To: Honorable Mayor and Members of the City Council
From: Dee Williams-Ridley, City Manager
Submitted by: Timothy Burroughs, Director, Planning and Development Department
Subject: Mills Act Contract – 2524 Dwight Way

RECOMMENDATION
Adopt a Resolution authorizing and directing the City Manager to enter into a Mills Act contract with NCR Properties LLC/Nathan D. George for the City Landmark property at 2524 Dwight Way.

FISCAL IMPACTS OF RECOMMENDATION
The Mills Act allows owners of historic properties to voluntarily enter into individual contracts with the City in order to obtain property tax reductions in exchange for maintaining and restoring their historic property.

The property tax savings are offered to create an incentive for owners to maintain their historic properties, to designate historic properties that are currently not protected, and to purchase and upgrade already dilapidated historic properties.

Approving the Mills Act contract for the City Landmark property at 2524 Dwight Way would reduce the property tax bills for the owners by an estimated total of $4,700 in year one, approximately 30% ($1,410) of which would be diverted from Berkeley’s tax revenue (final amounts are determined by Alameda County after contract execution). This will be an annual impact to the City’s tax revenue, as the contract runs for ten years (in comparable annual amounts) and automatically renews annually thereafter unless notice of nonrenewal is given. In turn, the work plan commits the owners to spending the anticipated tax savings on restoring the landmarked property. The Mills Act also specifies procedures for cancellation of the contract for a breach of conditions.

Council approval will allow property tax reduction for this property to begin in the 2020-2021 fiscal year.

CURRENT SITUATION AND ITS EFFECTS
On February 24, 1998, the Berkeley City Council passed Resolution No. 59,355-N.S. which authorizes the local use of the Mills Act of 1972, as amended, which is codified in California Government Code Sections 50280-90 and Revenue and Taxation Code Section 439. The Mills Act allows owners of historic properties to voluntarily enter into
individual contracts with the City in order to obtain property tax reduction in exchange for maintaining and restoring their historic property.

On September 13, 1999, the property at 2524 Dwight Way was designated as a City of Berkeley Landmark, making the property owner eligible to take advantage of the Mills Act. The designation included analysis of historic distinguishing features and features to be preserved (see Attachment 2).

On July 2, 2019, the Landmarks Preservation Commission (LPC) reviewed the proposal by the present owner, NCR Properties LLC/Nathan D. George, to enter into a Mills Act contract for 2524 Dwight Way, including a proposed scope of work and maintenance schedule, and voted 6-1-0-1 (Yes: Abranches Da Silva, Adams, Allen, Crandall, Finacom, O’Malley; No: Schwartz; Abstain: none; Absent: Chagnon) to recommend approval of the Mills Act Contract application to City Council, and revise work item B, and remove fence, gate and planting from the Rehabilitation Work Program.

On August 6, 2019, the property owner provided staff with a copy of the revised work plan, consistent with the LPC’s direction.

BACKGROUND
The Mills Act provides limited ad valorem tax relief at the discretion of host jurisdictions to encourage rehabilitation and on-going maintenance of historic resources. In Berkeley, owners of those properties designated by the LPC as either a Landmark or a Structure of Merit may apply for a Mills Act contract. The Alameda County Assessor uses a formula, consistent with the provisions of the Mills Act, to determine the amount of property tax reduction, which applies a capitalization rate to the calculated net operating income for the property under the Mills Act contract. The Mills Act application includes a ten-year work plan to restore and maintain the subject property. The total investment in the work plan is intended to equal or exceed the total amount of the property tax relief over the contract period.

In 2011, State law was amended to include more specific requirements regarding inspection, fees, and cancellation. The amendments clarified that the local legislative body may require fees for providing services pursuant to the Mills Act; shall inspect the property prior to a new agreement and then every five years thereafter; and shall cancel the contract if it determines that the owner has breached the conditions of the contract. As a result of these amendments, Land Use Planning fees for the approval and monitoring of these contracts were added in July 2012, and an ongoing inspection program is in place.

