

Attachment 3:

Planning Commission Report and Meeting Synopsis –

September 12, 2013



City of Beverly Hills

Planning Division

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TEL. (310) 485-1141 FAX. (310) 858-5966

Planning Commission Report

Meeting Date: September 12, 2013

Subject: Historic Preservation Incentive Program

Recommendation: That the Planning Commission review and discuss a proposed strategy for developing a program to encourage property owners to preserve and maintain historic resources in the city.

BACKGROUND

On January 24, 2013, the Beverly Hills City Council adopted an ordinance establishing a Historic Preservation Program for the city. As part of the implementation of the Historic Preservation Program, the Cultural Heritage Commission (CHC) of the City of Beverly Hills has been crafting a program of incentives to encourage property owners to preserve and maintain historic resources in the city. A subcommittee of two of the Cultural Heritage Commissioners was formed and tasked with working with the Cultural Heritage Commission at large, City staff, and the community on the topic of Preservation Incentives.

On January 9, 2013, a staff report (see Attachment 1) was presented to the Cultural Heritage Commission that provided an overview of established incentive programs used at the Federal, State, and local levels, for the Commission's consideration in working towards crafting a set of incentives to encourage historic preservation in the City of Beverly Hills.

A follow-up report (see Attachment 2) was presented at the April 10, 2013, CHC meeting to provide analysis of the possible incentives and present a strategy for developing and prioritizing a Historic Preservation Incentives Program. At that meeting the CHC considered various options available to incentivize Historic Preservation in the City and requested that a liaison meeting of a subcommittee of Planning Commissioners and the CHC - Preservation Incentives Subcommittee be scheduled to discuss possible strategies for developing a Historic Preservation Incentives Program. The Cultural Heritage Commission further requested the matter be forwarded to the Planning Commission to continue to develop scenarios for an incentives program for the City of Beverly Hills and to make recommendations to the City Council. A specific request by the CHC at that meeting was for staff and the Preservation Incentives Subcommittee to further study the option of In Lieu Parking provisions as a potential incentive. A more in-depth section titled "Parking" has been included in this report in response to the CHC's request and for the Planning Commission's consideration.

At the request of the Cultural Heritage Commission, a joint subcommittee of the Planning Commission (Chair Rosenstein and Commissioner Yukelson) met with the CHC - Preservation Incentives

Attachments:

1. Cultural Heritage Commission Report – January 9, 2013
2. Cultural Heritage Commission Report – April 10, 2013
3. Article 33 of Beverly Hills Municipal Code – In Lieu Parking

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Subcommittee (Commissioners Greer and Pynoos) and Planning Division staff to discuss priorities for developing a Historic Preservation Incentives Program and the matter is now being brought before the Planning Commission for further review and discussion.

DISCUSSION

A basic description of specific incentives is included below for reference. Specific incentive options have been analyzed in terms of potential costs (time, money, barriers) and benefits (promoting or preserving historic resources). Each incentive has been broken down to identify the following properties:

- Time frame for implementation;
- Estimated level of costs for the City to implement and for the applicant;
- Factors or potential barriers to consider;
- Benefits that are likely to result;
- What actions will be needed; and
- Which agencies and community or stakeholder groups might be involved.

Estimates of timing and cost are kept general to guide the Commission in decision making about which programs to pursue. More in-depth analysis of specific program requirements could be conducted once the Cultural Heritage Commission, Planning Commission and City Council set priorities for the incentives work program.

	Incentive & Description	Time Frame for Implementation	Costs	Considerations	Benefits	Actions Needed	Groups Involved
FINANCIAL	<p>Federal Tax Credits</p> <p>Tax relief for owners of historic properties is provided by the federal government in the form of tax credits. Federal historic preservation tax credits lower the amount of tax owed and are offered at two levels: 20% and 10% of cost of construction.</p>	Short	<p>For City: <i>Low</i>. Staff time for technical assistance guiding applicants in the process or assisting with application for National Register.</p> <p>For owners: <i>High</i>. Will require investment of time and resources to apply for National Register designation and/or tax credit application. But if the application is successful, the owner could reap large tax savings.</p>	<p>-Only applies to properties listed on or eligible for the National Register (20% tax credit), or to certain properties built before 1936 (10% tax credit).</p> <p>-Private residential properties are not eligible.</p>	<p>-Rehabilitation costs provide tax advantages to owners who improve their historic properties.</p> <p>-Helps make historic redevelopment financially possible.</p>	<p>-Inform applicants looking to rehabilitate historic properties of the possibility of tax credits.</p> <p>-Staff can assist applicants with application for National Register of Historic Places.</p>	<p>City Staff – Planning Division for technical guidance.</p> <p>Applicant</p> <p>National Parks Service (NPS)</p>

