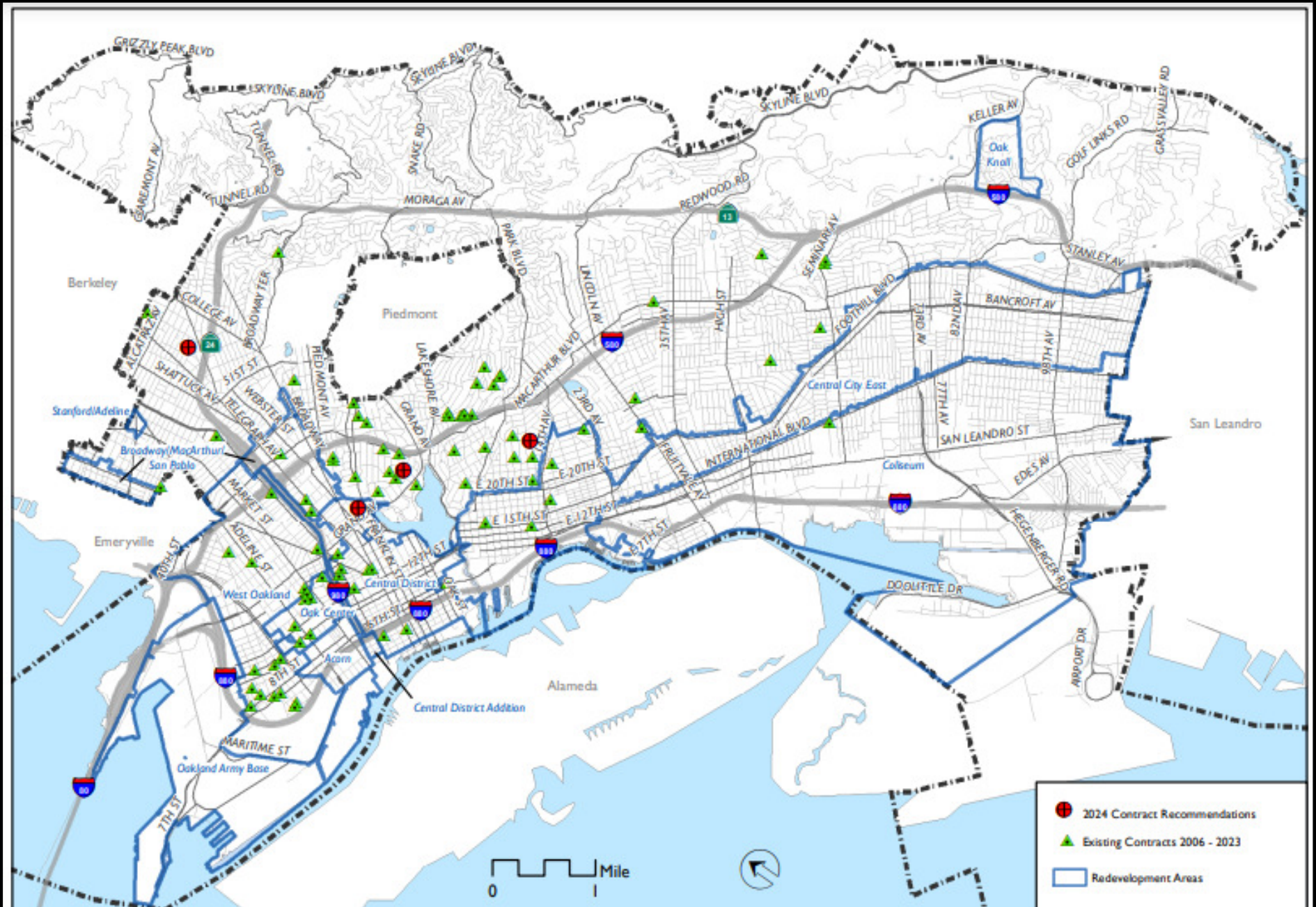


2024 Heritage Property & Mills Act applications

4 new applications in 2024



Ad valorem property tax abatement for historic properties through alternate income-based assessment formula

