



**HISTORIC PRESERVATION COMMISSION
REGULAR MEETING MINUTES
MONDAY, MAY 23, 2016 – 7:00 P.M.**

1. **CALL TO ORDER** Chair Charlie called the meeting to order at 7:00 pm

2. **ROLL CALL**
PRESENT: Commissioners Anthony, Blaivas, Allison, Levin, Vice-Chair Ostergren and Chair Charlie

ABSENT: Bonacci

STAFF PRESENT: Rachel Dimond, HPC Liaison, Stephanie Reich, Urban Designer, and Sharita Ellies, Commission Secretary

ALSO PRESENT: Stephanie DeWolfe, CDD Director, David DeGrazia, CHPP Planning Manager

3. **APPROVAL OF AGENDA:**
The Historic Preservation Commission (HPC) is requested to approve the Agenda.
Recommendation: Approve the meeting agenda of Monday, May 23, 2016 as presented. **Moved by Commissioner Levin, seconded by Vice-Chair Ostergren and unanimously carried; noting the absence of Commissioner Bonacci.**

4. **APPROVAL OF MINUTES:**
The Historic Preservation Commission is requested to approve the minutes of prior Historic Preservation Commission meetings.
Recommendation: Approve the meeting minutes of March 29, 2016 as amended. **Moved by Commissioner Levin seconded by Commissioner Blaivas and unanimously carried; noting the absence of Commissioner Bonacci.**

5. **PUBLIC COMMENT:**

STEPHANIE HARKER, RESIDENT OF THE CITY OF WEST HOLLYWOOD commented regarding the potential cancellation of City's annual Historic Preservation Commission Event, the potential loss of its funding and a location for the 2017 event.

6. **CONSENT CALENDAR:** None.

7. **EXCLUDED CONSENT CALENDAR:** None.

8. **PUBLIC HEARINGS:** None.

9. **A. NEW BUSINESS: MULTI-FAMILY INCENTIVES PROJECT:** Proposed

Incentives for multi-family historic building in which the HPC will consider Proposed incentives for multi-family historic resources and make recommendations to City Council.

STAFF STEPHANIE REICH, URBAN DESIGNER opened the discussion item, thanked Chair Charlie and Commissioners Levin and Vice-Chair Ostergren for their participation in the Technical Advisory Group and turned the presentation over to Page & Turnbull Consultants, John Lesak and Flora Chou.

JOHN LESAK, PAGE & TURNBULL REPRESENTATIVE gave a powerpoint presentation regarding the proposed multi-family incentives project as stated in the May 23, 2016 staff report and study.

He discussed information relating to the projects objectives, principles, buildings included in the study, key findings, potential and considered but not pursued incentives and feedback requested.

He stated the following seven project goals that assisted with development of objectives and principles that would later guide the process:

- Incentives that would address dual priorities of historic preservation and rent stabilization
- Encourage private investment in maintaining historic and rent stabilized properties
- Assist owners in closing the gap between initial capital cost and long-term return
- Provide a range of incentives; not one size fits all
- Determine if historic properties are more burdensome or costly to maintain and repair
- Identify conflicts between the Historic Preservation section of the Zoning Code and the Rent Stabilization Ordinance
- Treat the historic buildings like a client

He addressed the following three themes listed within the key findings of the study of the thirty-nine historic buildings.

- Infrastructure System Upgrade Is The Pressing Need:
Outdated infrastructure systems have the most pressing need of renewal and/or upgrades. If not maintained can cause potential catastrophic loss of the buildings or damage beyond repair.
- Repair / Rehabilitation Cost More For Historic Properties:
The study found that costs for significant repairs and major rehabilitation can be more for historic properties than non-historic properties as a result of the required labor-intensive repair work.
- Rent Stabilization Is Less A Problem Than Perceived:
He said the study determined that rent stabilization was less of a financial barrier than expected and briefly discussed the following information regarding rent stabilized properties:

According to the Rent Stabilization and Housing Annual Report for 2014, at least 64% of the total RSO units have had at least one market rate increase since 1996, meaning at most, 36% of the City's almost 17,000 RSO units are paying pre-1996 rents.