RATIONALE FOR RECOMMENDATION
In order to qualify for Mills Act consideration, 1) the property must qualify as historic; 2) the contract must adequately meet the requirements for Mills Act contracts; and 3) the type of improvements outlined in the work plan must meet the City standards, which
require that tax savings be used according to the rules and regulations outlined in the Act.

The property located at 2524 Dwight Way is eligible for the Mills Act contract because it is designated as a City of Berkeley Landmark. The contract format has been reviewed by the City Attorney's Office for conformance to all relevant City and State regulations. Finally, the contract includes a comprehensive work plan that the property owners have agreed to complete within the first ten-year contract period and that provide for the property “use, maintenance and restoration as to retain its characteristics as property of historical significance.” The LPC has concluded that the proposed work plan meets the standards adopted by the City Council, and the costs of the proposed improvements are anticipated to equal or exceed the tax savings afforded the owners.

ENVIRONMENTAL SUSTAINABILITY
Approval of the contract would encourage historic resource rehabilitation, materials conservation, and construction and demolition waste diversion.

ALTERNATIVE ACTIONS CONSIDERED
The Council could deny the application if it found that it did not satisfy the requirements of the Act or other criteria for approval.

CONTACT PERSON
Timothy Burroughs, Director, Planning and Development Department, 510-981-7401
Fatema Crane, Senior Planner, 510-981-7413

Attachments:
1. Draft City Council Resolution
2. LPC Resolution, Landmark Designation, September 13, 1999
3. Revised Rehabilitation Work Program, received August 6, 2019
4. LPC July 2, 2019 Staff Report
RESOLUTION NO. ##,###-N.S.

AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE A MILLS ACT CONTRACT AND ANY NECESSARY AMENDMENTS WITH NCR PROPERTIES LLC/NATHAN D. GEORGE, FOR THE MAINTENANCE AND RESTORATION OF A HISTORIC PROPERTY LOCATED AT 2524 DWIGHT WAY, IN RETURN FOR THE OWNER TO OBTAIN A PROPERTY TAX REDUCTION

WHEREAS, on February 24, 1998, the Berkeley City Council adopted Resolution No. 59,355-N.S. which authorized the use of Mills Act contracts; and

WHEREAS, on September 13, 1999, 2524 Dwight Way was designated as a City of Berkeley Landmark and became eligible to take advantage of the Mills Act; and

WHEREAS, on July 2, 2019, the Landmarks Preservation Commission reviewed the proposed projects listed in the Mills Act Contract Application for 2524 Dwight Way, and recommended that the City Council enter into a Mills Act contract with the property owner, and revise work item B, and remove fence, gate and planting from the Rehabilitation Work Program.

WHEREAS, the City of Berkeley Mills Act program requires each contract to be approved by the City Council and signed by the City Manager; and

WHEREAS, the City Council, in light of all evidence, finds that the contract is consistent with the purposes of the Mills Act program.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Berkeley that the City Manager is authorized and directed to execute a Mills Act Contract and any necessary amendments with NCR Properties LLC/Nathan D. George for the maintenance and restoration of the historic property located at 2524 Dwight Way and in return offer a property tax reduction for a period of at least ten years, with a recorded copy of such contract and amendments to be on file in the Office of the City Clerk and Alameda County Clerk- Recorder.
CITY OF BERKELEY
Ordinance #4694 N.S.
LANDMARK APPLICATION

Alexander C. Stuart House

1. Street Address: 2524 Dwight Way
   County: Alameda City: Berkeley ZIP: 94704

2. Assessor's Parcel Number: 055 1842 00200
   Dimensions: 55 x 146 feet
   Cross Street: Regent Street

3. Is property on any survey?
   State Inventory: Yes National Register: No

4. Application for Landmark Includes:
   Building(s): Yes
   Landscape or Open Space: Yes
   Other: Entire Property

5. Historic Name: Stuart (Alexander C.) House
   Commonly Known Name: None

6. Date of Construction: 1891
   Factual: Yes, California Architect & Building News, June 1891

7. Architect: Pissis and Moore (Albert Pissis and Joseph Moore)
   Builder: A.H. Broad

8. Style: Queen Anne with Colonial Revival Porch

   Original Use: Single Family Residence

10. Present Owner: Tony Afshampour
    Address: 18 Botany Court, Redwood City CA 94062
    Present Occupants: Students attending U.C. Berkeley
11. Present Use: Residential: Yes  Multiple: Yes  
   Current Zoning: R-4  Adjacent Property Zoning: R-4