	Incentive & Description	Time Frame for Implementation	Costs	Considerations	Benefits	Actions Needed	Groups Involved
FINANCIAL	<p>Mills Act Contracts</p> <p>The Mills Act is a state law that enables local governments to enter into contracts with owners of historic properties to provide property tax abatement in exchange for the continued preservation of a historic property.</p>	Short	<p>For City: <i>High</i>. Tax benefits to property owners results in decreased tax revenue to the City and other agencies. Also, application processing by the City is not assessed a cost recovery fee.</p> <p>For applicant: <i>Mid</i>. Have to commit to maintaining the property for minimum 10 years and use savings to reinvest in the property. But tax savings, particularly for recently-acquired properties, can be considerable.</p>	<p>-The City's current 2-year Pilot Mills Act Program is set expire at the end of 2013. The program is currently under re-evaluation by the CHC & PC for recommendation to the CC on possible refinements and extension of the program.</p> <p>-Recommendation that only properties that are designated Local Landmarks be eligible to apply.</p>	<p>-Promotes preservation, rehabilitation, and maintenance of historically designated properties by the property owner.</p> <p>-May provide substantial tax relief to the property owner, particularly on recently-acquired properties which would have higher assessed property values.</p> <p>-The historic contract could boost the marketability of a property.</p>	<p>-Future of Mills Act program depends on direction from City Council.</p> <p>-If the program is renewed, eligibility and criteria could be re-evaluated.</p>	<p>City Council & CHC</p> <p>City staff – Planning Division; City Attorney's Office.</p> <p>Los Angeles County Assessor's Office.</p> <p>Possibly an outside consultant for fiscal impact analysis.</p> <p>Beverly Hills Unified School District (BHUSD)</p>

	Incentive & Description	Time Frame for Implementation	Costs	Considerations	Benefits	Actions Needed	Groups Involved
FINANCIAL	<p>Fee waivers or deductions</p> <p>Some cities offer full or partial refunds of building permit fees for work on historic properties.</p> <p>*See "Parking" section of this report below for further discussion of In Lieu Parking as a financial incentive.</p>	Mid	<p>For City: <i>Mid – High.</i></p> <p>-Reduced fees to applicants prevent cost recovery of staff time for processing permits.</p>	<p>-The fiscal impact of reduced fees (revenue) should inform how the subsidy is structured.</p> <p>-Recommendation that only properties that are local landmarks be eligible to apply.</p> <p>-Recommendation that only building permit or planning application fees be eligible, not other fees collected, e.g. development impact fees</p>	<p>-Would be a local incentive specific to City of Beverly Hills (though other cities also have similar programs)</p> <p>-Direct financial incentive to encourage property owners to maintain or rehabilitate historic properties.</p>	<p>-Study how to structure such a program – criteria for eligibility, amount of fees to be refunded, etc.</p> <p>-City staff or possibly an outside consultant to conduct a fiscal impact analysis.</p>	<p>City staff – Planning Division; Building and Safety Division</p> <p>Possible outside consultant for fiscal impact analysis.</p> <p>City Council for approval of fee schedule</p>

	Incentive & Description	Time Frame for Implementation	Costs	Considerations	Benefits	Actions Needed	Groups Involved
CONSERVATION	<p>Conservation and Façade Easements</p> <p>Conservation and façade easements allow a property owner to receive an income tax deduction by donating a part of the historic property to a qualified preservation organization (considered a charitable donation) that will oversee that the historic and architectural qualities of the structure are not altered in the future.</p>	Mid	<p>For City: <i>Low</i>, if the easements are handled by an outside preservation organization such as the LA Conservancy. City would not be a party to the binding agreement between the property owner and easement holder.</p> <p>For applicant: <i>Mid</i>. Restricts the future appearance and/or use of the property. Requires applicant to process application and agreement.</p>	<p>-The LA Conservancy can be the easement holder for such easements. If appropriate in the future, Beverly Hills could establish its own non-profit conservancy (e.g. Pasadena Heritage).</p>	<p>-Protects the architectural and historical significance of a building by restricting the right to alter its appearance or footprint.</p> <p>-The property owner who donates an easement can receive a one-time income tax deduction. The value of the easement is determined by calculating the difference between the fair market value of the property without the easement, and the value of the property with the easement restrictions (limitations on future development, height, use, etc.)</p>	<p>-Staff to identify projects which may be good candidates for such an easement, and direct applicants to LA Conservancy.</p>	<p>City Staff – Urban Design Team.</p> <p>Conservation organization (e.g. LA Conservancy).</p>