The properties in this study show a lower percentage, with pre-1996 units accounting for 21% of the approximately 600 units in the study. Over 65% of the units turned over in the last 10 years, and are likely paying at or close to market rate. While RSO limits rent increases, the majority of the units in these properties are not renting at very low rents.

Six Common Types of Historic Apartments:

He discussed the six types of historic apartments found within the study of tall, mid-rise/courtyard, postwar, cottage cluster, four-plex and house-like.

He said each exhibit a wide range of sizes, construction types, materials and age that have very different physical characteristics, advantages and challenges which means their needs are difficult to predict, and not all incentives will be meaningful for all buildings.

Ownership Profile:

He discussed the property owner variables as listed in the presentation chart which indicated that properties under the same ownership of more than 20 years account for 36% of the 39 properties and newer owners from the last 10 years account for about 36%.

The two groups of owners have different perceptions and attitudes toward rent stabilization and their properties and will affect whether they use certain incentives.

He said Page & Turnbull engaged in a number of community outreach meetings as well as convened a Technical Advisory Group (TAG) with commissioners from the Planning Commission, Historic Preservation Commission, and the Rent Stabilization Commission.

He identified and thanked the Commissioners, including former Commissioner Bradley Torgan for participating in the Technical Advisory Group and said they had extensive experience with issues facing the historic, rent-stabilized properties, as well as with City policies and long-standing community concerns which helped shape the study.

He said Community Engagement consisted of six (6) technical advisory group meetings, five (5) focus group meetings, one (1) Joint Stakeholder Meeting and four (4) stakeholder feedback meetings.

FLORA CHOU, PAGE & TURNBULL REPRESENTATIVE discussed the following potential incentives for designated historic buildings. She said four of twenty incentives will be presented for tonight's review/comments. The potential incentives were developed based on cost; The RSO in terms of foregone revenue between stabilized rents and market rents as well as

the incrementally higher cost of the maintenance/repair/rehabilitation of historic multifamily properties.

Potential Incentives:

- Technical Assistance - Dedicated person with expert support within City Hall.
- Fee Waivers - Building and Safety permit fees and 50% of rent registration fee.
- Alternative to RSO Painting Standards - Allow alternative painting plan in place of schedule in Rent Stabilization Ordinance
- Sell "Air Rights" – West Hollywood has a system in place that has not been used and also addressed information listed as presented in the pie chart.

Incentives Considered But Not Pursued:

- Historic Apartment Preservation Program:
 - Makes funds available for specific types of work
 - Reimburses owners for a portion of work completed
 - Funds could be up to \$15,000/unit and \$150,000/building
 - Rehabilitation plan with costs and time frames
 - Financial contribution from owner
 - Record historic preservation easement
 - Record covenant to not remove property from rent stabilization12 month temporary accommodations for existing tenants to effectively complete upgrades/repairs

Additional Incentives Considered But Not Pursued:

- Cost sharing capital costs which would allow owners to share costs with tenants (currently under review with Rent Stabilization for rent stabilized properties)
- Conversion to condos/other uses; favorite among stakeholders but did not meet project goals

She requested feedback from members of the HPC regarding the proposed incentive programs.

STAFF STEPHANIE REICH, URBAN DESIGNER said the study will be presented to the following Commissions:

- Rent Stabilization Commission – Thursday May 26, 2016
- Planning Commission June 02, 2016
- City Council – Tentatively scheduled August 15, 2016

Item 9.A. Commissioner Questions To Staff:

COMMISSIONER EDWARD LEVIN asked about the order of magnitude of infrastructure replacement costs for multiple scenarios regarding replacement/repair for electrical, plumbing, incentives, fee waivers for Building and Safety, and RSO painting schedules.

JOHN LESAK, PAGE & TURNBULL REPRESENTATIVE stated the estimated costs at several hundred thousand dollars and added that professional workmanship added to costs for historic buildings.

COMMISSIONER EDWARD LEVIN asked why the Historic Apartment Preservation Program was not among the list of recommendations.

JOHN LESAK, PAGE & TURNBULL REPRESENTATIVE explained that Staff recommended that it was not beneficial to the City and due to the limited amount of properties, would be an over expenditure, particularly in light of the seismic study underway.

COMMISSIONER CATHY BLAIVAS asked about the Historic Apartment Preservation Program as well. She asked why it was not considered a sufficient benefit to the City.

