

2.	Proposal:	Mills Act Contract Applications by owners.
	Case File Number /Location/ City Council District /Zoning:	1) MA23001: 295 MacArthur Blvd. (APN 10-785-8); City Council District 3, Zoning RU2/S-12 2) MA23002: 867 Willow St. (APN 6-21-15); City Council District 3, Zoning RM-2 3) MA23003: 3400 Broadway (APN 9-732-6); City Council District 3 Zoning D-BV-3 4) MA23004: 3220 MacArthur Blvd. (APN 28-944-18-1); City Council District 4, Zoning RU-4
	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:	Discuss and select applications to recommend for 2023 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: bm Marvin@oaklandnet.com

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 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 entered into 86 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. Historical Property Contracts \[50280. - 50290.1\]](#)). 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 up to a 20 to 40 percent reduction of ad valorem tax to Mills Act ("historical restricted") properties. Special assessments are not affected. Assessment may be prorated 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 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 owners, 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 the 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, 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.

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. This 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 and 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, 87 Mills Act contracts in Oakland have been 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 checks of permit records for Mills Act properties 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 now require inspections every five years.

In 2022 staff emailed all listed contract holders with copies of their work programs, asking for contact information, progress reports on the work program, and any comments about the Mills program. Those who did not respond or did not have email addresses on record were followed up by U.S. mail (regular and then certified). A few never responded. A few updated or confirmed contact information but said nothing else. Many sent thorough work progress reports and thoughtful comments on the program.

In general, work programs are being carried out, though affected by availability of labor and materials, changing urgency of specific repairs, rising construction costs, and similar natural causes. Many owners report that tax reductions are far less than they expected and less than they planned on when designing their work programs. Most recognized the effect of inflation in the real estate and rental markets. Several said they appreciated even the smaller tax benefit as well as the encouragement and recognition for preservation. However, one owner in West Oakland intends to withdraw from the program by a Notice of Non-Renewal, citing unrealistic tax expectations vs cost of promised repairs.

Mills owners in Lakeshore-Trestle Glen reported explaining the program to new neighbors and encouraging them to consider applying. 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 21 contracts, demonstrating the suitability of the program for neighborhoods of widely differing age, building stock, and economic character. Mills participants have also 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 concerns.

About 14 properties have changed hands since their original contracts, and two more are currently listed for sale. The model contract form (Attachment 5, p. 2) needs to require more detailed owner contact information and notification to the City when contact or ownership changes. In 2018 one seller and buyer arranged a site meeting with staff to review the property and update the work program, but most transfers through real estate agents do not seem to inform the buyer about the Mills contract (even though it is recorded on the title and runs with the property). Staff has had to educate new owners retroactively once transfers become known, and they have sometimes been surprised.

Except for the 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 the 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 p. 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 used. For two early Oakland contracts from 2008 and 2009 with completely unresponsive owners, non-renewal should probably be considered.

Participants in Oakland have been remarking on shrinking tax reductions since about 2016, 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). Assessment is done property by property in the new tax year (i.e., in 2024 for 2023's contracts). Applicants are advised to do some local research and put a higher rent per square foot in the calculator (at least \$2.50 to \$3, vs. \$1.25 when the calculator was designed in 2006). Lower Mills Act savings and higher taxes for owners would, of course, also mean less revenue reduction for the City.

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. The formula is established by State law and is the only basis on which a local government can offer the program. 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 spread 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 our existing Mills Act selection criteria (included in every application) 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 \$600 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 as well as getting to know the building and its needs and preparing for active participation in a long-term restoration project. (Professional assistance is strongly advised, however, for large development and reuse projects.)

Still, 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 available Residential Lending or Healthy Homes programs.

2023 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. Four Mills Act applications were submitted this year and are before the Landmarks Board for review. All four are also applying for 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 2023 applications include Victorian houses in West Oakland and Dimond-Laurel, a 1922 California-Spanish bungalow court in Adams Point, and the Gothic-clad Lyon warehouse on Broadway Auto Row. 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 2021-2022 and 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 some owners of well qualified properties decided to wait to apply, citing economic uncertainty and a desire to take time to know their buildings better. Staff will continue to remind them next year.

