



AGENDA REPORT

Meeting Date: December 1, 2015

Item Number: E-1

To: Honorable Mayor & City Council

From: Ryan Gohlich, Assistant Director of Community Development / City Planner

Subject: RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS AMENDING THE COMPREHENSIVE SCHEDULE OF TAXES, FEES & CHARGES FOR THE FISCAL YEAR 2015/2016 TO ADD CERTAIN FEES RELATED TO HISTORIC PRESERVATION APPLICATIONS

Attachments: 1. Resolution

RECOMMENDATION

It is recommended that the City Council adopt a resolution amending the comprehensive schedule of taxes, fees and charges to add processing fees for historic preservation applications for the fiscal year 2015/2016.

INTRODUCTION

As part of the implementation of the revised Historic Preservation Ordinance, a set of fees pertaining to applications for historic preservation projects are presented for the City Council's adoption.

BACKGROUND

The Historic Preservation Ordinance (Beverly Hills Municipal Code, Title 10, Chapter 3, Article 32) was originally adopted by the City Council on January 25, 2012. The Council adopted an amended Historic Preservation Ordinance on July 21, 2015 (taking effect partially on August 21, 2015, and partially on November 19, 2015). During the three-and-a-half years of the program's existence, no fees have been adopted by the Council except for a \$1,500 filing fee for a Mills Act Contract application.

The proposed fees were presented to the City Council – Cultural Heritage Commission Liaison at a meeting on November 9, 2015 (consisting of Vice Mayor Mirisch, Councilmember Brien, Chair Greer and Vice Chair Pynoos), and to the City Council as a study session item on December 1, 2015. The recommended fee amounts supported by the liaison are presented in Attachment 1.

DISCUSSION

City staff conducted a fee study to analyze the costs and appropriate amounts of the application fees. The City of Beverly Hills operates on a full cost-recovery basis, such that the fees collected on applications should recover the fully-burdened costs incurred to the City to provide staff and services. Fee amounts were generated by analyzing staff and outside consultant hours required to review and process applications and applying the fully-burdened hourly rates for the applicable staff members. Full discussion of application types, fees, and recommended levels of cost recovery can be found in the December 1, 2015, Study Session Staff Report titled, "Review of Implementation Actions for the Historic Preservation Ordinance."

The City Council liaison indicated their support of full cost recovery fees on the following applications: Certificate of Ineligibility (full analysis); Certificate of Economic Hardship; Historic Incentive Permit (Planning Commission-level); and the Historic Property Confirmation Letter.

The liaison discussed the appropriateness of setting fees at a level less than full cost recovery to incentivize property owners to preserve and maintain historic properties. The liaison recommended fees be set at a ten percent (10%) cost recovery level on the following application types: Landmark Designation, Historic District Designation; Certificate of Appropriateness¹ (administrative and Commission-levels); and a forty percent (40%) cost recovery level on the Certificate of Ineligibility (checklist). While the amended Historic Preservation Ordinance establishes two levels of Certificate of Ineligibility (staff and commission-level), the liaison identified the need to create an application level for relatively straightforward properties that could be completed quicker and cheaper than a full analysis, which would be required for more complex properties. Therefore, a three-tiered system is recommended for historic property status confirmations:

- I. Historic Property Confirmation Letter,
- II. Certificate of Ineligibility (checklist),
- III. Certificate of Ineligibility (full analysis).

Appeals to the Cultural Heritage Commission and City Council are recommended to be consistent with commission and council-level appeal fees that are currently adopted in the Comprehensive Schedule of Taxes, Fees and Charges.

PUBLIC NOTICE

There are no requests on file with the City Clerk from members of the public asking for mailed notice of hearings to consider new or increased fees or charges. Pursuant to California Government Code Section 66016, a copy of the report outlining the processing costs associated with the historic preservation applications was available for public review at the office of the City Clerk and also at the Planning Counter on November 20, 2015. Further, a public notice was published in the *Beverly Hills Courier* on November 20, 2015 and again on November 27, 2015, and in the *Beverly Hills Weekly* on November 26, 2015.

¹ A Certificate of Appropriateness is an approval issued to certify alteration, restoration, construction, removal, relocation or demolition of a designated landmark or property within a historic district.

GENERAL PLAN CONSISTENCY

The City of Beverly Hills General Plan includes numerous goals and policies intended to guide development in the city. Some policies relevant to the City Council's review of the fee structure include:

- **Policy Land Use (LU) 2.6 City History.** Acknowledge the City's history of places and buildings, preserving historic sites, buildings, and districts that contribute to the City's identity while accommodating renovations of existing buildings to maintain their economic viability, provided the new construction contextually "fits" and complements the site or building.
- **Policy HP 1.3 Promote National, State and Local Designation of Historic Resources.** 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, California Register of Historic Resources, or National Register of Historic Places.
- **Policy HP 1.4 Develop Incentives to Protect Significant Historic Resources.** Develop and fund financial and regulatory incentives to encourage the protection of historic buildings, districts, and public landmarks/monuments from demolition or significant alteration, which may include Mills Act contracts, waiver of fees, flexible development standards, conservation easements, transfer of development rights, and other incentive-based mechanisms to make preservation feasible for owners and developers.
- **Policy Economic Sustainability 1.1 Fiscal Prudence.** The first key to economic sustainability is the efficient use of resources by an effective and streamlined local government with the ongoing mission of providing the residents and community with superb value for money.