	Incentive & Description	Time Frame for Implementation	Costs	Considerations	Benefits	Actions Needed	Groups Involved
CONSERVATION	<p>Transfer of Development Rights (TDR)</p> <p>TDR is a growth management tool that allows for the development potential on sensitive sites to be transferred or sold to non-sensitive sites through the private market.</p>	Long	<p>For City: <i>High</i>. Cost of developing a TDR program would be high and would need to be funded as a separate work program.</p> <p>For applicant: Value of buying & selling development rights would be determined in the marketplace.</p>	<p>-Developing a TDR program could be a complicated and complex process. Designing and implementing such programs has proven to be difficult (but not impossible) elsewhere.</p> <p>-Factors that will influence the TDR market include: local housing and land market conditions; underlying zoning restrictions; ability to acquire additional density through other means, etc.</p>	<p>-Discourages demolition of historic buildings by allowing property owners to realize the unused economic potential of their property.</p> <p>-Helps minimize negative economic impacts to landowners by providing a path for a property owner to recoup part of the economic loss that local landmark designation may have caused.</p> <p>-TDR programs prosper in areas with high land values and hefty development pressures, both of which apply to Beverly Hills.</p>	<p>City would need to establish a "TDR Bank" and designate areas where development may be transferred to or from. The "sending zone" is the area to be protected, where development potential will be exported from. "Receiving zones" are areas designated to accept development potentials, which are appropriate for and exhibit a market demand for increased density.</p> <p>-Conduct a land suitability analysis to determine which areas of the City are appropriate sending and receiving zones.</p> <p>-Hold community meetings to involve stakeholders</p>	<p>City Staff – Planning Division; City Attorney’s Office.</p> <p>Outside consultants for analysis and drafting program.</p> <p>Engage the community: residents, property owners, and business, real estate & development community.</p>

	Incentive & Description	Time Frame for Implementation	Costs	Considerations	Benefits	Actions Needed	Groups Involved
CONSTRUCTION	<p>California State Historic Building Code (CHBC)</p> <p>The state recognizes that historic buildings have unique construction qualities and so the CHBC provides an alternate building code applicable for use by historic properties, which is performance-based rather than prescriptive.</p>	Mid	<p>For City: <i>Low</i>.</p> <p>For applicant: <i>Low</i>. Would need to go through process to seek designation as a local landmark.</p>	-Recommendation that only properties that are designated as Local Landmarks or "character contributing buildings" be eligible to utilize the CHBC.	<p>-Allows for flexibility in the otherwise rigid building regulations to enable sensible rehabilitation, restoration, preservation, relocation, or change in occupancy of historic buildings.</p> <p>-Aims to encourage preservation of historic buildings and conservation of architectural elements while maintaining standards for public safety.</p> <p>-Intent is to further a cost-effective approach to preservation.</p>	<p>-City has already adopted the CHBC.</p> <p>-Inform eligible properties of the available use of the CHBC.</p>	<p>City Staff – Planning Division; Building & Safety Division; Development Services Team.</p> <p>Could partner with professional organizations (e.g. California Building Industry Association [BIA], American Institute of Architects [AIA]) to publicize the option of using the CHBC in Beverly Hills.</p>

	Incentive & Description	Time Frame for Implementation	Costs	Considerations	Benefits	Actions Needed	Groups Involved
ZONING	<p>Adaptive Reuse Ordinance</p> <p>An adaptive reuse ordinance could modify zoning requirements to facilitate the conversion of existing historic structures into new uses. The ordinance could create an expedited approval process and ensure that older and historic buildings are not subjected to the same zoning and code requirements that apply to new construction, which might otherwise preclude reuse of historic buildings.</p>	Long	For City: <i>High</i> . Cost of developing an ordinance is high and would need to be funded as a separate work program.	<p>-Thorough research and analysis would need to be conducted to examine the suitability of such an ordinance for Beverly Hills.</p> <p>-Consider if ordinance should apply only to properties listed on the local register.</p> <p>-All work should be conducted in accordance with the Secretary of the Interior's (SOI) Standards</p>	<p>-Would facilitate the process of converting historic structures and encourage the preservation of historic resources</p> <p>-Allows obsolete historic structures to breathe new life through rehabilitation and change of use.</p> <p>-Could be a neighborhood revitalization tool for underutilized areas of the city</p> <p>-Can help create new housing units to serve market-rate and affordable tenants.</p>	<p>-Study other cities' adaptive reuse ordinances.</p> <p>-Begin to investigate the appropriateness of such an ordinance in Beverly Hills by identifying potential subject properties, etc.</p> <p>-Hold community meetings to involve stakeholders</p>	<p>City staff – Planning Division; Building & Safety Division; City Attorney's Office.</p> <p>May need to employ a consultant to conduct analysis and/or draft the ordinance.</p> <p>Could seek guidance from other cities, such as Los Angeles, who have adopted such an ordinance.</p> <p>Engage the community: residents, property owners, and business, real estate & development community.</p>

	Incentive & Description	Time Frame for Implementation	Costs	Considerations	Benefits	Actions Needed	Groups Involved
ZONING	<p>Bonus or Incentive Zoning</p> <p>A developer may be granted certain zoning “bonuses,” e.g. additional density above and beyond what would ordinarily permitted by the zoning code in exchange for providing a public amenity such as historic preservation.</p>	Long	For City: <i>High</i> . Cost of developing an ordinance is high and would need to be funded as a separate work program.		<p>-Incentivizes developers to save and reuse historic structures rather than demolish them to make way for new development.</p> <p>-Benefits the public through provision of amenities such as historic preservation, open space, affordable housing, etc.</p>	<p>- Begin a study to investigate the appropriateness of such an ordinance in Beverly Hills by identifying potential subject properties, etc.</p> <p>-Explore the possibility of tying zoning bonuses to meeting the City’s housing needs as identified in the Housing Element of the General Plan.</p> <p>-Hold community meetings to involve stakeholders</p>	<p>Planning Commission</p> <p>City staff – Planning Division; Building & Safety Division; Development Services Team.</p> <p>Engage the community: residents, property owners, and business, real estate & development community.</p> <p>Include resident groups for zoning changes that are proposed in or near to residential areas.</p>

