MINUTES CITY COUNCIL MEETING JUNE 30, 1992 COMMUNITY CONFERENCE ROOM 8613 SANTA MONICA BOULEVARD

STUDY SESSION ON CULTURAL RESOURCE PRESERVATION INCENTIVES

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CALL TO ORDER: Mayor Lang called the meeting to order at 6:45 p.m., and reported that City Council had met in closed session and had discussed matters pertaining to labor negotiations, and direction was given to the City negotiators.

- ROLL CALL: PRESENT: Guarriello, Heilman, Koretz (arrived at 6:50 p.m.), Land, and Mayor Lang.
 - ALSO PRESENT: City Manager Brotzman Community Development Director Gay Forbes Planning Manager Anne Browning Bill Meeker, Associate Planner

1. RESOLUTION URGING CITY INVOLVEMENT REGARDING STATE BUDGET REDUCTIONS: Councilmember Land reported that other Westside Summit cities had passed resolutions. ACTION: 1) Adopt "A JOINT RESOLUTION OF THE CITIES OF THE WESTSIDE SUMMIT PERTAINING TO STATE BUDGET BALANCING PROPOSALS"; 2) Sign the proposed letter to the Governor, Assembly Speaker, and Senate President regarding the impacts of State budgeting proposals. Motion Heilman second Guarriello. Hearing no objection it was so ordered.

CITIZEN COMMENTS: There were no citizen comments.

2. STUDY SESSION REGARDING CULTURAL RESOURCE PRESERVATION INCENTIVES: RECOMMENDED ACTION: Direct the staffs of the Rent Stabilization Department and the Community Development Department to work with the Rent Stabilization Commission and the Cultural Heritage Advisory Board, respectively, to draft ordinance language amending the Rent Stabilization Ordinance by providing for the following types of incentives for designated cultural resources:

a) Vacancy decontrol with a limit on the percentage of rent increase that may be imposed as unit vacancies occur, but no limit on the frequency of such increases.

b) Complete pass-through, to tenants, of all costs of building rehabilitation required to restore deteriorating cultural resources.

c) Greater annual increases in the maximum allowable rents

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for units within designated cultural resources, than would be permitted under current ordinance restrictions.

Bill Meeker, Associate Planner, gave the staff report. Mr. Meeker reported that of 119 properties, 54 buildings, or 471 registered rental units, are subject to rent control. He reminded Council that the views in the staff report do not represent Rent Stabilization Department views.

Anne Browning, Planning Manager, commented that preservation <u>is</u> preservation; there are two goals--to preserve (buildings), and to protect the people who live there; not every incentive is appropriate for every property.

Councilmember Koretz expressed concern about impacts on low-income people; he would be happier with vacancy decontrol with some logical limit; was uncomfortable with pass-throughs.

Mayor Pro Tem Guarriello said he is opposed to vacancy decontrol and was also uncomfortable with pass-throughs.

Anne Browning suggested a capped vacancy decontrol.

Councilmember Land felt a complete pass-through is not a good idea, and she didn't have enough information.

Councilmember Heilman said we need to focus on whether a property is historic or not. He asked whether any of the 18 properties approved for designation have applied for incentives.

Mill Meeker replied that one on Fountain applied for a Mills contract, and there is one in process--Colonial House.

Councilmember Heilman commented that of the designated buildings, few have even taken advantage of incentives. Either the incentives are not attractive to them or we're not getting out enough information.

Anne Browning said that some properties, the Harper buildings, for example, don't need upgrading; in the future we can be more pro-active.

Councilmember Heilman said that we must realize that when we designate there is a cost to the owner; we need to be flexible. He favors limited vacancy decontrol; against complete pass-throughs; would look at <u>some</u> pass-throughs; against greater annual increases in maximum allowable rent.

Councilmember Koretz asked if there could be a pass-through that would not apply to low-income tenants.

Mayor Lang felt it should be on a case-by-case basis; if we do

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decontrol and pass-through, people will <u>apply</u> for designation.

Councilmember Guarriello asked if the incentives had been explained in detail to each owner. Bill Meeker replied that they had.

Gay Forbes said that there is only the Mills act and the rehab loan program that apply to residential. There is a need to provide more incentives through rent stabilization.

Councilmember Heilman commented that in fact there is no system for transfer of development rights. He would rather see the TDR move forward than significant changes to Rent Stabilization

Gay Forbes commented that TDR's are difficult to set up and administer.

Mark Johnson stated that he does not support the positions as stated; he would support a partial pass-through.

Councilmember Koretz said that he would be open to a passthrough if there's a way to deal with low income tenants; would favor a 10 percent vacancy factor every two years into ten years.

After concluding discussion, Council decided to appoint a Subcommittee composed of Councilmember Heilman and Mayor Lang, who would meet with Charles Loveman of the Cultural Heritage Advisory Board, and look at ways to "tighten up" the Cultural Preservation Ordinance. Approved by consensus.

It was agreed to set July 22, Wednesday, at 6:00 p.m., as the first date for a subcommittee meeting.

The meeting was adjourned at 8:20 p.m. to Monday, July 6, 1992, 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 NOVEMBER, 1992.

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ATTEST: