

Approved as to Form and Legality


City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION NO. 88329 C.M.S.

RESOLUTION, AS RECOMMENDED BY THE LANDMARKS PRESERVATION ADVISORY BOARD PURSUANT TO ORDINANCE NO. 12987 C.M.S., (1) APPROVING TEN (10) MILLS ACT CONTRACTS, BETWEEN THE CITY OF OAKLAND AND THE PROPERTIES AT 676 LONGRIDGE ROAD, 322 BROADWAY, 1186 TRESTLE GLEN ROAD, 926 ROSEMOUNT ROAD, 2804 ADELIN STREET, 724 CAMPBELL STREET, 326-28 HENRY STREET, 5738 PICARDY DRIVE, 669-71 24TH STREET/674 23RD STREET, AND 369 MACARTHUR BOULEVARD, TO PROVIDE PROPERTY TAX REDUCTIONS IN EXCHANGE FOR OWNERS' AGREEMENT TO REPAIR AND MAINTAIN HISTORIC PROPERTIES IN ACCORDANCE WITH SUBMITTED WORK PROGRAMS; AND (2) APPROVING TOTAL CITY TAX REVENUE REDUCTION ESTIMATED TO BE ABOVE \$25,000 PER YEAR

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

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

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

WHEREAS, the City has received ten Mills Act contract applications in 2020 from qualified properties, all of which are City of Oakland Designated Historic Properties: (1) 676 Longridge Road, a 1921 Georgian Colonial Revival house in the Lakeshore Highlands tract; (2) 322 Broadway, an 1860s building in Oakland's earliest waterfront commercial district; (3) 1186 Trestle Glen Road, a modestly Period Revival 1927 bungalow in the Lakeshore district; (4) 926 Rosemount Road, a 1927 builder-designed hilltop Tudor Revival house in the Lakeshore district;

(5) 2804 Adeline Street, a 1905-06 High Gabled Shingle house in an early African-American enclave in the Clawson neighborhood; (6) 724 Campbell Street, an 1875 Italianate cottage near West Oakland's 7th Street railroad and entertainment district; (7) 326-28 Henry Street, an informal 1870s cottage in the early immigrant and railroad workers' neighborhood of South Prescott; (8) 5738 Picardy Drive, a 1926 Period Revival house in the picturesquely planned Normandy Garden subdivision; (9) 669-71 24th Street/674 23rd Street, a 1922 brick industrial-type building constructed as an armory for the National Guard; and (10) 369 MacArthur Boulevard, an elegantly rustic 1910 Craftsman house in Adams Point; and

WHEREAS, all ten properties were designated as Heritage Properties by the Landmarks Preservation Advisory Board on July 13, 2020, in conjunction with the Mills Act applications; and

WHEREAS, rough estimates of 2021-22 tax reductions for individual properties range from \$4,026 to \$30,298, for a total of \$117,102, all of which is required to be reinvested in restoration and upkeep of these historic Oakland properties; and

WHEREAS, the City receives approximately 27.28 percent of property taxes collected by Alameda County, so that the City's share of the potential Mills Act tax reductions would be approximately \$31,945; and

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

WHEREAS, due to rising Oakland property values, growing interest in the Mills Act program, and the elimination of separate City Redevelopment Agency tax revenues, the first-year revenue reduction from new 2020 Mills Act contracts has the potential to exceed the cap of \$25,000 annual impact on City property tax revenue, by up to approximately \$6,945; and

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

WHEREAS, the Mills Act contract applications in 2020 include three large adaptive reuse and rehabilitation projects, 322 Broadway, 669-71 24th Street/674 23rd Street, and 369 MacArthur Boulevard, that meet City goals by providing and restoring dwelling units, preserving endangered historic resources, and bringing blighted buildings back into service, but account for an estimated \$19,778 of potential City revenue reduction in addition to the \$12,167 total estimated reduction for the seven small residential projects; and

WHEREAS, at a duly noticed meeting on July 13, 2020, the Landmarks Preservation Advisory Board recommended all ten applications for contract approval for the 2020 Mills Act program and expressed support for a higher loss limit in view of the benefits of the specific nominated projects and the Mills Act program in general; and

WHEREAS, at a duly noticed meeting on August 5, 2020, the Planning Commission received and accepted an Informational Report on the Landmarks Board's Mills Act contract recommendations; 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 and in substantial conformity with the previously-approved model Mills Act contract, with the following properties:

- 676 LONGRIDGE ROAD, Oakland CA
- 322 BROADWAY, Oakland CA
- 1186 TRESTLE GLEN ROAD, Oakland CA
- 926 ROSEMOUNT ROAD, Oakland CA
- 2804 ADELIN STREET, Oakland CA
- 724 CAMPBELL STREET, Oakland CA
- 326-28 HENRY STREET, Oakland CA
- 5738 PICARDY DRIVE, Oakland CA
- 669-71 24TH STREET/674 23RD STREET, Oakland CA
- 369 MACARTHUR BOULEVARD, Oakland CA; and be it

FURTHER RESOLVED: That the City Administrator or his or her designee is hereby authorized to take all actions necessary to implement the previously-approved Mills Act Program consistent with this Resolution; and be it

FURTHER RESOLVED: That the City Council hereby approves potential first-year property tax revenue reduction from the 10 Mills Act contracts up to approximately \$31,945.

IN COUNCIL, OAKLAND, CALIFORNIA, **OCT 20 2020**

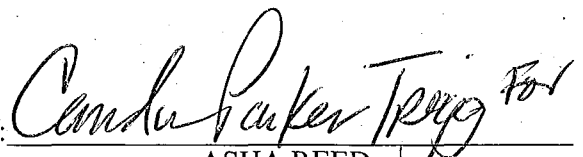
PASSED BY THE FOLLOWING VOTE:

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

NOES - 0

ABSENT - 0

ABSTENTION - 0

ATTEST: 
ASHA REED
Acting City Clerk and Clerk of the
Council of the City of Oakland, California