JOHN LESAK, PAGE & TURNBULL REPRESENTATIVE said it was due to the global needs of housing within the City which would not justify the annual expenditures.

COMMISSIONER CATHY BLAIVAS asked if a fulltime historic preservation employee could accommodate the internal work related demands of the incentive programs and whether the consultant would be needed.

STAFF STEPHANIE REICH, URBAN DESIGNER said the City proposes to hire an on call, part-time consultant to assist with the demands and said the consultant would not be needed if a fulltime HPC employee was in place.

COMMISSIONER KEITH ANTHONY asked for clarification of the number of experts that reviewed the infrastructure of the properties.

JOHN LESAK, PAGE & TURNBULL REPRESENTATIVE said there were four experts that reviewed the properties and toured eleven (11) sites and also reviewed the exterior of all thirty-nine (39) properties.

COMMISSIONER KEITH ANTHONY asked for an in-depth explanation of the types of repairs needed, how the proposed alternative painting schedule would be determined and the amount of proceeds if selling air rights would be reinvested back into the property.

JOHN LESAK, PAGE & TURNBULL REPRESENTATIVE briefly explained that there were minor repairs and upgrades to the infrastructure. He said the heating systems appeared to be the least repaired/upgraded in most cases.

FLORA CHOU, PAGE & TURNBULL REPRESENTATIVE said the painting schedules would be determined on a case-by-case need.

COMMISSIONER KEITH ANTHONY asked who would be responsible for the additional work created by the proposed incentive programs.

STAFF STEPHANIE REICH, URBAN DESIGNER said it would come from the proposed additional technical assistant.

VICE-CHAIR GAIL OSTERGREN also asked about the proposed/revamped TDR program.

FLORA CHOU, PAGE & TURNBULL REPRESENTATIVE said they reviewed TDR programs throughout the country and found that they had created markets where the only way to have that increased density were through a TDR program.

VICE-CHAIR GAIL OSTERGREN asked what the increased density use types were.

FLORA CHOU, PAGE & TURNBULL REPRESENTATIVE said the density would transfer to commercial areas with potential to transfer from residential to commercial. She said there may be the possibility of looking at mixed-use buildings.

COMMISSIONER ALLEGRA ALLISON asked what would motivate a developer to procure a TDR program as opposed to the commonly used SB1818.

FLORA CHOU, REPRESENTATIVE OF PAGE & TURNBULL said the SB1818 density program requirement is to build affordable housing units to create the extra density, while the TDR program does not have that requirement.

COMMISSIONER CATHY BLAIVAS asked about the suggestion from the realtor design focus group regarding additional square footage to allow more receiver sites.

FLORA CHOU, PAGE & TURNBULL REPRESENTATIVE said that would be something to take into consideration as part of the TDR program or the review process.

Item 9.A. Public Comment:

GEORGE CREDLE, RESIDENT OF THE CITY OF WEST HOLLYWOOD spoke in favor of the proposed four incentives. He suggested potential cost effective methods of securing funds for the incentives, the potential benefits to future preservation sites, and expressed concerns with information under the headings, Potential Incentives and Incentives Considered But Not Pursued.

VICTOR OMELCZENKO, WEST HOLLYWOOD PRESERVATION ALLIANCE MEMBER AND RESIDENT OF THE CITY OF WEST

HOLLYWOOD spoke on behalf of the Alliance in support of the four recommendations identified in the staff report.

He talked about prioritizing historic preservation, costs to potentially fund the incentives and said the Alliance strongly supports the Historic Apartment Preservation Program noted in the staff report. He requested the item be presented to all commissions and members of the public prior to being heard at the August 15th Council meeting.

CYNTHIA BLATT, RESIDENT OF THE CITY OF WEST HOLLYWOOD submitted a handout for public record and spoke from a professional level as well regarding available funding for the recommended incentives.

She addressed the Page & Turnbull report regarding communities surveyed within the report and said section D of the handout provided information negating the misconception that it is illegal for the state to grant funds to private owners, she said the grants were not public funds to private owners, and stated potential sources for funding such as CDBG funds and other surpluses of monies available within the City of West Hollywood.

She talked about the Incentives not pursued and suggested that the Commission review the document for potential funding sources that may assist with the incentives considered but not pursued.