12. Present Condition of Property:  
   Exterior: Good  
   Interior: Fair  
   Grounds: Good

13. Description:  
   This is a solid looking 2 ½ - story Queen Anne house with a Colonial Revival porch  
   sporting 6 Ionic columns and 2 pilasters. The classical theme is carried out with the  
   use of dentil cornices in various spots and a window frame on the top floor, which  
   ends in scrolls. The first floor is covered in board siding, the second in shingles and  
   the third within the gable end is most elaborate with decorative half-timbering. There  
   is a 2-story bay on the west side and a 1-story section on the east, which is possibly  
   an addition, but is in keeping with the style of the house. The most striking feature is  
   the second story octagonal turret at the northwest corner. It is supported by two  
   decorative brackets and contains five narrow windows, the whole being topped by an  
   8-sided peaked roof. The original front door has been replaced.

14. History:  
   The Stuart House was designed by the firm of Pissis and Moore and built by A. H.  
   Broad for Alexander Stuart in 1891.  
   Alexander Stuart was born in St. Johns, Newfoundland, emigrated to California,  
   and worked for a number of years for the firm of G. T. Marye and Son, mining stock  
   brokers, located at 234 Montgomery in San Francisco (see illustrations). In the 1890  
   Langley’s San Francisco Directory his address is listed as 1902 Broadway. In the  
   1891 Hasted’s Oakland, Alameda, Berkeley Directory he is listed as residing on  
   Dwight Way near the Narrow Gauge Track.
   The Hillegass tract on which the Stuart house stands was subdivided in 1886, but  
   was slow to develop. In 1891 Joseph Mason the founder of Mason-McDuffie was  
   asked to take over sales. He writes in his memoirs:  
   
   The town was all a wheatfield to Derby Street (from the  
   south) thence a market garden. The Hillegass asked if I could  
   sell their property in lots. I told them I could not in its  
   condition at that time, but if they would open up the streets,  
   macadamize them etc., I would sell the lots.  

   Mason had been commuting to San Francisco from his Berkeley residence on  
   Channing near Bowditch for some time. After Alexander Stuart moved to Berkeley,  
   he also commuted – possibly using the narrow gauge railway mentioned earlier (see  
   illustration).  
   Albert Pissis came to San Francisco, as a child, in 1858. He traveled to Paris at  
   the beginning of the 1870’s to study at the Ecole des Beaux-Arts. He studied at the
atelier of Julian Guadet, passing the entrance examination to the Ecole in 1872 and completing his studies in 1876. In the late 1870's he returned to San Francisco to begin his architectural practice. In 1885, Pissis entered into partnership with William Moore. Moore was born in Liverpool in 1847 and came to San Francisco in 1880.

Pissis is best known for the design of the Hibernia Bank (1892), the Emporium (1895), the Little Sisters of the Poor (1902), the Flood Building (1905) in San Francisco, and the President's House (1901) on the University of California campus in Berkeley.

In contrast to the classical style of the buildings above, Pissis and Moore also designed a number of houses and apartment buildings in the Queen Anne style. The most impressive of these must have been the house designed for Philip Nettre Lilienthal at Clay and California in 1886. According to Nelson [4]: "This was the largest commission Pissis had yet received and was almost twice as costly as the surviving and extravagant Haas-Lilienthal house built the same year and only a few blocks away." (See illustration.)

The builder of the Stuart House was A. H. Broad, a prominent Berkeley contractor and pioneer civic figure. He was born in Maine in 1851 and came to Berkeley in 1877. He served on Berkeley's first board of trustees in 1881 and later became town marshal.

