 Mills Act Application MA2400x	2 Assessed Value 2024 (land & imps - county record)	3 Current ad valorem property tax (county rec.)	4 Mills ad valorem tax from calculator (rent est. \$3/sq ft)	5 Change in taxes (current less Mills estimate)	6 City Revenue Loss, Year 1 (27.28% of tax change)
1, 9837-39 Ayala	\$1,200,000	\$16,466	\$6,364	(\$10,102)	(\$2,756)
2, 1311 East 27th St	\$877,340	\$12,283	\$4,268	(\$8,015)	(\$2,186)
3, 384 Bellevue	\$1,843,000	\$25,289	\$6,844	(\$18,445)	(\$5,032)
4, 323-25 24th St.	\$808,000	\$11,312	\$6,545	(\$4,767)	(\$1,300)
TOTAL estimated taxes and reductions		\$65,350	\$24,021	(\$41,329)	(\$11,275)

An estimated first-year City revenue reduction of \$11,275 for the four 2024 applications is well within the annual City revenue loss limit of \$25,000 for new Mills Act contracts. The City’s share of ad valorem property tax revenue, and therefore of any tax reduction to the owners, is 27.28%. Since property owners must reinvest the *entire* tax saving in the restoration program, the City tax reduction leverages almost four times its value in investment in Oakland’s historic buildings. As the Mills work programs are carried out, this investment will in turn result in higher assessed property values (though at the lower Mills rate) as well as revenue arising from the actual labor, materials, and permit fees.

Disclaimer (accompanies calculator on the City website and in instructions to applicants):
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 future 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 Heritage Property designations as the first action item at this meeting, the LPAB will review the Mills Act applications and recommend any or all for Mills Act contracts, with or without conditions or revisions. The recommended Mills Act applications will be presented to the Planning Commission as an information item, to City Attorney and Budget offices for review, to City Council for a resolution authorizing the contracts, and to the City Administrator’s office for review and contract signatures. After contract execution by the City and the applicants, contracts must be recorded with the County by the end of the calendar year. Tax adjustments under the Mills Act, if any, will take effect with the 2025-2026 tax year and will be reflected on the Fall 2025 tax bills.

MILLS ACT CONTRACT APPLICATIONS, 2024

MA24001: **5837-39 Ayala Av.** (APN 16-1398-11), Vaughn (M.C.)-Wilson (Caroline) house, 1911
 Applicant: Joshua Benjamin and Roseanne Raizen, owners/residents (Attachment 1)



OCHS Rating: C2+ (prelim, 1986), secondary importance, ASI contributor (Claremont Avenue Residential District) Landmark/Heritage Property Eligibility Rating: B (29/24 points)

Work Program (Attachment 1):

- foundation repair: drainage, Brace & Bolt retrofit, retain/repair cast-cement veneer
- repair or replacement in kind of 18 deteriorated double-hung wood-sash windows
- replace four large aluminum windows with wood sash of Crafts character
- dry rot repair on elephantine columns, beam ends, window trim, eaves
- paint/seal exterior siding and trim, paint/shingle T1-11 on 1960s rear addition
- repair and repoint masonry/cast cement of porch, base, and chimney

Application Strengths:

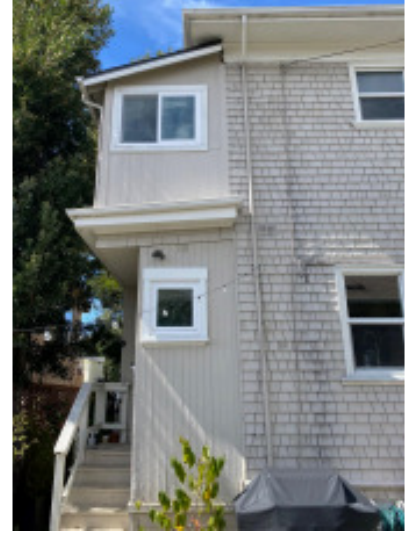
- addressing extensive deferred exterior maintenance
- restoring period materials – patterned shingles, cast stone, wood sash
- distinctive builder-developed cluster of Craftsman houses
- enthusiastic and thorough research on builder, residents, neighborhood
- house early and organically enlarged to flats, precedent for density
- first Mills contract in Temescal [owners say “now called Rockridge”]



MA24002: 1311 East 27th St (APN 22-355-30), Horton (Johanna) rental house, 1905-07.