State law 1972, first Oakland contracts 2008, 89 to date

Ten-year perpetually renewing contract between owner and City

Tax formula and contract obligations run with the property

Historic designation and legally binding work program required

Tax saving is reinvested in approved restoration & maintenance

Secretary of the Interior's Standards for Rehabilitation apply

Penalty for breach of contract is 12.5% of market value; non-renewal possible with 10-year notice by either party

Usual tax on lower of Factored Base Year (Prop. 13) & current market value

Mills Act three-way comparison adds third income-based valuation:

Value = Net Operating Income / Capitalization Rate

Income from market rents, Cap Rate raised for “Historic Property Risk”

Capitalization Rate also includes varying annual tax & interest rates

For recent owners, **Mills value is usually lowest of the three**; gradually catches up with Base Year due to rising market rents & sale prices

2024 applications: first-year reductions estimated from \$4,700 - \$18,000 (2021-2022 owners with near-market assessments): ~ \$41,000 total

City’s share of *ad valorem* tax collected by County is 27.28%

Owner savings of ~ \$41,000 x 0.2728 = ~ **\$11,275 City revenue reduction**

Must spend entire reduction on approved, recorded work program

Oakland ordinance caps annual first-year revenue reduction for new contracts at **\$25,000** (Council may approve higher limit, e.g., for large-scale residential projects in 2018-2020)

Mills Act Property Tax Calculator

| Item | Factor | | Amount | INFORMATION TO BE INPUT |
|---|----------|----------------|------------|--|
| CURRENT TAXES | | | | |
| Assessed Value | | | \$642,000 | ASSESSED VALUE OF PROPERTY |
| Total Property Tax (1) | 1.3057% | | \$8,383 | |
| Property Type (1=Residential, 2=Commercial) | 1 | Residential | | PROPERTY TYPE Property Type (1=Residential, 2=Commercial) |
| MILLS ACT TAXES | | | | |
| Annual Income | | | | |
| Monthly Rent | \$2.00 | /sq.ft./ month | | ESTIMATED RENT PER SQUARE FOOTAGE OF PROPERTY |
| Leaseable Area | 1,886 | square feet | | SQUARE FOOTAGE OF PROPERTY |
| Annual Rent | | | \$45,264 | |
| (less) Annual Expenses (2) | 25% | of Annual Rent | (\$11,316) | |
| Net Annual Income | | | \$33,948 | |
| Capitalization Rate | | | | |
| Interest (3) | 4.7500% | | | |
| Risk Component (4) | 4.0000% | | | RISK COMPONENT |
| Tax Rate (1) | 1.6660% | | | Calculated by model based on current tax rates |
| Total, Cap Rate (Land) | 10.4160% | | | |
| Amortization (5) | 1.6667% | | | |
| Total, Cap Rate (Improvements) | 12.0827% | | | |
| Assessed Value & Taxes | | | | |
| Weighted Average Capitalization Rate (6) | 11.7493% | | | |
| Assessed Value (based on Mills Act) | | | \$288,936 | |
| Total Property Tax | 1.6660% | | \$4,814 | |
| CHANGE IN TAXES | | | | |
| Decrease due to Mills Act | | | (\$3,569) | |
| Change compared to Current Taxes | | | -43% | |

(1) Total property tax rate is greater than 1 percent due to tax overrides

LM/MA24001, 5837-5839 Ayala Av., 1911 Vaughn-Wilson house, M.C. Vaughn builder



Sanborn map: "C.B.L.C" cluster

High-style Craftsman – shingles, wide eaves, deep porch, art glass, cast cement



Semi-twins on Oak Grove





Photograph of 5837-39 garage c. 2021 of Lotus Cortina and parts in the garage from a web page titled [Huge 15 Cortina Stash Including Two Lotus Cortinas!](#)



Work Program:

Foundation repair: drainage, Brace & Bolt retrofit, retain cast-cement base
Repair or replace in kind 18 deteriorated double-hung wood-sash windows
Replace four large aluminum windows with custom 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, & 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 & thorough research on builder, residents, neighborhood
Early and organic expansion to flats, precedent for density
First Mills contract in Temescal [owners say “now called Rockridge”]