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 program to as many communities as possible;
- *building type* diversity, to illustrate use of the Mills Act 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 2023 Mills and Heritage applications are well researched, documented, and explained, are well distributed geographically and among building types, and address significant restoration needs. Further details are provided in the individual property summaries on the following pages and in the full applications, Attachments 1 through 4. Staff is recommending selection of three applications for contracts in 2023 as currently satisfying the applicable criteria for both historic designation and Mills Act participation. One Mills application is recommended for postponement to a future year when a more defined long-term work program can be proposed.

Tax Estimates and Financial Impacts - 2023 Mills Act Applications

A spreadsheet calculator <https://www.oaklandca.gov/search?query=mills+act+calculator> allows applicants to make a *rough estimate* of tax outcomes: see table below summarizing 2023 estimates. The calculator was designed by consultants Economic Planning Systems Inc. in 2006 to simulate the Mills assessment formula in a simplified version most suited to uncomplicated residential properties. Constants are updated periodically in consultation with the County Assessor. Calculations are based on tax assessment data from Alameda County and rental estimates from applicants and online sources. Note that 2023-24 property tax assessments are not published at the time of this report, so estimates are based on 2022-23 taxes. Actual Mills or “historical restricted” assessments based on Assessor’s judgment of 2024 market rents will not be calculated and billed by the County until Fall 2024.

Columns 2 and 3 in the 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 applicant’s 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, 2023 MILLS ACT APPLICATIONS

1 Mills Act Application MA2300x	2 Assessed Value 2023 (land & imps - county record)	3 Current ad valorem property tax (county rec.)	4 Mills ad valorem tax from calculator (based on owner's rent estimate)	5 Change in taxes (current less Mills estimate)	6 City Revenue Loss, Year 1 (27.28% of tax change)
1, 295 MacArthur	\$2,600,000	\$36,400	\$24,305	(\$12,095)	(\$3,300)
2, 867 Willow	\$633,794	\$8,632	\$4,514	(\$4,118)	(\$1,123)
3, 3400 Broadway	\$7,140,000	\$97,604	\$34,395	(\$63,209)	(\$17,243)
4, 3220 MacArthur	\$1,275,000	\$17,558	\$6,782	(\$10,776)	(\$2,940)
TOTAL estimated taxes and reductions		\$160,194	\$69,996	(\$90,198)	(\$24,606)

An estimated first-year City revenue reduction of \$24,606 for the four 2023 applications is 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 reinvestment 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 Landmarks Board 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 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 2024-2025 tax year and will be reflected on the Fall 2024 tax bills.

MILLS ACT CONTRACT APPLICATIONS

MA23001: **295 MacArthur Blvd.** (APN 10-785-8), McWethy & Greenleaf bungalow court, 1922
 Applicant: Purisima MacArthur LLC (Teddy Swain & Nils Ratnathicam), owners . (Attachment 1)



OCHS Rating: B+3 (intensive, 1986), individually major importance, not in a district
 Landmark/Heritage Property Eligibility Rating: B (31 points)

Work Program (Attachment 1):

- exterior painting and stucco repair on all ten bungalows
- structural repair/seismic reinforcement where bungalows bear on wood-framed cripple wall
- dry rot repair on window sills and trim, rafters, etc.
- extensive window restoration, repair in kind or replacement to match original
- repair of concrete and stucco walls of driveway, landscape, front walls and entrance posts
- repair and repaint drive and walkways

Application Strengths:

- addressing extensive deferred exterior maintenance
- systematic repair sequence for ten cottages in two rows
- locally rare and outstanding example of California-Spanish bungalow court
- preserving attractive small multi-unit residential complex
- illustrates importance and quality of 1920s builder-designed housing



MA23002: **867 Willow St.** (APN 6-21-15) Geiger (Dorothea)-Nisbet (George) house, 1875-76.
 Applicant: Kane Baccigalupi, owner/resident (Attachment 2)



OCHS Rating:C1+ (West Oakland intensive, 1989): secondary importance, Oakland Point API contributor, eligible for National Register Heritage Property Eligibility Rating: B (25 points)