	Incentive & Description	Time Frame for Implementation	Costs	Considerations	Benefits	Actions Needed	Groups Involved
ZONING	<p>Parking Reduction</p> <p>City could offer a reduction in in-lieu parking fees or other parking relaxations to encourage the preservation or reuse of historic buildings.</p> <p>*See "Parking" section of this report below for further discussion of In Lieu Parking as a financial incentive.</p>	Mid - Long	<p>For City: <i>High</i>. Loss of in-lieu parking fees could be substantial.</p> <p>Cost</p>		<p>-Reduction in in-lieu parking fees or on-site parking requirements could translate into substantial cost savings for applicant.</p> <p>-Flexibility in standards could enable historic structures to be utilized, which might not otherwise be able to provide required parking on site.</p>	<p>-Funds would need to be allocated to hire a consultant to conduct a parking study.</p> <p>-Hold community meetings to involve stakeholders</p>	<p>Planning Commission</p> <p>City Council</p> <p>City staff – Planning Division; Transportation Division.</p> <p>Engage the community: residents, property owners, and business, real estate & development community.</p>

	Incentive & Description	Time Frame for Implementation	Costs	Considerations	Benefits	Actions Needed	Groups Involved
ADMINISTRATIVE	<p>Resource Guide for Homeowners</p> <p>Compile a guidebook of resources and tips for owners of historic properties, e.g. guidelines for restoration</p>	Short	<p>For City: <i>Low – Mid.</i></p> <p>-Staff time.</p> <p>-Design services.</p> <p>-Printing costs.</p>	<p>-Whether to compile one comprehensive manual or to create a series of guides.</p> <p>-Once published, keeping information current and accurate could be an issue.</p>	To be able to provide easily accessible information to homeowners.	<p>-Conduct research, compile information</p> <p>-Document design</p> <p>-Publish and disseminate</p>	<p>City Staff – Planning Division; Graphic Services.</p> <p>Consult other cities or organizations for content.</p> <p>Possibly hire consultant for graphic design.</p> <p>Disseminate finished product through citizens groups such as homeowners associations.</p>
ADMINISTRATIVE	<p>Prioritization of project approvals</p> <p>Projects involving historic properties could be moved to the top of the application priority list.</p>	Short	<p>For City: <i>Low.</i> Staff time and reprioritization.</p> <p>For applicant: <i>none.</i></p>	-Recommendation that only properties that only local landmarks be eligible for priority processing.	Time savings could translate to financial savings for applicants.	-Adopt a City policy regarding which projects or properties should receive fast-track priority processing.	City staff – Planning Division; Building & Safety Division; Development Services Team.

	Incentive & Description	Time Frame for Implementation	Costs	Considerations	Benefits	Actions Needed	Groups Involved
ADMINISTRATIVE	<p>Plaques</p> <p>Owners of historical properties that have been designated by as either a Historic Landmark or a Contributing Resource on the Beverly Hills Register of Historic Properties, are eligible to apply for a Beverly Hills Historic Property Plaque. The Plaque is to be placed on the exterior façade of the building or at the front of the property to acknowledge the date when the resource was constructed and its historic significance.</p>	Short	<p>For City: <i>Low – mid.</i></p> <p>For applicant: <i>Low – mid.</i></p>	Cost will depend on if the City chooses to provide the plaque at no cost for landmarked properties. Currently, owners of landmarked properties may order plaques through the Urban Designer at a cost that ranges from approximately \$150 to \$930, based on the desired size of the plaque.	<p>-Provides recognition to homeowner</p> <p>-Increases public awareness of Beverly Hills’ history through a historical marker</p>	<p>-Commission could approach partner organization(s) to sponsor the plaque program by providing some or all of the cost of the plaque.</p> <p>-Staff to inform owners of locally landmarked properties of the plaque program.</p>	<p>City staff – Urban Design Team.</p> <p>Possible partner organization.</p>

Parking

One of the areas identified by the CHC and Preservation Incentives Subcommittee as a potentially desirable incentive is related to parking. At their April 10, 2013 meeting, the CHC directed staff to further investigate the idea of extending in lieu parking benefits to historic properties as a financial incentive.

In Lieu Parking

The Beverly Hills Municipal Code (BHMC) specifies standards of required off-street parking for various uses in the city. For example, the current code requirement for commercial uses (retail and office) is 1 space per 350 square feet of floor area. The City also operates an in-lieu parking program which provides qualifying commercial properties the option “to satisfy all or part of the requirements for parking spaces by the payment to the city of an in lieu fee” (BHMC §10-3-3301). The fees collected are then used by the City to construct and maintain parking facilities to serve the In Lieu Parking District. Article 33 (In Lieu Parking) of the BHMC (herein after referred to as “Article 33”) outlines the general requirements for a property to qualify for the in lieu parking program (see Attachment 3 for full text):

Zoning and Uses

- Must be a commercially zone property
- Located in the area bounded by Wilshire Boulevard, North Santa Monica Boulevard, and Crescent Drive (herein after referred to as the “Business Triangle”).
- Uses allowed: general retail sales, service commercial activities, food establishments primarily providing full table service, equipment rental and leasing.
- Uses prohibited: commercial office uses, eating establishments that do not primarily provide full table service, construction sales and service, adult entertainment businesses.

