

**MINUTES
CITY COUNCIL MEETING
JULY 26, 1993
WERLE BUILDING, 626 N. ROBERTSON BLVD.
6:00 P.M.**

**STUDY SESSION REGARDING CULTURAL HERITAGE ORDINANCE
AND PROGRAM**

CALL TO ORDER: Mayor Guarriello called the meeting to order at 6:07 p.m.

ROLL CALL: PRESENT: Heilman, Koretz, Land, Lang, and Mayor Guarriello

ALSO PRESENT: Assistant City Manager Bob Edgerly
Gay Forbes, Community Development
Department Director
Mark Johnson, Rent Stabilization
Department Director
Anne Browning, Planning Manager
Jennifer Davis, Associate Planner
Matt Mielewski, Planning Intern

Mayor Guarriello commended staff on the report which had been prepared ("Analysis of the City of West Hollywood's Cultural Heritage Preservation Ordinance"), which evaluates the designations to date and the incentives program.

Community Development Director Forbes gave introductory comments and recommended keeping the Ordinance as it is.

Jennifer Davis, Associate Planner, gave the staff report: She said it is important to note that Council is not mandated to designate a property which meets the qualifications for designation; it may designate such property. The City is currently using two incentive programs: the Mills Act contracts and the change of use as permitted in the zoning ordinance. Incentives the City is not using are the Transfer of Development Rights and the rehab loans and grants. The TDR program is very complex and would require additional expertise and staffing to implement. There is not funding available from federal and State sources for rehab loans and grants; the City could establish a revolving loan fund, but seed money would need to be designated. Staff recommends that Council reconsider rent stabilization incentives--direct staff to conduct more detailed research regarding this incentive. Staff also recommends that Council: 1) Retain existing language of the ordinance regarding the designation process, findings, and procedures; 2) Remove language regarding Transfer of Development Rights; 3) Direct staff to continue

implementing the ordinance at current staffing and funding levels with a goal of completing the designation review process in two years. 4) In addition, staff strongly recommends that Council direct staff to work with property owners and residents to get their input on preservation incentives.

Following Ms. Davis' remarks, Matt Mielewski, Planning Intern who had prepared the printed report, gave a brief explanation of the methodology of the report.

Following staff's reports, the Councilmembers questioned staff and held discussion. Council asked how many properties are not yet designated and how long it will take. Mielewski said there are 63 properties not yet designated; 29 come under the Sunset specific plan; it will take one to one-and-a-half years for them all to come before Council for designation. Most of the discussion centered around possible Rent Stabilization incentives and Transfer of Development Rights (TDR).

Councilmember Heilman commented that when Council decides not to designate, it should be final, unless there is new evidence or the property owner requests designation. Anne Browning said that the Council decision is final for five years, unless new evidence comes up; the policy is to do a resolution of denial.

Anne Browning said that property owners are primarily interested in Rent Stabilization incentives. Jennifer Davis commented that people complain about the cost of maintenance of their buildings; only one has gone through the Mills Act process, but many are in the process.

Councilmember Heilman had praise for the report, but said it is not helpful in solving the problems; what would be more helpful would be implementation suggestions on incentives. He suggested not calculating Mills Act savings in NOI applications.

Rent Stabilization Director Mark Johnson pointed out a few corrections in the staff report: there is a reference to 631 potentially designated units--should be 681; there is a statement that annual rent adjustments are based on 60 percent of the CPI--that is actually 75 percent of the CPI. There is also an incomplete sentence on the same page, "The use of the Mills Act does not guarantee that the property owner seeking rent increases under the Rent Stabilization Ordinance". . . Johnson was concerned about making exceptions to the Rent Stabilization Ordinance, as it would establish a precedent. Property owners are often quick to say that they need relief from rent control. An assessment should be made whether any of these property owners have come in on an NOI before Council makes any decision about Rent Stabilization incentives.

Mark Johnson made the suggestion to consider, under the NOI

process, any costs related to historic designation.

Councilmember Heilman said that his direction would be for Community Development staff to meet with Rent Stabilization and come up with some specific recommendations which Rent Stabilization has had an opportunity to study to evaluate the impact on specific buildings; and limit what they're looking at to things that affect the NOI process and do not affect in-place tenants.

Councilmember Heilman also suggested developing an implementation plan for TDR (Transfer of Development Rights).

Community Development Director Forbes said that working out the plan (for TDR) would be very complicated; it would be necessary to take staff off of other things to do it, or find a way to pay for it. Anne Browning commented that projects are coming in under density; there is not a market for this.

Councilmember Heilman disagreed; he felt staff does have the expertise if they have the willpower to do it. He said he would like to direct staff to "just do it", and he would be willing to volunteer to meet with staff to try to facilitate the process.

The following directions were given to staff, by consensus of Council:

- 1) Retain the existing language of the historic preservation ordinance;
- 2) Finish up with the designation of the properties within the next one or two years;
- 3) Work with Councilmember Heilman and Council for a TDR (Transfer of Development Rights) plan (not using a consultant);
- 4) Meet with Rent Stabilization to look at possible ways through the NOI process of coming up with a special historic kind of NOI, or something that's feasible--don't change the Rent Stabilization Ordinance; don't lose affordable housing; but if there are other recommendations, come back to Council with those.

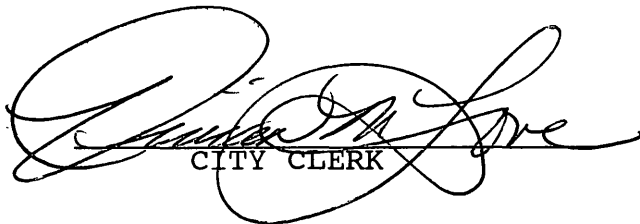
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The meeting was adjourned at 7:13 p.m. to Monday, August 2, 1993, for a closed session at 6:00 p.m. and a regular meeting at 7:00 p.m.

APPROVED BY MOTION OF THE CITY COUNCIL THIS 16TH DAY OF AUGUST, 1993.


MAYOR

ATTEST:


CITY CLERK