Applicant: Otilia Murray and Desmond Murray, owners/residents

(Attachment 2)



OCHS Rating:C3 (citywide preliminary, 1986): secondary importance, not in an identified district
 Landmark/Heritage Property Eligibility Rating: B (27/23 points)

Work Program (Attachment 2)::

- repair and partially replace failing early concrete foundation and address drainage
- repair and protect classical trim including porch columns and plaster capitals
- repair and maintain shingles, investigate whether original
- repair and paint woodwork: window trim, porch and balcony floors
- replace steel front door with Colonial glazed door; assimilate rear additions
- replace recent vinyl sash with wood after useful life – investigate original configuration

Application Strengths:

- referred by Mills Act participant in Bella Vista neighborhood
- enthusiastic commitment to expanding knowledge of preservation and research
- deep primary research, vivid and moving story of house and its Oaklanders
- engineering plans for foundation in hand, Brace & Bolt finalist/waitlist
- first Mills Act contract in less-recognized Highland Park neighborhood
- visible catalyst project in prominent hilltop location

MA24003:384 Bellevue Avenue (APN 10-784-22), Young (Eugene A)-Fearn (John Radford) house.
 Applicant: Eliza Strauss & Lucas Bartsh, owners/residents (Attachment 3)



OCHS Rating: B+1+ (Adams Point intensive, 1985): major importance, contrib. to Bellevue-Euclid API, on Preservation Study List. Heritage Property Eligibility Rating: Ba (39/33 points)

Work Program (Attachment 3):

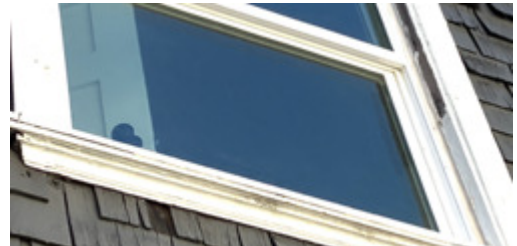
- exterior wood repairs - rot in beam ends, window trim, sills, etc.
- repair horizontal bevel siding, replace warped or missing shingles
- paint house after completion of woodwork repair
- address drainage via flat roofs and gutters, protect foundation
- replace roof, removing accumulated layers and addressing ventilation

Application Strengths:

- sophisticated architect-designed contributor to long-identified district
- sixth Mills project in Adams Point neighborhood
- applicant has professional experience in restoration & custom woodwork
- intense attention to detail such as seeking old photos of gutters
- detailed work descriptions, photo captions, estimates, and contingencies

MA24004: 323-25 24th St. (APN 8-669-2), Newsom (Sidney B.) flats, 1907
 Applicant: Lawrence Chiu, owner/resident

(Attachment 4)



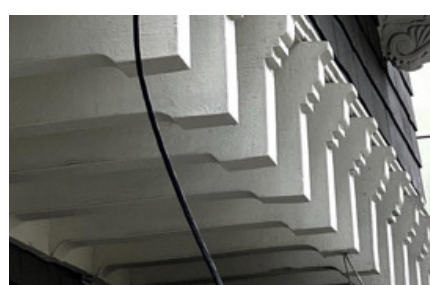
OCHS Rating: C2+ (North Central intensive, 1985): secondary importance, ASI contributor (Waverly district, Newsom building group) Landmark/Heritage Property Eligibility Rating: B (37/32 points)

Work Program (Attachment 4):

- window trim: repair or replicate 14 molded originals, replace 13 flat non-original frames
- restore signature façade features - flower boxes, door overhangs, brackets and corbels
- reshingle entire exterior including front stair walls and fire-damaged rear
- replace recent vinyl sash with period-appropriate windows after useful life

Application Strengths:

- description and analysis of Sidney Newsom’s variation on Colonial/Crafts styles
- original newspaper drawing and 1980s-2020s photos exist to guide restoration
- work sequence based on visibility and impact of character-defining features
- ASI fragment is conspicuous by contrast to surrounding large redevelopment
- seller inquired about Mills Act in advance and informed potential buyers
- applicant discusses area plan goals and role of small historic multi-unit dwellings



RECOMMENDATIONS

1. Receive any testimony from applicants and interested public;
2. Review and provide recommendations on Mills Act applications for 2024; and
3. Based on the above review, recommend the following applications to City Council for 2024 Mills Act contracts:

MA24001: **5837-39 Ayala Av.** (APN 16-1398-11); City Council District 1

MA24002: **1311 East 27th St.** (APN 22-355-30); City Council District 2

MA24003: **384 Bellevue Av.** (APN 10-784-22); City Council District 3

MA24004: **323-25 24th St.** (APN 8-669-2); City Council District 3

and

Forward the recommendations to the Planning Commission as an informational report.

Prepared by:



Betty Marvin

Historic Preservation Planner

Approved by:



Catherine Payne

Development Planning Manager

Attachments:

1. Application, work program, and photos: MA24001: **5837-39 Ayala Av.**
2. Application, work program, and photos: MA24002: **1311 East 27th St.**
3. Application, work program, and photos: MA24003: **384 Bellevue Av.**
4. Application, work program, and photos: MA24004: **323-25 24th St,**
5. Model Mills Act Agreement, including Secretary of the Interior’s Standards for Rehabilitation
6. Mills Act calculator example