Bulk and Size Limits

- Maximum site size: 16,000 square feet
- Maximum floor area ratio (FAR) of any building constructed on the site: 2:1
- Maximum height of any building on the site area: 45 feet¹

Findings Required

- That participation in the in lieu parking district will not:
 - Adversely affect existing and anticipated development in the vicinity and will promote harmonious development of the area.
 - Create a significantly adverse traffic safety impacts, pedestrian-vehicle conflicts, or parking impacts.
 - Be detrimental to the public health, safety and welfare.

Article 33 currently specifies “historic places” as eligible to participate when the use involves adaptive reuse of a building listed on the National Register (and also meets the other qualifications). Additionally, these “historic places” (as well as non-profit museum uses) may be granted a waiver, in whole or in part,

¹No building on the site area that was constructed after June 17, 1976, shall exceed 3 stories in height

of the in lieu parking fees by the City Council or the Planning Commission. Current adopted in lieu parking fees are as follows:

In-Lieu Parking Fee (per space)	2012/2013 Rate
Rodeo Drive location	\$47,007.40
Beverly Drive location	\$37,605.80
Other Locations	\$28,284.60

As a possible incentive, the code could be amended to allow this provision to apply to all historic places listed on the Beverly Hills Local Register of Historic Places (“Local Landmarks”).

Properties Affected

Currently, only six properties in the City of Beverly Hills are listed on the National Register of Historic Places. Of those six, only two are commercial properties, and only one (Anderton Court at 332 North Rodeo Drive) is located in the In Lieu Parking District. This property has not participated in the in lieu parking program, which means that no property has yet taken advantage of the code provision that allows National Register historic properties to do so.

If the code were amended to expand the program from *nationally* designated to all *locally* designated historic commercial properties in the Business Triangle, several more properties would be encompassed. To date, 14 properties have been designated as Local Landmarks and are listed on the Local Register of Historic Places. Of those 14, Anderton Court remains the only property that is located in the In Lieu Parking District (the Business Triangle).

Amounts

Only one property in the near past has been granted a reduction or waiver in in lieu parking fees: The Paley Center for Media (formerly The Museum of Television & Radio) located at 465 N. Beverly Drive, which is considered a non-profit museum use. In 1994-95, the Planning Commission and City Council granted a reduction in required fees from \$20,000/space to \$5,500/space, which represents a 72.5% reduction.

Currently Article 33 specifies that the actual amount of any fee waiver or reduction for a property would be determined by the Planning Commission and/or City Council on a case-by-case basis. In order for the in lieu parking fee reduction to be a viable incentive for property owners or developers, it is recommended that the amount of reduction be designated as a specific amount or percentage, adopted in the City’s fee schedule, rather than be determined on a case-by-case basis.

Expansion of the In Lieu Parking District

In the coming year the Planning Commission will be considering the feasibility of expanding the In Lieu Parking District to other commercial districts beyond the Business Triangle, for example along South Beverly Drive or Robertson Boulevard. Many of the commercial properties that might in the future be locally landmarked are likely to be in other areas of the city. So if Article 33 is amended in the future to

expand the In Lieu Parking District area, it would likely capture a greater number of historic properties that would be able to take advantage of the incentive for reduced or waived fees. It is recommended that the future in lieu parking expansion study and the Planning Commission carefully consider the impact on potentially historic properties when analyzing new area boundaries.

Additionally, the Planning Commission should consider whether an expansion of the types of uses permitted for adaptive reuse of Local Landmark properties would be appropriate, or if it would be desirable to look at other parking incentives for Local Landmarks not located within an in lieu parking district, such as a reduction in the amount of required off-street parking.

Benefits

Many of the existing available incentives for historic preservation are available through federal or state initiatives. The in lieu parking incentive that is proposed represents the opportunity for Beverly Hills to offer a very specific *local* incentive that is beneficial both for applicants and the City. The prospect of reduced or waived in lieu parking fees represents a significant financial incentive that the City could offer to applicants. If the incentive is strong enough, it would encourage property owners to preserve, adaptively reuse, and seek Local Landmark designation for their eligible historic properties. Additionally, this incentive represents an opportunity for the City to advance the goals of the historic preservation program and the City's General Plan. General Plan Goal and Policy HP 1.3 is to "Promote national, state, and local designation of historic resources," with a call to "develop programs to promote the nomination of properties listed on the City's historic resources inventory for listing on the local register of historic resources."

