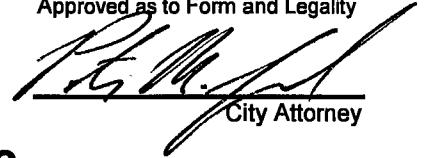


FILED
OFFICE OF THE CITY CLERK
OAKLAND

2018 OCT 10 AM 10:55

OAKLAND CITY COUNCIL

Approved as to Form and Legality



City Attorney

RESOLUTION No. 87398 C.M.S.

Introduced by Councilmember _____

A RESOLUTION, AS RECOMMENDED BY THE LANDMARKS PRESERVATION ADVISORY BOARD, APPROVING NINE (9) MILLS ACT CONTRACTS BETWEEN THE CITY OF OAKLAND AND THE PROPERTIES AT 4690 TOMPKINS AVENUE (ESTIMATED \$42,825/YEAR PROPERTY TAX REDUCTION), 528 28TH STREET (ESTIMATED \$5,664/YEAR PROPERTY TAX REDUCTION), 260 PARK VIEW TERRACE (ESTIMATED \$9,083/YEAR PROPERTY TAX REDUCTION), 1255 TRESTLE GLEN ROAD (ESTIMATED \$14,239/YEAR PROPERTY TAX REDUCTION), 581 VERNON STREET (ESTIMATED \$3,075/YEAR PROPERTY TAX REDUCTION), 5701 INTERNATIONAL BLVD. (ESTIMATED \$15,835/YEAR PROPERTY TAX REDUCTION), 677 LONGRIDGE ROAD (ESTIMATED \$9,536/YEAR PROPERTY TAX REDUCTION), 1419 12TH STREET (ESTIMATED \$4,432/YEAR PROPERTY TAX REDUCTION), 2440 10TH AVENUE (ESTIMATED \$11,690/YEAR PROPERTY TAX REDUCTION), PURSUANT TO ORDINANCE NO. 12987 C.M.S., TO PROVIDE PROPERTY TAX REDUCTIONS IN EXCHANGE FOR OWNERS' AGREEMENT TO REPAIR AND MAINTAIN HISTORIC PROPERTIES IN ACCORDANCE WITH SUBMITTED WORK PROGRAMS.

WHEREAS, the General Plan Historic Preservation Element Policy 2.6.1 calls for the adoption of a Mills Act contract program pursuant to Sections 50280-90 of the California Government Code and Section 439.2 of the California Revenue and Taxation Code, to promote historic preservation 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.; 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, support of skilled building trades, sustainability, revitalization, and image; and

WHEREAS, the City has received nine Mills Act contract applications in 2018 from qualified properties, all of which are City of Oakland Designated Historic Properties: (1) 4690 Tompkins Avenue, a large long-vacant Spanish eclectic apartment building in the East Oakland hills, (2) 528 28th Street, a Craftsman duplex in the Northgate neighborhood, (3) 260 Park View Terrace,

a Brown Shingle house in Adams Point; (4) 1255 Trestle Glen Road, a Mediterranean house in the Lakeshore neighborhood; (5) 581 Vernon Street, a Colonial-Craftsman house in the Rose Garden neighborhood; (6) 5701 International Blvd., a landmark Beaux Arts industrial building in the former Coliseum Redevelopment Area, being rehabilitated for live/work use; (7) 677 Longridge Road, a Tudor Revival house in the Lakeshore neighborhood; (8) 1419 12th Street, a Queen Anne cottage in the Oakland Point district in the former West Oakland Redevelopment Area; and (9) 2440 10th Avenue, a Stick-Queen Anne house in the Bella Vista neighborhood; and

WHEREAS, eight of the properties were designated as Heritage Properties by the Landmarks Preservation Advisory Board on July 9, 2018, in conjunction with the Mills Act applications, and 5701 International Blvd. is City Landmark #114, designated by City Council in 1992; and

WHEREAS, rough estimates of 2019-20 tax reductions for individual properties range from \$3075 to \$42,825, for a total of \$116,279, 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% of property taxes collected by Alameda County, so that the City's share of the potential \$116,279 Mills Act tax reductions would be approximately \$31,720; 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 revenues; and

WHEREAS, thanks to rising Oakland property values, growing interest in the Mills Act program, and the elimination of Redevelopment, the first-year City revenue reduction from new 2018 Mills Act contracts has the potential to exceed for the first time the cap of \$25,000 impact on City property tax revenue, by up to approximately \$6,720; 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 special consideration by the City Council; and

WHEREAS, the Mills Act contract applications in 2018 include two large-scale adaptive reuse projects in East Oakland, 4690 Tompkins Avenue and 5701 International Boulevard, that provide a total of 99 units of housing and bring neglected and blighted buildings back into service, but account for approximately \$16,002 of City revenue reduction in addition to the \$15,718 reduction projected for seven small residential projects; and

WHEREAS, at a duly noticed meeting, the Landmarks Preservation Advisory Board on July 9, 2018, recommended all nine applications for contract approval for the 2018 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, the Landmarks Preservation Advisory Board's Mills Act

contract recommendations were presented to the Planning Commission as a Director's Report on September 5, 2018; and

WHEREAS, the City Council Community and Economic Development Committee considered the matter at its October 23, 2018, duly noticed meeting and recommended its approval to the City Council; and

WHEREAS, the City Council considered the matter at its October 30, 2018, duly noticed meeting; now, therefore be it

RESOLVED, that the City Administrator, or designee, is hereby authorized to enter into Mills Act contracts, subject to review and approval of the City Attorney, in substantial conformity with the previously approved model Mills Act contract, with the following properties, and to take whatever actions are necessary to implement the previously approved Mills Act Program consistent with this resolution, including recognition of potential first-year property tax revenue reduction up to approximately \$31,720:

- 4690 TOMPKINS AVENUE, Oakland CA
- 528 28TH STREET, Oakland CA
- 260 PARK VIEW TERRACE, Oakland CA
- 1255 TRESTLE GLEN ROAD, Oakland CA
- 581 VERNON STREET, Oakland CA
- 5701 INTERNATIONAL BLVD., Oakland CA
- 677 LONGRIDGE ROAD, Oakland CA
- 1419 12TH STREET, Oakland CA
- 2440 10TH AVENUE Oakland CA

OCT 30 2018

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES - ~~7~~, CAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLEN, KALB, KAPLAN, and PRESIDENT REID - 7

NOES - 0

ABSENT - 0

ABSTENTION - 0

Excused Brooks - 1

ATTEST: 

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