



Planning Commission Report

Meeting Date: August 7, 2014

Subject: **1000 North Crescent Drive**
Zone Text Amendment

Request for a Zone Text Amendment to Article 32 of Chapter 3 of Title 10 of the Beverly Hills Municipal Code creating incentives for property owners to landmark historic buildings. The potential incentives relate to establishing provisions for modifying development standards for landmarked properties in order to accommodate new additions/development on a property while preserving historic buildings. The amendments are associated with a proposed addition to the property located in the Hillside Area of the City at 1000 North Crescent Drive; however this item is intended to focus on a potential zone text amendment, which would apply to all current and future landmarked properties.

PROJECT APPLICANT: Tom Levyn

Recommendation: That the Planning Commission:

1. Conduct a public hearing and receive testimony on the project;
 2. Provide direction as appropriate regarding the historic landmark incentives.
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REPORT SUMMARY

This item consists of an applicant-initiated Zone Text Amendment that would create incentives for property owners to landmark properties that are considered to have historic significance by creating a new entitlement that would allow the Planning Commission to modify certain development standards that would otherwise apply to historic properties. This amendment is being proposed as a result of desired development on the property located at 1000 North Crescent Drive. However, the focus of this report is to provide information and analysis on the potential incentive program associated with a Zone Text Amendment that would create a new entitlement in order to provide relief from certain development standards. This report seeks comment and direction from the Planning Commission to proceed with drafting a zone text amendment that would be presented to the Planning Commission at a future date, along with the other entitlement requests associated with the project.

BACKGROUND

In 2013, the City Council adopted the City's first Historic Preservation ordinance. Since the adoption of the ordinance, the Cultural Heritage Commission along with staff have been presented with the challenge of encouraging property owners to designate their properties as local historic landmarks. In order to reduce the burden for owners of historically significant properties to preserve the City's historic resources, the adopted ordinance contains provisions for developing various types of incentives. Historically landmarked properties are subject to numerous development constraints, including the requirements of the Secretary of the Interior in addition to the local zoning codes and development standards. Thus, property owners sometimes face difficulties when attempting to develop historic properties in a manner that preserves or enhances their historic value and meets the needs of the owners. Thus, certain incentives can be put in place to relieve some of the burden of developing historic properties while encouraging the preservation of a greater number of historic resources.

To date, the most notable economic incentive that has been implemented is the City's participation in the Mills Act program, which provides property tax relief to owners of historic landmarks. Now, staff is seeking ways to provide additional incentives in the form of relief from certain local zoning requirements. Creation of these new development incentives would be in the form of a zone text amendment that would create a new entitlement process allowing for waivers from development standards, such as certain encroachments into required setback areas, parking requirements, or others. As this new incentive is being developed, staff is seeking input and direction from the Planning Commission.

Recognizing the complementary roles of the various City Commissions involved in this issue, staff is also working with members of the Historic Incentive Subcommittee of the Cultural Heritage Commission to seek input on the proposed zone text amendment. Staff is meeting with the Subcommittee prior to the Planning Commission meeting and will summarize the discussions and compile the comments of the Cultural Heritage Commission Subcommittee members and present them to the Planning Commission during the hearings on this matter.

EXAMPLE OF ENTITLEMENT

The residence located at 1000 N. Crescent Drive ("Harry Cohn Estate") was once owned by Harry Cohn, the founder of Columbia Pictures. On March 4, 2014, the City Council granted landmark status to the Harry Cohn Estate. The current owner is now proposing a two-story addition to the main house to include a ground floor garage and second story security office. The proposed addition encroaches into the front yard setback, and this encroachment is the basis for a request of a zone text amendment. In considering the project, staff analyzed the broader need for providing incentives for property owners to designate culturally significant properties as historic landmarks, and has developed recommendations for a new entitlement process that would provide relief for owners of historic landmarks from certain zoning requirements in order to incentivize preservation and rehabilitation of historic resources throughout the City.