Character Contributing Buildings

While considering the range of potential incentives for historic preservation, it may also be useful for the Planning Commission to keep in mind the list of incentives and how they might apply to "character contributing buildings." BHMC § 10-2-707 defines "character contributing building" to mean: "Any multi-family residential building that the Planning Commission determines, due to its proportions and scale, design elements, and relationship to the surrounding development, is of continued value and contributes to defining the character of the community as a whole." One of the benefits afforded to character contributing buildings by the BHMC is that buildings that are designated as such are eligible for certain zoning relaxations when converting an existing multi-family building for condominium purposes. If granted, the "character contributing" determination allows an owner of an existing legally non-conforming building to apply to the City to convert the building to common interest development units without meeting all zoning code requirements in place at the time of conversion.

The Planning Commission could consider if any of the incentives discussed herein would be appropriate to offer to "character contributing buildings." Particularly, the following might be suitable for application to character contributing buildings: ability to utilize the California State Historical Building Code (CHBC); inclusion in a potential Adaptive Reuse Ordinance; participation in a Transfer of Development Rights (TDR) program; and a reduction of required off-street parking. The character contributing buildings code section, coupled with appropriate incentives, could allow for properties to be preserved that are significant to the community but not eligible or not designated for individual listing on the Local Register of Historic Places. Vice versa, the opportunities currently available to

character contributing buildings could guide future initiatives that would apply to historic properties. For example, non-conforming character contributing buildings are currently eligible to request relief from certain development standards required in the zoning code; the same benefit could be offered to historic properties in a potential Adaptive Reuse Ordinance.

Joint Subcommittee Recommendations

A joint PC-CHC subcommittee consisting of the two PC liaisons to the Cultural Heritage Commission and the two CHC Preservation Incentives Subcommittee members met to discuss the ideas contained herein and provide preliminary feedback. The joint subcommittee expressed overall support for the incentives program and the ideas proposed. The top priorities identified in the joint special meeting were:

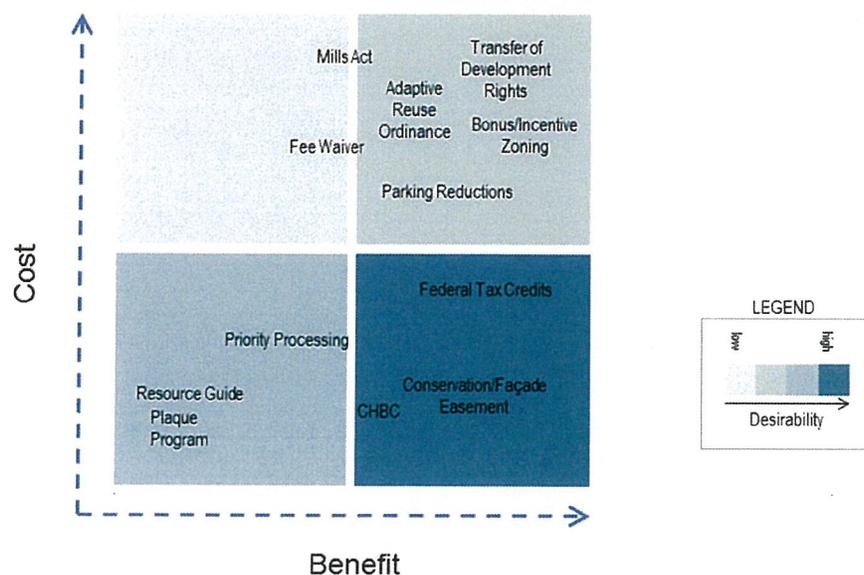
- 1) Mills Act Program: recommending extension of the pilot program
- 2) Priority processing: developing a process to shorten review times for historic projects
- 3) Fee waivers/reductions: including a study in Phase I and implementing it in Phase II

As a result of the meeting, the joint subcommittee recommended a minor rearrangement of the phasing plan to reflect the newly identified priority list. The committee expressed desire to move forward with an incentives program that can be offered to historic property owners soon, while saving more complex initiatives for a future phase in order to properly study and vet program details. An updated phasing plan is included under the “Phasing” section of this report.