Broad went into business as a building contractor in 1880. Within five years he was well known for his Eastlake cottages. He often worked as Bernard Maybeck's contractor and his later work reflects the influence of the First Bay Tradition architects.

Four buildings with which A. H. Broad was involved have been designated City of Berkeley Landmarks – the Town and Gown Club (2401 Dwight Way; alterations by Broad circa 1909), the Haste Street Building of McKinley School (2419 Haste Street; 1906), the Bentley House (2683 Le Conte Avenue; 1900) and the George Edwards House (2530 Dwight Way; 1886) one lot east of the Stuart House.

15. Context:

The Stuart House is part of a rich architectural group clustered around People's Park. This includes the Wooley House, the Anna Head School, Casa Bonita Apartments, the Rose Cottage, Maybeck's First Church of Christ, Scientist, Julia Morgan's Hobart Hall, and the George Edwards House.

The area to the north of Dwight was sold to the University of California by the Hillegass family and was known as the College Homestead Tract. The area to the south of Dwight Way, where the Stuart House stands, remained in the Hillegass family's possession until 1886 when it was subdivided as the Hillegass Tract.

The College Homestead Tract, developed in the heyday of the Victorian era, was the first fully built residential neighborhood south of the campus. This neighborhood extended to the north end of Wurster Hall. The original neighborhood is now largely gone; the few remaining residences are all the evidence left of that thriving community.
The Hillegass Tract was built up slowly. The process continuing to the turn of the century and beyond. It, too, suffered many losses as older single-family homes have given way to apartment blocks.

The Stuart House is probably the best-known representative of the generation of homes that were built on the Hillegass Tract before 1900. Along with the other historical buildings in the district it bears witness to the history of the Southside district of Berkeley.

16. **Significance:**

   In itself, the Stuart House should be preserved as one of the surviving examples of the Queen Anne style buildings designed by Pissis and Moore. Its historical value is increased by the fact that the design was carried out by A. H. Broad

   The existence of the Stuart House also makes it possible to compare the classical style of Pissis’ Presidents House to the Stuart House’s Queen Anne style, as well as, the Eastlake-Queen Anne style of Broad’s George Edwards House located nearby.

   Finally, the designation of the Stuart House as City of Berkeley Landmark will be a recognition of its contribution to the historical and architectural character of the surrounding district and will make a significant contribution to preserving that character.

   **Historic Value:** City Yes Neighborhood Yes

   **Architectural Value:** City Yes Neighborhood Yes

17. **Is the property endangered?** No

   **Explain:**

18. **Photographs & Illustrations:**

   Copy of photograph of the Alexander Stuart House in 1939.

   Copy of photograph of the Alexander Stuart House in 1974 (Elizabeth Crews).

   Copy of photographs of the Alexander Stuart House in 1999.

   Photocopy of Mining Stock Market Columns in the *San Francisco Evening Post*.

   Photocopy of Delinquent Sales of Mining Stock in the *San Francisco Evening Post*.

   Photocopy of *Steam Dummy on Telegraph* by Edwin Deakin, 1892.

   Copy of photograph of Albert Pissis.

   Copy of photograph of the Philip Nettre Lilienthal House.
19. Bibliography:


2. Emanuel, George Our First 100 Years: The Story of Mason-McDuffie Through the Lives of Its Leaders, (no date).


20. Recorder:

    Paul Huizinga, 2530 Dwight Way, Berkeley CA 94704, tel: (510) 549-0417.

21. Recorded:

    August 1999
STRONG STOCKS

South End Shares Lead the Market on Early Call

The interior of a number of institutions in the central business district of the city were filled with activity last week. It was the last day of the quarter, and investors and speculators were active in purchasing stocks. The market opened with a rally that continued throughout the day. However, the rally was short-lived, and prices began to decline in the afternoon. By the end of the day, the market had finished lower than it started.

A DULL SPELL

Prize Mining Shares Show a Light Advance on Call

The market opened without any change, and trading was quiet throughout the day. Prices remained stable, and there were no significant rallies or declines. The market closed lower than it opened, with most stocks trading in a narrow range.