ENVIRONMENTAL ASSESSMENT

This action has been assessed in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA), the State CEQA Guidelines, and the environmental regulations of the City. This action qualifies for a statutory exemption from the environmental review requirements of CEQA pursuant to Section 15273 of Title 14 of the California Code of Regulations, which states that CEQA does not apply to the establishment or approval of rates and other charges by public agencies which the public agency finds are for the purpose of meeting operating expenses, including employee wage rates and fringe benefits.

FISCAL IMPACT

Since the fee amounts were generated using fully-burdened rates, the fiscal impacts incurred for the processing of some historic preservation applications (those identified as full cost recovery) are anticipated to be covered by application fees to be collected.

The remaining application types that are recommended to have fees at a less-than-full-cost-recovery level to incentivize preservation are those that would apply to landmarked properties only (listed or applied for listing on the Local Register of Historic Properties). Currently there are 29 properties that are designated landmarks, of which six are City-

owned properties to which application fees do not apply. The number of landmarked properties is not expected to increase to an extent where the loss in revenue from reduced application fees would create a notable fiscal impact.

Susan Healy Keene, AICP
Director of Community Development


Approved By



City Council Agenda Report

December 1, 2015

Historic Preservation Fees

Attachment 1

Resolution

RESOLUTION NO. 15-R- _____

RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS AMENDING THE COMPREHENSIVE SCHEDULE OF TAXES, FEES & CHARGES FOR THE FISCAL YEAR 2015/2016 TO ADD CERTAIN FEES RELATED TO HISTORIC PRESERVATION APPLICATIONS

The Council of the City of Beverly Hills does resolve as follows:

Section 1. The City Council adopted the historic preservation ordinance in January 2012 and revised such ordinance in July 2015. The City Council desires to establish certain fees related to the historic preservation application process.

Section 2. The City of Beverly Hills Comprehensive Schedule of Taxes, Fees and Charges for Fiscal Year 2015/16 is hereby amended to add fees related to historic preservation applications as set forth in Exhibit A hereto.

Section 3. The City Council is taking action only on those fees, permit fees, City service charges, and other fees, charges, and required payments for municipal services, use of City property, inspections, enforcement activities or for other indicated purposes, as modified as set forth in Exhibit A. The (i) remaining fees, permit fees, City services charges, and other fees, charges, and required payments for municipal services, use of City property, inspections, enforcement activities or for other indicated purposes as set forth in the current Comprehensive Schedule of Taxes, Fees & Charges; and (ii) fees, permit fees, City service charges, and other fees, charges, and required payments for municipal services, use of city property, inspections, enforcement activities or for other indicated purposes as set forth in any resolution(s) adopted by the City Council, that are not listed in Exhibit A to this Resolution, have not been readopted or revised and remain in place at the current rate.

Section 4. The City Clerk shall certify to the adoption of this resolution and shall cause this resolution and his certification to be entered in the Book of Resolutions of the City Council of this City.

Adopted:

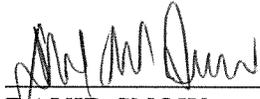
JULIAN A. GOLD, M.D.
Mayor of the City of Beverly Hills, California

ATTEST:

BYRON POPE
City Clerk

(SEAL)

APPROVED AS TO FORM:



DAVID SNOW
Interim City Attorney

APPROVED AS TO CONTENT:



SUSAN HEALY KEENE
Director of Community Development



DON RHOADS
Chief Financial Officer

EXHIBIT A

HISTORIC PRESERVATION APPLICATION FEE SCHEDULE

HISTORIC PRESERVATION APPLICATION FEE SCHEDULE FY 2015/2016

APPLICATION TYPE	COST ANALYSIS			COST RECOVERY LEVEL	FEE AMOUNT
	Staff Time (hours)	External Peer Review/ Analysis	TOTAL COST (= Full Cost Recovery)	Level of Cost Recovery Applied	TOTAL
Certificate of Ineligibility					
Tier 1: Historic Property Confirmation Letter	1	n/a	\$383.00	100%	\$383.00
Tier 2: Certificate of Ineligibility (checklist)	8	\$800.00	\$3,864.00	40%	\$1,546.00
Tier 3: Certificate of Ineligibility (full analysis)	17	\$1,200.00	\$7,911.00	100%	\$7,911.00
Landmark Designations (or amendments or rescissions)	46	\$1,800.00	\$19,864.00	10%	\$1,986.00
Historic District Designation (or amendments or rescissions)	Deposit Req'd.	Deposit	\$17,500.00	10%	(plus \$1,750.00 deposit)
Certificate of Appropriateness - Administrative (or amendments)	14	n/a	\$5,562.00	10%	\$556.00
Certificate of Appropriateness - Cultural Heritage Commission (or amendments)	29	\$1,200.00	\$12,607.00	10%	\$1,261.00
Certificate of Economic Hardship (or amendments)	45	\$2,000.00 (deposit)	\$19,735.00	100%	\$19,735.00
Appeal to Cultural Heritage Commission	Flat Fee	n/a	\$3,714.20	Flat Fee	\$3,714.20
Appeal to City Council	Flat Fee	n/a	\$5,062.90	Flat Fee	\$5,062.90
Historic Incentive Permit - Planning Commission (same fee for amendments)	33	\$1,500.00	\$14,989.00	100%	\$14,989.00