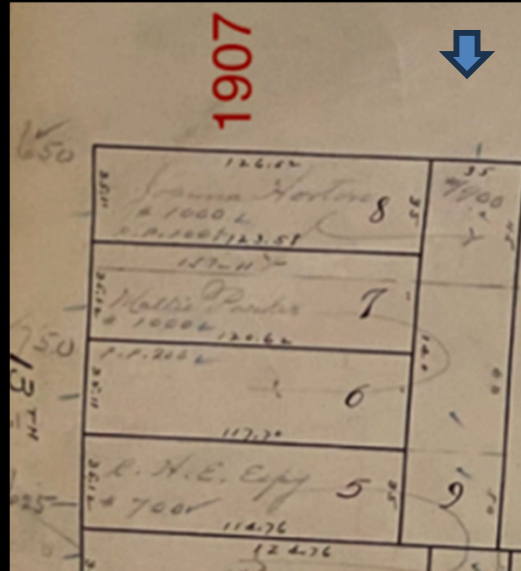


LM/MA24002, 1311 East 27th St., 1905-07
Johanna Horton rental house, bldr. unknown



Colonial Revival -
typical Colonial
symmetry, hip-
roofed cube form,
classical details -
and less Colonial
shingled exterior &
steep front peak





Horton Albert E, real estate S F, r 1326 Chestnut
 —Ellen M Miss, r 964 18th
 —Elsie Miss, nurse Fabiola Hospital
 —Hazel Miss, r 1355 Bdy
 —Hazel B Miss, r 1326 Chestnut
 —Horace, steamfitter S F, r 1820 13th av

Oakland Grange Reading Circle meets with Mrs. Horace Horton on Thirteenth avenue.

October —, 03—H A Horton to Joanna Horton, East Oakland, S corner E-27th and 13th avenue SE 161.52 SW 45 NW 157.11 NE 45.18 lot 8 and portion lots 7 and 9 block 87 map Hogan's subdivision block 87 Highland Park; gift.

Effects a Compromise Whereby Widow is to Receive \$10,000.

Oct. 1905

1903 Sanborn map, 1907 block book, 1904 directory, 1903-10 news

FOR RENT—Furnished room; privilege of bath and kitchen; middle-aged lady preferred. 1820 13th ave.

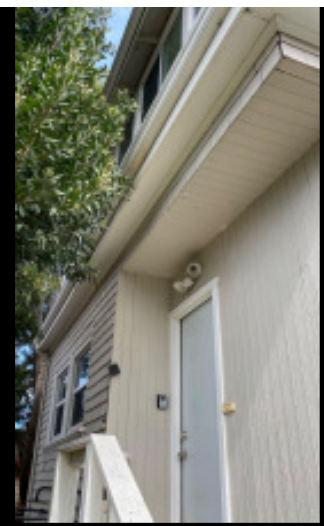
MODERN 6-room house, one block from cars; cement basement, sun deck. 65 E. 27th st.

HORTON—In Oakland, June 25, 1923, Mrs. Joanna Sharai Horton, beloved wife of the late Horace A. Horton, mother of Charles O. Horton and sister of Bert Sharai and Josephine Akwright, a native of Michigan, aged 71 years 11 months 25 days.



Charles Horton, Hill Top, Mills College





Work Program:

- Repair/replace failing early concrete foundation and address drainage
- Repair 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

Application Strengths:

- Referred by Mills Act participant in Bella Vista neighborhood
- Engineering plans for foundation in hand, Brace & Bolt finalist
- Enthusiastic commitment to learning about preservation and research
- Deep primary research, vivid and moving story of house & its Oaklanders
- First Mills Act in Highland Park neighborhood, visibly sited catalyst project

LM/MA24003, 384 Bellevue Av., 1908 Young-Fearn house, McCall & Wythe archs.



Sophisticated Crafts house in
National Register quality district
Fine craftsmanship in shingle
pattern, window details, beam
ends, complex roof
Largely unaltered but extensive
deferred maintenance



Architect Charles McCall (1878-1948)

Born in Oakland, grew up & studied in Britain. 1897 family home at 3215 Telegraph already has Bellevue's signature nested gables & notched beams.