FIRMER AGAIN

The mining market opened firmer on early call, with a slight showing of business. The heavy commercial orders seem to have withdrawn from the market for the time being, probably in the belief that while something new may turn up, much novelty cannot be expected until after the holidays. The public investor is ready for starting up at the south end, and oversold companies are actively active, and the stock in good demand by dealers who think their stock on the future of the mines, which is said to be looking remarkably well, even in face of the break in the present advance. The prices have been held up on the public, and when the public looks to its own, the future of the mines is sure to be strong, with an evident desire on the part of the miners to sell their stock at a good price.

The Mining Stock Market
In 1890

April 28, 1890
San Francisco Evening Post

May 1, 1890

May 2, 1890

The firmness of business led to a continuation of the rise in stock prices, with a slight showing of business. The public investor is ready for starting up at the south end, and oversold companies are actively active, and the stock in good demand by dealers who think their stock on the future of the mines, which is said to be looking remarkably well, even in face of the break in the present advance. The prices have been held up on the public, and when the public looks to its own, the future of the mines is sure to be strong, with an evident desire on the part of the miners to sell their stock at a good price.

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### Delinquent Sale

#### Bodie Consolidated Mining Co.

**Location:** Bodie, Placer County, California.

On the day of April, 1890, at the hour of ten o'clock A.M., the following described property will be sold at public auction.

<table>
<thead>
<tr>
<th>Lot No.</th>
<th>Description</th>
<th>Reserve Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Gold Mine</td>
<td>$10,000</td>
</tr>
<tr>
<td>2</td>
<td>Silver Mine</td>
<td>$15,000</td>
</tr>
</tbody>
</table>


#### Ophir Silver Mining Co.

**Location:** Ophir, Mariposa County, California.

On the day of April, 1890, at the hour of ten o'clock A.M., the following described property will be sold at public auction.

<table>
<thead>
<tr>
<th>Lot No.</th>
<th>Description</th>
<th>Reserve Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Silver Mine</td>
<td>$20,000</td>
</tr>
<tr>
<td>4</td>
<td>Gold Mine</td>
<td>$18,000</td>
</tr>
</tbody>
</table>

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**San Francisco Evening Post, July 30, 1890**

**San Francisco Evening Post, May 8, 1890**

**Notices of Sales of Mining Stock with Unpaid Assessments**

G. T. Marye and Son, the company for which Alexander Sunter worked, evidently did not believe in paying their assessments until the last minute.
Albert Pissis

from

The Architect and Engineer of California
July, 1909
NOTICE OF DECISION

FOR MEETING OF: September 13, 1999

PROPERTY ADDRESS: 2524 Dwight Way
ALSO KNOWN AS: Alexander C. Stuart House
OWNER OF PROPERTY: Tony Afshampour
ACTION: Approval of Landmark Designation
APPLICANT: LPC

WHEREAS, 2524 Dwight Way has architectural significance as a work by notable architects, Pissis and Moore, built in 1891 by A.H. Broad.; and,

WHEREAS, 2524 Dwight Way is a rare example of the surviving Queen Anne Victorian style buildings designed by Pissis and Moore; and,

WHEREAS, 2524 Dwight Way faces People's Park, a City of Berkeley Landmark recognized in November of 1984; and,

WHEREAS, 2524 Dwight Way is a major contributing building to the historical and architectural history of the surrounding neighborhood; and,

WHEREAS, on September 13, 1999, a public hearing was duly held regarding the above property and the Landmarks Preservation Commission, being fully advised, voted to APPROVE the designation of 2524 Dwight Way as a City of Berkeley Landmark.

Now, therefore, be it resolved by the Landmarks Preservation Commission of the City of Berkeley that the decision is deemed final unless it is reversed, upon appeal, by the City Council of the City of Berkeley.

VOTE: 9-0-0

Aye: Dishnica, Edwards, Emmington, Kehlmann, Marsh, Morse, Olson, O'Malley, Wengraf
Nay:
Abstain:
DATE NOTICE MAILED: October 1, 1999. THE APPEAL PERIOD EXPIRES (15 DAYS) AT 5 PM: October 18, 1999. File Appeal With City Clerk By This Date.