ANALYSIS

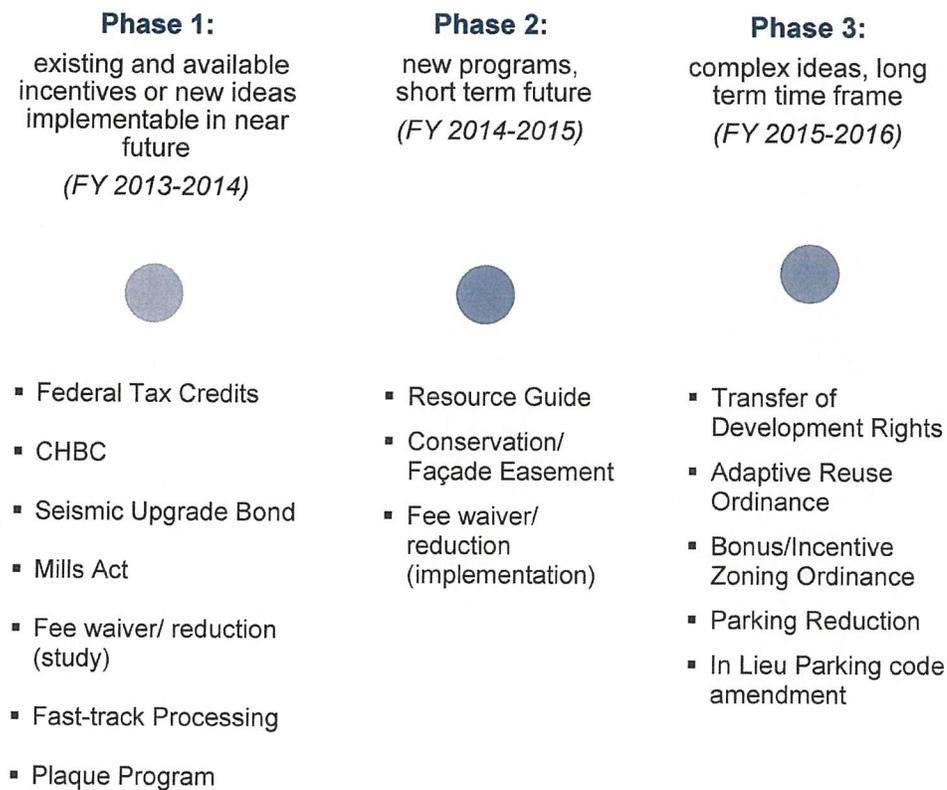
Cost-Benefit

The information parsed in the incentive analysis can be used to chart the incentives in terms of potential costs and benefits. The cost-benefit diagram can help illustrate the viability of such programs to be implemented; for example, the most desirable incentives would be those with low costs and high benefits.



Phasing

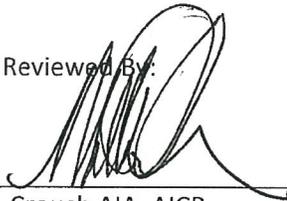
Authorizing a comprehensive Historic Preservation Incentives Program is a substantial undertaking that will require significant time, planning and resources. As such, it is recommended that the Program be broken down into phases and implemented over time. This allows the City to capture the “low-hanging fruit” and capitalize on opportunities that are within reach to be implemented in the near future. Other ideas or programs that are more complicated or longer-range have been identified for later phases. Alternatively, programs can be rearranged in phases based on the priorities of the CHC, Planning Commission, and City Council.



CONCLUSION

The Cultural Heritage Commission, staff, and representatives from the Planning Commission have worked together to identify, analyze, and prioritize the field of incentives for historic preservation available at the federal, state, and local levels. The information has been forwarded from the CHC to the full Planning Commission for review and comment and for the PC's feedback on setting priorities within the incentives program. After the PC provides feedback to staff, an informational update will be provided to the CHC and staff will begin to draft an ordinance for review and recommendation by the CHC, PC and CC. Ultimately, the item will be forwarded to the City Council for their review and approval.

Report Reviewed By:

A handwritten signature in black ink, appearing to read 'W. Crouch', is written over a horizontal line. The signature is stylized and cursive.

William Crouch AIA, AICP
Urban Designer



CITY OF BEVERLY HILLS
455 N. Rexford Drive
Beverly Hills, California 90210

**PLANNING COMMISSION
REGULAR MEETING MINUTES
SEPTEMBER 12, 2013
1:30 PM**

AFTERNOON SESSION 1:30 PM
DINNER BREAK 5:30 PM
EVENING SESSION 7:00 PM

MEETING CALLED TO ORDER

Date / Time: September 12, 2013 / 1:34 pm

ROLL CALL

Commissioners Present: Commissioners Block, Corman, Yukelson, Vice Chair Fisher
(evening session only) Chair Rosenstein.
Commissioners Absent: None.
Staff Present: Jonathan Lait, Michele McGrath, William Crouch, Reina Kapadia,
Karen Myron (Community Development Department, Planning
Division); David Snow (City Attorney's Office).

COMMUNICATIONS FROM THE AUDIENCE

None.

APPROVAL OF AGENDA

Motion: Motion by Order of the Chair to approve the agenda as amended, hearing
item #8 immediately after item #2.

Action: **The agenda was approved as amended.**

EX PARTE COMMUNICATIONS

Commissioner Corman disclosed a conversation he had with Frank Pizzuro regarding item
#11 - The Phoenix; Chair Rosenstein disclosed a conversation he had with Robert Goldman
regarding item #8 - 9748-9766 Wilshire Blvd. Concept Review.

ADOPTION OF MINUTES

1. Minutes from the Planning Commission Meeting on August 12, 2013.

Motion: Motion by Order of the Chair to approve the minutes as corrected.
Action: **The minutes were approved as corrected.**

CONSENT CALENDAR

2. **713 North Arden Drive**

Resolution Approving a Minor Accommodation

Approval of a request for a Minor Accommodation to allow the construction of a second-story addition with a maximum roof ridge height of 32' and an average roof height of 22'-6" when averaging the height of all of the roof ridges. Pursuant to the provisions set forth in the California Environmental Quality Act (CEQA), the resolution also adopts a Categorical Exemption for this project. The public hearing was closed on August 12, 2013.