RIC ABRAMSON, RESIDENT OF THE CITY OF WEST HOLLYWOOD spoke in favor of potential incentives previously discussed in focus groups but not added to the analysis, and encouraged a broad and creative range of ideas.

He discussed information regarding potential increase of revenue to the City driven by factors of debt ratios and cash flows in buildings. He recommended a number of potential incentives to the Commission.

STEPHANIE HARKER, RESIDENT OF THE CITY OF WEST HOLLYWOOD said the properties listed within the study represents half of the City's existing historic properties, said she agrees with comments by Victor Omelczenko regarding potential funding for incentives/buildings, said she looks forward to future community outreach meetings and requested that the remaining twenty-eight buildings of the study be reviewed.

MARK LEHMAN, RESIDENT OF THE CITY OF WEST HOLLYWOOD commended Staff and the Consultant for the report and said it was just the beginning of much needed work. He expressed concerns regarding the need for creative funding for incentives in the near future as well as an era of new properties that will need to be considered that may pose greater challenges.

Item 9.A. Public Comment Closed

Item 9.A. Commissioner Comment:

COMMISSIONER EDWARD LEVIN thanked staff, Page & Turnbull and members of the Commission for their input with the study. He commented regarding the previously discussed SB1818 program; said it should now be referenced as government code 65915 or the state density onus law.

He said he supports all four recommendations and briefly discussed each recommendation. He expressed concerns regarding the TDR program and said it is an inverse incentive.

He addressed the need for significant funding due to potential high costs of repairs to the infrastructure. He said he would support the item only if the Historic Apartment Preservation Program is included. He thanked Cynthia Blatt for her input regarding funding and grants.

He recommended adding the Historic Apartment Preservation Program to the list of incentives and that the Consultant team and Staff work together to review use of CDBG grant money, façade easement programs and suggestions of licensing fees by Ric Abramson.

COMMISSIONER ALLEGRA ALLISON said she supports the four recommended incentives noted in the report and said she agreed with fellow Commission Edward Levin's comments. She too expressed concerns regarding the importance of the historic contribution of each designated property within the City.

COMMISSIONER CATHY BLAIVAS said she too supports Commissioner Levin's comments and expressed concerns regarding the need for more incentives other than the four in the report. She recommended that the City hire an on call grant expert to research potential grants to fund incentives.

COMMISSIONER KEITH ANTHONY commended members of the public for their comments. He said he too will support the item if the Historic Apartment Preservation Program is included.

VICE-CHAIR GAIL OSTERGREN said she concurred with comments by Commissioner Edward Levin. She thanked Staff and the Consultants for the report. She said she too supports the item going forward if the easement proposal is included. She said the buildings will require extensive work that cannot be satisfied through some of the recommended incentives.

CHAIR, YAWAR CHARLIE agreed with previous comments made by the Commissioners. He commended members of the public for their support. He commented regarding the astronomical cost of repairs and rehabilitation.

He said although there were a number of suggested and/or recommended incentives, the driving force was the need to bring forth affordable ideas and in a timely manner to benefit the property owner; hence the four recommended incentives discussed tonight.

COMMISSIONER EDWARD LEVIN moved to recommend approval of the proposed incentives for multi-family historic resources to the City Council.

Action: Recommended approval, with the following conditions for the proposed incentives for multi-family historic resources to the City Council as amended, **moved by Commissioner Levin, seconded by Commissioner Blaivas and passes on roll call vote:**

Ayes: Anthony, Blaivas, Allison, Levin, Ostergren and Charlie
Noes: None
Recuse: None
Absent: Bonacci

1. Technical Assistance to Property Owners and Applicants;
 - Modify to change on call consultant to full time consultant and available for all historic properties within the City.
2. Fee Waivers for Maintenance and Rehabilitation, and reduction of rent registration fees;
 - Modify to extend the waivers to all the City's historic properties.
3. Modification of the Rent Stabilization Ordinance (RSO) to allow an alternative plan to replace required painting schedule for designated historic properties;
 - Modify the RSO for painting interior and exterior providing there's a plan filed and approved and also extend to all historic properties within the City.
4. Modification of the City's existing Transfer of Development Rights Program for Multi-Family Historic Structures.
 - Recommendation as Is.
5. New recommendation – Historic Apartment Preservation Program as outlined in the Page & Turnbull recommendation excluding a cap.