ATTEST: ____________________________
Margaret Kavanaugh Lynch
Secretary, Landmarks Preservation Commission

cc: City Clerk
Property Owner

LEGAL LIMITATIONS:
If you object to this project or any city action or procedure relating to this project application, any lawsuit which you may later file may be limited to those issues raised by you or someone else in the Public Hearing on this project or in written communications presented at or prior to the Public Hearing. The time limit within which to commence any lawsuit or legal challenge related to this (these) application(s) is governed by Section 1094.6 of the Code of civil Procedure, unless a shorter limitations period is specified by any other provision. Under Section 1094.6, any lawsuit or legal challenge to any quasi-administrative decision made by the City must be filed no later than the 90th day following the date on which such decision becomes final. Any lawsuit or legal challenge which is not filed within that 90-day period will be barred.

COMMUNICATION ACCESS:
To request a meeting agenda in large print, Braille, or on audio cassette, or to request a sign language interpreter for the meeting, call (510) 644-6480 (voice) or 644-6915 (TDD); at least FIVE working days notices will ensure availability.
<table>
<thead>
<tr>
<th>Feature (letters correspond to attached Work Program)</th>
<th>Location</th>
<th>Character Defining?</th>
<th>Condition</th>
<th>Recommended Treatment</th>
<th>Schedule</th>
<th>Budgets (from contractor quotes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Exterior wood sidings and wood trim</td>
<td>All</td>
<td>Yes</td>
<td>Fair</td>
<td>Repair and repaint exterior wood board and shingle sidings and wood trim work at walls, openings and rooflines</td>
<td>Repairs 2020; repaint 2026</td>
<td>$85,000</td>
</tr>
<tr>
<td>B. Exterior Windows</td>
<td>All</td>
<td>Yes</td>
<td>Fair</td>
<td>Repair and replace in-kind</td>
<td>2026</td>
<td>$20,000</td>
</tr>
<tr>
<td>C. Roofs, roof drainage and flashing</td>
<td>All</td>
<td>Yes</td>
<td>Fair-poor</td>
<td>Roof and roof drainage repairs; future reroof, including drainage assembly repair, selective replacement</td>
<td>Repairs 2020; reroof 2029</td>
<td>$25,000</td>
</tr>
<tr>
<td>D-E. Front porch steps, walk and yard</td>
<td>Front</td>
<td>Yes</td>
<td>Fair</td>
<td>Replace wood porch steps and railing; replace entry walkway paving to match (E)</td>
<td>2020</td>
<td>$13,000</td>
</tr>
</tbody>
</table>

| Total Estimated 10yr. Budget                          |          |                     |           |                       |          | $143,000 |
2524 Dwight Way


I. Application Basics

Parties Involved:

- Applicant & Property Owner: NCR Properties LLC/Nathan D. George
  1958A University Avenue
  Berkeley, CA 94704

- Historic Resource Consultant: Mark Hulbert
  Preservation Architecture
  446 17th Street, #302
  Oakland, CA 94612
Figure 1: Vicinity Map highlighting nearby historic resources
Figure 2: 2524 Dwight Way, current conditions
II. Background

On May 22, 2019, the applicant and owner submitted a Mills Act Contract Application for the property located at 2524 Dwight Way. The application form is provided as Attachment 1 of this report. The historic resource consultant’s Historic Architectural Report for Mills Act Application is provided as Attachment 2. This document includes the consultant’s list of Character Defining Features (on page 2), Historic Architectural Summary and Recommendations for maintenance and repairs (on page 3), and the City’s financial analysis spreadsheet for estimating the potential Mills Act tax savings for this request. Attachment 2 of this report is the proposed ten-year work plan under a Mills Act contract, an excerpt from Attachment 2.