Planner: Georgana Millican, Associate Planner
Applicant: Jeffrey Allsbrook, Standard LLP
Public Input: None.

Motion: Motion by Chair Rosenstein, Second by Commissioner Block to approve the resolution as presented (4-0-1 Fisher absent).
Action: The resolution was approved as presented.

STUDY SESSION *(taken out of order)*

8. **9748-9766 Wilshire Boulevard**

Concept Review

Presentation by a property owner of a proposal to provide public parking at the property in exchange for consideration of an increase in density beyond the density currently allowed for the property.

Planner: Michele McGrath, Principal Planner
Applicant: Robert Goldman, represented by Mark Egerman
Public Input: None.

Action: The Planning Commission discussed the Concept Review and took no action.

Return to order

PLANNING COMMISSION / BOARD OF ZONING ADJUSTMENTS / PLANNING AGENCY PUBLIC HEARINGS

3. Public Noticing Requirements

Review of a proposed ordinance expanding public notice requirements and consolidating notice requirements in the Zoning Code. Pursuant to the provisions set forth in the California Environmental Quality Act (CEQA), the Planning Commission will also consider adoption of an exemption for this project. It is recommended that the Planning Commission continue the public hearing to October 10, 2013.

Action: **The public hearing was continued to the Planning Commission meeting of October 10, 2013.**

**4. 8701-8707 Wilshire Boulevard
Development Plan Review**

Request for a Development Plan Review to allow a remodel and addition to an existing three-story commercial building located at 8701-8707 Wilshire Boulevard. Pursuant to the provisions set forth in the California Environmental Quality Act, the Planning Commission will also consider adoption of a Categorical Exemption for this project.

Action: **The public hearing was continued to the Planning Commission meeting on October 10, 2013.**

5. Historic Preservation Incentive Program

Review and discuss a proposed strategy for developing a program to encourage property owners to preserve and maintain historic resources in the City. (Urban Designer William Crouch / Limited Term Planner Reina Kapadia)

Planner: William Crouch, Urban Designer, Reina Kapadia, Limited Term Planner

Public Input: Marcello Vavala, Los Angeles Conservancy

Action: **The Commission discussed the Historic Preservation Incentive Program and provided feedback to staff.**

The Commission took a recess at 3:00pm.

The Commission reconvened at 3:16pm.

6. Policy Direction for the City of Beverly Hills Pilot Mills Act Program

The Mills Act Program provides tax incentives to encourage property owners to maintain historic properties. Staff presents recommendations from the Cultural Heritage Commission and the joint Planning and Cultural Heritage Subcommittee for discussion.

Planner: William Crouch, Urban Designer
Public Comment: Marcello Vavala, Los Angeles Conservancy

Action: The Commission discussed the Pilot Mills Act Program and provided feedback to staff.

7. Paperless Agenda Packets for Commissioners

Discuss the use of electronic reading devices to receive and review meeting agenda packets and provide feedback to staff.

Planner: William Crouch, Urban Designer

Action: The Commission discussed the implementation of Paperless Agenda Packets and took no action.

Commissioner Corman left the meeting at 3:51pm.

COMMITTEE REPORTS

- Single Family Residence Bulk and Mass Standards
- Zoning Code Reorganization
- Planning Commission / Cultural Heritage Commission Joint Subcommittee
- 1006 Laurel Way Subcommittee
- Planning Staff Reports Subcommittee

COMMUNICATIONS FROM THE COMMISSION

None.

9. Active Case List

Action: Received and filed.

10. 2013 Meeting Schedule Calendar

Action: Received and filed.

The Commission took a recess at 3:57pm. Due to the early hour at which the recess was taken, the Commission did not assemble for the dinner break.

The Commission reconvened at 7:10pm, with all Commissioners present.

PLANNING COMMISSION/BOARD OF ZONING ADJUSTMENTS/PLANNING AGENCY PUBLIC HEARINGS

11. 14 La Cienega Boulevard (Phoenix Restaurant)

Development Plan Review Permit for Open Air Dining and Extended Hours Permit

Resolution modifying a Development Plan Review Permit allowing open air dining and modifying an Extended Hours Permit. Pursuant to the provisions set forth in the California Environmental Quality Act, the Planning Commission will also consider adoption of a Categorical Exemption for this project. The public hearing was opened on August 12, 2013 and has been continued to September 12, 2013.

Planner: Michele McGrath, Principal Planner
Applicant Team: Jason Somers, Dominic Filosa, Mike Malin, Lonnie Moore
Public Input: Frank Pizzurro, Pam Meadow

Motion: Motion by Commissioner Yukelson, Second by Commissioner Block to approve the resolution as amended (5-0).

Action: The resolution was approved as amended.

COMMUNICATIONS FROM THE CITY PLANNER

City Planner Jonathan Lait briefed the Commission on the following projects which were previewed by City Council: AKA Extended Stay Hotel, and Boffo Theaters.

MEETING ADJOURNED

Date / Time: September 12, 2013 / 8:16 pm

PASSED AND APPROVED THIS 10TH DAY OF OCTOBER, 2013



Howard S. Fisher, Acting Chair