

OFFICE OF THE CITY CLERK

2006 NOV 16 PM 4:26

APPROVED AS TO FORM AND LEGALITY  
*Mark F. Ward*  
DEPUTY CITY ATTORNEY

OAKLAND CITY COUNCIL

ORDINANCE No. 12784 C.M.S.

**AN ORDINANCE ADOPTING A TWO-YEAR PILLS ACT PROPERTY TAX ABATEMENT PROGRAM FOR QUALIFIED HISTORIC PROPERTIES, AND MAKING RELATED AMENDMENTS TO THE CITY'S MATER FEE SCHEDULE**

**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 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**, funding for a Mills Act study is provided per Mitigation Measures outlined in the Environmental Impact Reports for both the West Oakland Redevelopment Plan and the Central City East Redevelopment Plan; and

**WHEREAS**, the City Council approved the Johanna Favrot Fund for Historic Preservation Matching Fund Grant through the National Trust for Historic Preservation (Resolution No. 78297 C.M.S.) to assist the City with the analysis of the financial and fiscal implications of a Mills Act Program; 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 establishment of a 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 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, the City Redevelopment Agency and City Financial Service, in order to create an inclusive pilot program that responds to a variety of Oakland concerns; and

**WHEREAS**, the Landmarks Preservation Advisory Board on February 27, 2006 and the Planning Commission on April 5, 2006 held public hearings on the Mills Act Program, and unanimously recommended the two-year pilot Mills Act be approved by the City Council;

**NOW, THEREFORE,**

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

**SECTION 1.** The City Council finds and determines that a two-year Mills Act Pilot 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 a two-year Mills Act Pilot Program, as detailed in the April 5, 2006 Report to the City Planning Commission and the December 5, 2006 City Council Agenda Report. During the two-year pilot program, there shall be a limit of ten (10) Mills Act contracts for the first year and a limit of twenty (20) contracts for the second year with the pilot program impact on City revenues limited to \$25,000/year or \$50,000 cumulatively for the two-year pilot program. However, rollovers of both applications and revenue impacts may be allowed, provided the total number of applications does not exceed thirty (30) and the total revenue impact does not exceed \$50,000 from the City and \$500,000 from the Redevelopment Agency for the two-year pilot program. Since implementing the Mills Act is a Mitigation Measure for both the West Oakland Redevelopment Plan and the Central City East Redevelopment Plan, the pilot program implementation will pursue a minimum of 20% of the 30 Mills Act Contracts (six contracts) from the Central City East Redevelopment Area and a minimum of 20% of the 30 Mills Act Contracts (six contracts) from the West Oakland Redevelopment Area.

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. If the City Council approves any Mills Act contracts, it shall do so by resolution.

**SECTION 3.** Prior to the end of the two-year pilot program, city staff shall submit a report to the City Council which analyzes the effects on property tax revenue, staff

workload and neighborhood revitalization, and make recommendations as to the future caps and processes for the Mills Act Program.

**SECTION 4.** The City of Oakland's Master Fee Schedule is hereby amended to adopt a new Mills Act Application Fee of \$400 and a Mills Act Inspection Fee of \$100/inspection, to be deposited in Development Service Fund (2415), City Planning – Other organization (88229).

**SECTION 5.** 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 6.** The City Council authorizes staff to take any and all steps necessary to implement the two-year Mills Act Pilot Program consistent with this ordinance.

IN COUNCIL, OAKLAND, CALIFORNIA, FEB 6 2007, 20      

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, ~~REID~~, and PRESIDENT DE LA FUENTE - 7

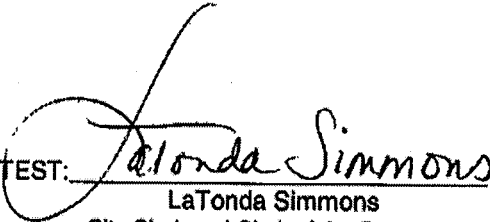
NOES - 0

ABSENT - 0

ABSTENTION - 0

Excused - Reid - 1

ATTEST:

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

Introduction Date: JAN 16 2007

**OAKLAND CITY COUNCIL**  
**ORDINANCE NO. 12987 C.M.S.**

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**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:**

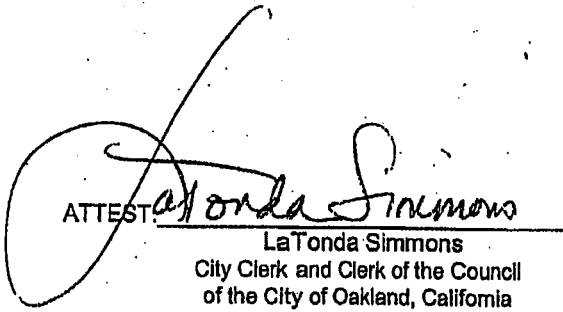
AYES- BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT BRUNNER - 8

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