The subject main building at 2524 Dwight Way was constructed in 1891 by Alphonso Herman Broad (1851-1930) and designed by Albert Pissis (1852-1914) and Joseph Moore in the Queen Anne style of the Victorian era. In 1999, it was designated as a City of Berkeley Landmark owing to its architectural merit. A copy of the designation Notice of Decision is provided as Attachment 3 of this report. This property appears on the State Historic Resources Inventory with status code 3S, indicating that the property appears to be eligible for the National Register as an individual property through survey evaluation.

III. Issues and Analysis

The historic resource consultant’s rehabilitation and architectural reports (Attachment 2) outline proposed building exterior and site improvements for the subject property over a projected ten-year period. Improvements to the exterior of the City Landmark building include, but are not limited to: repair and repainting exterior wood work (including siding, and shingles and decorative trim detail); repair and selective replacement of exterior wood windows, repair and subsequent replacement of roof and roof drainage assembly; replace front entry stairs and walkway paving; replace fence at front property line; and install new planting.

A new fence at the front property line has been previously approved by the Commission under Structural Alteration Permit #LMSAP2016-0007. However, any other future work on the exterior of the building that would not be considered ordinary maintenance and repairs would require review and approval by the Landmarks Preservation Commission in advance of completing the work.

With the exception of the proposed new plantings, all improvements included in the applicant’s Historic Architectural Summary and Recommendations (page 3 of Attachment 2) would affect historic, character defining features of the building and site.

The work plan items appear to be justifiable in that they constitute restoration, repair, rehabilitation and continued maintenance of the subject property. Further, they would provide for the property’s “use, maintenance and restoration as to retain its characteristics as property of historical significance,” as provided for in the Mills Act, Government Code Sections 50280 et. Seq., as authorized by the Berkeley City Council per Resolution No. 59,355 – N.S. For these reasons, staff concludes that the proposed tasks represent improvements that are consistent with the requirements of the Mills Act.
IV. Mills Act Contract Proposal

The intent of the Mills Act is to provide property tax relief so that the property owners entering into Mills Act Contracts with the City will spend the property-tax money that is saved through the Contract on preserving and/or restoring their property. The applicant’s proposed 10-year plan of improvements is summarized in Table 1, below.

<table>
<thead>
<tr>
<th>Feature</th>
<th>Treatment (as recommended by historic resource consultant)</th>
<th>Estimated Year of completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exterior wood sidings &amp; trims</td>
<td>A Repair &amp; maintain wood work</td>
<td>2020</td>
</tr>
<tr>
<td></td>
<td>B Re-paint wood work</td>
<td>2026</td>
</tr>
<tr>
<td>Exterior wood windows</td>
<td>A Repair &amp; selective replacement</td>
<td>2026</td>
</tr>
<tr>
<td>Roof &amp; drainage</td>
<td>C Repair &amp; maintain roof and roof drainage assembly</td>
<td>2020</td>
</tr>
<tr>
<td></td>
<td>D Replace roof, including drainage assembly</td>
<td>2029</td>
</tr>
<tr>
<td></td>
<td>E Replace stairs &amp; railing; replace walkway pavement &amp; fence &amp; gate; new plantings</td>
<td>2020</td>
</tr>
</tbody>
</table>

The working financial analysis spreadsheet provided by the applicant at time of submittal, estimates that the cost of the owner’s proposed improvements over a 10-year period would be approximately $148,500 and the estimated total tax savings over the 10-year period would be approximately $44,000, starting at an annual savings of approximately $4,700 and then decreasing to approximately $3,200 by the tenth year of the program.

V. Recommendation

Staff has determined that all work proposed in the Mills Act Contract work plan provides for the properties “use, maintenance and restoration as to retain its characteristics as property of historical significance”, and advises the Commission to recommend that City Council approve the Mills Act Contract request for the subject property.

Attachments:

1. Mills Act Contract Application & Historic Architectural Report for Mills Act application, prepared by Mark Hulbert, received May 22, 2019
2. Estimated [Ten-Year] Work Schedule for Mills Act, received May 22, 2019

Prepared by: Fatema Crane, Senior Planner; fcrane@cityofberkeley.info (510) 981- 7413