1906-era partnership with Willson Wythe, large "Swiss" and "English" homes including 382 Euclid and 268 Park View Terrace in Adams Point.

Later Oakland highlights Wholesale Produce Market, YWCA Blue Triangle Club (Lake Merritt Lodge), and Lawn Bowling Clubhouse at Lake Merritt.

Applicant contacted other McCall owners and researchers and located at least four 1908-10 semi-twins of 384 Bellevue in Oakland, Piedmont, & Alameda, varied to accommodate each site & client.



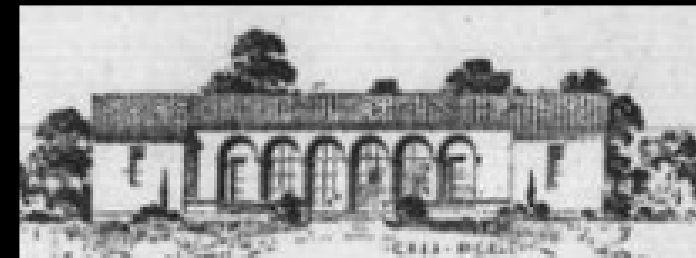
18 Mesa Ave, Piedmont c. 1909



130 Monticello Ave, Piedmont c. 1908



1625 San Antonio Ave, Alameda c. 1908





Failing siding. Split, missing portion. Making wall framing susceptible to rot



Example of failing shingles @ West face & ribbon coursing pattern



Example of window trim rot located at front bay windows



Example of signature McCall notched beam end rot



Leaking downspout directly into foundation

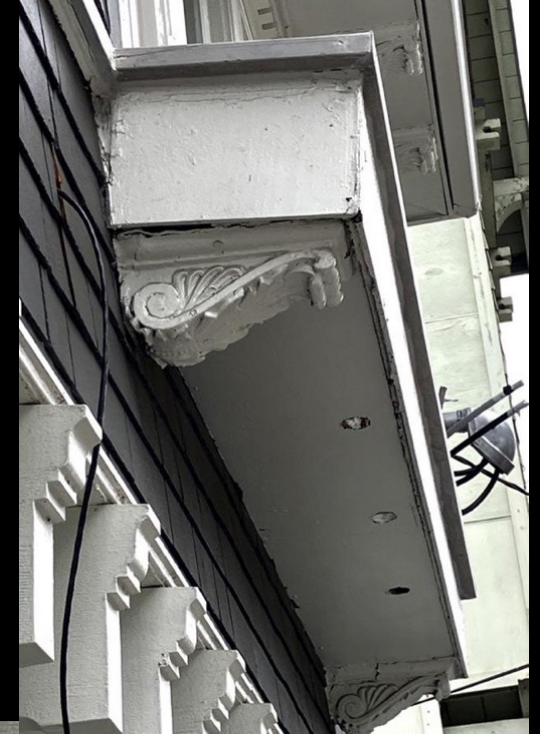
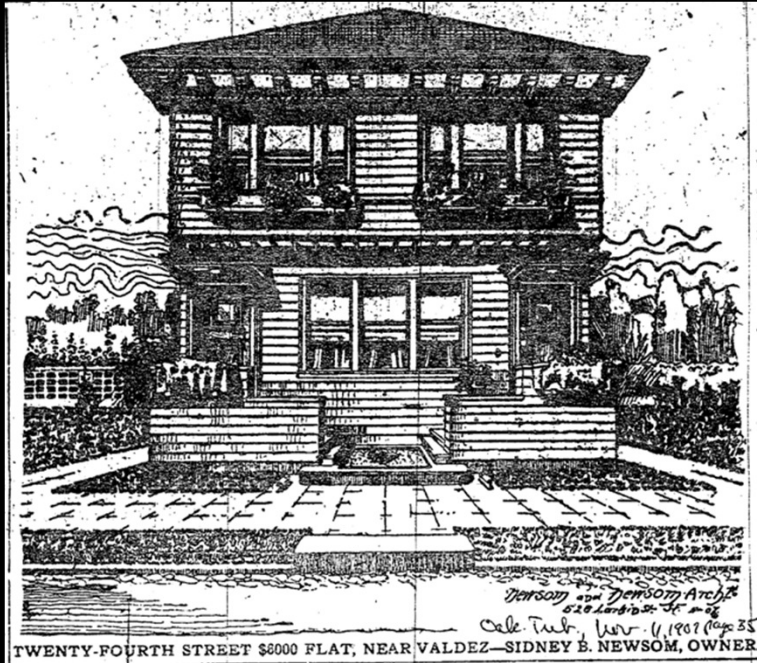
Work Program:

- Exterior wood repairs - rot in beam ends, window trim, sills, etc.
- Repair horizontal bevel siding & shingles, paint house
- 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
- Persistence & attention to detail such as seeking old photos of gutters
- Detailed work descriptions, photo captions, estimates, and contingencies
- Applicant has professional experience in restoration & custom woodwork
- Sixth Mills Act project in Adams Point neighborhood

LM/MA24004: 323-25 24 th St., 1907 Newsom (Sidney) flats, Newsom & Newsom archs.





OAKLAND ARCHITECT RETURNS FROM TRIP AROUND WORLD

Sidney Newsom Is Home After Long Journey

AFTER a six months' tour during which he completely circled the globe, Sidney Newsom, of 227 Twenty-fourth street, a well-known local architect and prominent member of the local lodge of Elks, returned on the Hamburg-American line steamer Cleveland recently. Newsom's principal object in the trip was to study the advances in architectural work throughout the land but the journey was also made for pleasure and nearly every place of interest and importance was visited.

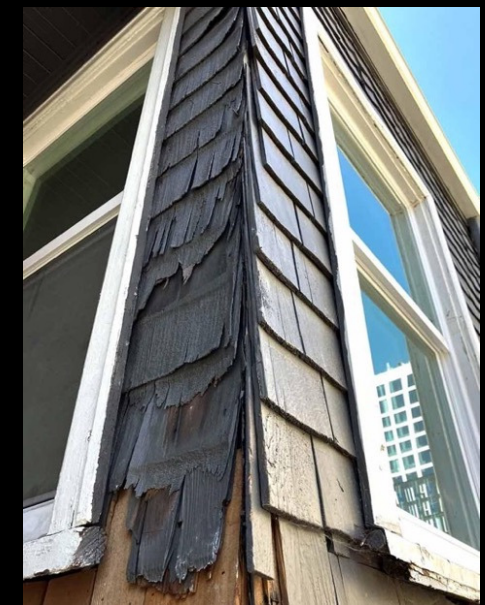
"I found, however," remarked Newsom, "that America is fully up-to-date in all respects and in most cases far ahead of European cities. Germany is perhaps first in point of beautiful streets and architecture, and of course, owing to the age of the country the styles have been laid out in more compact and symmetrical form.

"I have become convinced of the necessity of America maintaining a powerful army and navy, for it is evident that Japan is ready at a moment's notice to precipitate trouble if it dared. Lack of money is, I verily believe, the only thing that holds them back, France and Germany are at daggers



SIDNEY NEWSOM, Feeding Pigeons at Cathedral of St. Mark at Venice.





Work Program

Window trim: repair/rebuild 14 molded originals, replace 13 newer flat frames
Restore signature façade features - flower boxes, door overhangs, brackets/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
Applicant discusses area plan goals & role of small historic multi-unit dwellings
Seller inquired about Mills Act in advance and informed potential buyers

The Secretary of the Interior's Standards for Rehabilitation

1. A property shall be used for its **historic purpose** or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.
2. The **historic character** of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.
3. Each property shall be recognized as a **physical record** of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or architectural elements from other buildings, shall not be undertaken.
4. Most properties change over time; those **changes that have acquired historic significance** in their own right shall be retained and preserved.
5. Distinctive **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 other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial **evidence**.
7. Chemical or physical treatments, such as sandblasting, that cause damage to historic materials shall not be used. The surface cleaning of structures, if appropriate, shall be undertaken using the **gentlest means possible**.
8. Significant **archeological resources** affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken.
9. New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be **differentiated** from the old and shall be **compatible** with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.
10. New additions and adjacent or related new construction shall be [**reversible**, i.e.] undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.