The following other items should be examined and considered:

- Block Grant Program under the CDBG or other grant funding sources
- Licensing Fees and possibly a foundation to raise money and possibly set up tours

10. UNFINISHED BUSINESS: None.

11. ITEMS FROM STAFF:

STEPHANIE DEWOLFE, COMMUNITY DEVELOPMENT DIRECTOR briefly addressed the Commission and members of the public. She and David DeGrazia, CHPP Planning Manager advised the commission that Staff is aware

of their concerns with the current Historic Preservation program and is currently working on plans to strengthen the program.

She said there are currently proposed projects under budget review and will be available at a later date for discussion. She said a program will be instituted to with Chair and Vice-Chair of the Commission to address issues at hand and will be available to the Commission in the future.

A. UPCOMING PROJECTS:

HPC LIAISON, RACHEL DIMOND discussed the following upcoming projects:

- HRG contract for Craftsman Survey approved by City Council
- Commercial Survey to be discussed at the June 27th HPC Meeting
- Potential EIR's for Commission review
- 2016 HPC Event canceled – tentatively rescheduled for fall 2016

COMMISSIONER BLAIVAS AND MEMBERS OF STAFF discussed funding and the rescheduled date of the 2016 Annual HPC Event.

12. PUBLIC COMMENTS:

CYNTHIA BLATT, RESIDENT OF THE CITY OF WEST HOLLYWOOD reiterated her comments concerning the question of gifts of public funds to property owner's verses grants.

VICTOR OMELCZENKO, WEST HOLLYWOOD PRESERVATION ALLIANCE MEMBER AND RESIDENT OF THE CITY OF WEST HOLLYWOOD addressed the 2016 Annual HPC Event. He said information regarding changes to such events should be made available to the public in a timelier manner and recommended joint planning efforts among departmental staff.

RIC ABRAMSON, RESIDENT OF THE CITY OF WEST HOLLYWOOD requested an update regarding a previous discussion item for enhanced media production. He asked about a potential grouping on Holloway and suggested that an extensive case study be put in place.

Item 12.A.Public Comment Closed.

13. HISTORIC PRESERVATION COMMISSIONER COMMENTS:

COMMISSIONER LEVIN reiterated a previous request to agendize the City's Enabling Ordinance/CEQA guidelines and thanked Staff and the Consultant Team for the report.

COMMISSIONER ALLISON also thanked staff and the Consulting Team for the report and members of the public for their input. She addressed the tentative date change of the Annual Preservation event.

COMMISSIONER BLAIVAS thanked staff, the Consulting Team and members of the Commission for their collaborative teamwork in preparing the study. She reiterated her concerns regarding the annual preservation event and added that the event should be held in May/Preservation Month.

COMMISSIONER ANTHONY also thanked staff and the Consulting Team for their collaborative work with the study and members of the community for tonight's input. He briefly addressed the 2016 Annual Preservation event.

VICE-CHAIR OSTERGREN also thanked staff and the Consulting Team for their collaborative work with the study and members of the public for their thoughtful comments.

CHAIR CHARLIE also thanked everyone for their collaborative involvement with the study and thanked members of the community for their input. He commented regarding cancelation of the HPC Event; said there should be an event this year and stated his support of the Commercial Survey and Multi-Family Incentives be included. He reiterated previous comments regarding a YouTube/HPC moment

ADJOURNMENT: *The Historic Preservation Commission adjourned at 9:06 pm to a regular meeting of the Historic Preservation Commission to **June 27, 2016, 7:00PM** at Plummer Park – 7377 Santa Monica Boulevard, West Hollywood, California.*

APPROVED BY A MOTION OF THE HISTORIC PRESERVATION COMMISSION ON THIS 25th DAY OF JULY 2016.



CHAIR YAWAR CHARLIE

ATTEST:


HPC SECRETARY SHARITA ELLIES

NOTE: A copy of the audio recording of this meeting can be obtained from the City Clerk's office upon request. *(Disclaimer: Staff records the meetings for the sole purpose of composing the official meeting minutes; therefore the recordings are not of commercial quality.)*