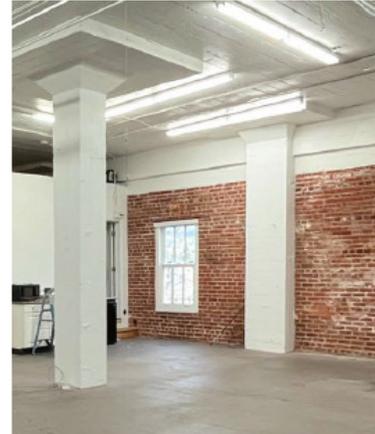
Work Program (Attachment 2):

- seismic retrofit: replace brick foundation with concrete, reframe as necessary
- repair and replace siding and windows on repeatedly-revised raised basement
- repair original siding and trim including Italianate brackets at door and window hoods
- double-hung wood-sash windows to replace vinyl and aluminum throughout
- rebuild and restore Victorian front door and landing
- design structural upgrade for series of early rear additions

Application Strengths:

- recognition of vernacular workers' cottages in West Oakland history and streetscape
- builds on Survey research and National Register determination of eligibility
- visible project with catalyst potential for Oakland Point neighborhood
- thorough repair and reversal of alterations, hands-on understanding of building's needs
- 22nd Mills Act project in West Oakland, target area in original Mills ordinance

MA23003:3400 Broadway (APN 9-732-6), Lyon Moving & Storage Warehouse / The Saw Mill, 1916 Gothic Revival commercial Applicant: 3400 Broadway LLC/oWOW Development, owner (Att. 3)



OCHS Rating: Db2+ or Ca2+ (URM 1994-96): major importance but heavily remodeled, contributor to Broadway Auto Row ASI. Heritage Property Eligibility Rating: Ba (43 points, 26 as altered)

Work Program (Attachment 3):

- cleaning, patching, painting, and anti-graffiti coating of exterior wall surfaces
- window repair or replacement on Broadway and Piedmont Avenue frontages
- stabilize and protect lion statues over Broadway entries
- refurbish or re-create existing Saw Mill sign
- roofing, coping, and flashing

Application Strengths:

- refurbishes familiar visual and commercial landmark on Upper Broadway Auto Row
- work program proposes services of a preservation architect

Concerns:

- applicant’s calculations indicate **tax reduction greatly exceeding proposed work item cost** – if accurate, estimate would cover restoration of tower, tapestry brickwork, Lyon sign
- adaptive reuse or other **future use and income** needs to be addressed – recent pre-app for residential conversion -- structural and systems **work proportionate to property value & tax**
- work program needs to emphasize repair over replacement, notably for windows and storefront
- application should be postponed or **conditioned on resolving** tax and work estimates

MA23004: **3220 MacArthur Blvd.** (APN 28-944-18-1) Hermle (Conrad) house, c.1901-03 (Att. 4)
Queen Anne-Colonial house Applicants: 3220 MacArthur LLC (Jamie Bender & Peter Erwin)



OCHS Rating:C3B? (preliminary survey, 1986): secondary to major importance, not in an identified district
Landmark/Heritage Property Eligibility Rating: B (28/32 points)

Work Program (Attachment 4):

- foundation and seismic retrofit
- remove and replace roof; gutter and downspout repair
- electrical and plumbing retrofits
- replace “inexpensive, low quality windows” with period appropriate windows
- repair wood shingles, trim, and details and paint house

Application Strengths:

- striking “farmhouse” represents rural pre-Annexation era of East Oakland
- visually prominent location enhances catalyst potential
- unusually detailed historical research and documentation of restoration needs
- extends Heritage designation and Mills Act to under-represented Dimond-Laurel neighborhood



RECOMMENDATIONS

1. Receive any testimony from applicants and interested public;
2. Discuss and provide recommendations on Mills Act applications for 2023; and
3. Based on the above discussion:
 - a. Direct postponement of 3400 Broadway Mills Act application to a later year, to allow applicant to resolve issues described earlier in this report;
 - b. Recommend the following applications to City Council for 2023 Mills Act contracts:
 - 295 MacArthur Boulevard;
 - 867 Willow Street; and
 - 3220 MacArthur Boulevard.
 - c. 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: MA23001: **295 MacArthur Blvd.**
2. Application, work program, and photos: MA23002: **867 Willow St.**
3. Application, work program, and photos: MA23003: **3400 Broadway**
4. Application, work program, and photos: MA23004: **3220 MacArthur Blvd.**
5. Model Mills Act Agreement, including Secretary of the Interior's Standards for Rehabilitation