Requested Permits

The applicant is seeking approval of a Zone Text Amendment to modify restrictions on encroachments into the front yard setback. The proposed Zone Text Amendment, if approved, would establish a new permit that would be applicable to properties designated as historic landmarks pursuant to the City's Historic Preservation Ordinance.

In addition to the application for the Zone Text Amendment, the applicant is also seeking a Hillside R-1 Permit to allow floor area in excess of 15,000 square feet on a site with area exceeding two acres, as well as a minor accommodation for extension of a legally nonconforming side setback. While these additional entitlements are being processed concurrently with the Zone Text Amendment, this report is intended to guide a dialogue regarding the zone text amendment, and consideration of the other entitlement requests will occur at a future hearing. The final Zone Text Amendment, along with the Hillside R-1 Permit and Minor Accommodation applications, will be brought to the Planning Commission at a future hearing for final decision.

ZONING CODE¹ COMPLIANCE

A detailed review of the proposed project to applicable zoning standards has been performed. The applicant is seeking a Zone Text Amendment to allow an addition to the main residence to encroach into the front yard setback. The Amendment would establish a process for properties designated as historic landmarks to apply for relief from various zoning regulations, provided that certain findings are made.

GENERAL PLAN² POLICIES

The General Plan includes numerous goals and policies intended to guide development in the city. Some policies relevant to the Planning Commission's review of the project include:

- **Policy LU 2.1 City Places: Neighborhoods, Districts, and Corridors.** Maintain and enhance the character, distribution, built form, scale, and aesthetic qualities of the City's distinctive residential neighborhoods, business districts, corridors, and open spaces.
- **Policy 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 LU 3.1 Conservation.** Conserve existing residential neighborhoods, and non-residential areas where new development builds on and enhances the viability of existing business sectors that are the City's strengths, promotes transit accessibility, is phased to coincide with infrastructure funding and construction, and designed to assure transitions and compatibility with adjoining residential neighborhoods.
- **Policy LU 5.1 Neighborhood Conservation.** Maintain the uses, densities, character, amenities, and quality of the City's residential neighborhoods, recognizing their contribution to the City's identity, economic value, and quality of life.
- **Policy LU 6.1 Neighborhood Identity.** Maintain the characteristics that distinguish the City's single-family neighborhoods from one another in such terms as topography, lot size, housing scale and form, and public streetscapes.
- **Policy LU 6.2 Housing Character and Design.** Require that new, renovated, and additions to housing be located and designed to maintain the distinguishing characteristics and qualities of the neighborhoods in which they are located, including prevailing lot sizes, building form, scale, massing, relationship to street frontages, architectural design, landscaping, property setbacks, and other comparable elements.
- **Policy LU 6.3 Housing Scale and Mass.** Regulate renovations of and additions to single-family housing to ensure that they do not adversely alter the contextual scale, mass, and design qualities of existing structures.

¹ Available online at http://www.sterlingcodifiers.com/codebook/index.php?book_id=466

² Available online at http://www.beverlyhills.org/services/planning_division/general_plan/genplan.asp

- **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 HP 1.5 Tiered Regulations for Residential and Non-Residential Historic Resources.** Consider a tiered approach for regulating non-residential, multi-family residential and single-family residential historic resources. A tiered approach to regulation may include standardized thresholds that trigger mandatory protections against demolition and/or financial and regulatory incentives to encourage preservation which may be different for each building type.

PUBLIC OUTREACH AND NOTIFICATION

Type of Notice	Required Period	Required Notice Date	Actual Notice Date	Actual Period
Posted Notice	N/A	N/A	7/31/2014	7 Days
Newspaper Notice	10 Days	7/28/2014	7/25/2014	13 Days
Mailed Notice (Owners & Residents - 500' Radius)	10 Days	7/28/2014	7/25/2014	13 Days
Property Posting	N/A	N/A	N/A	N/A
Website	N/A	N/A	7/31/2014	7 Days

Public Comment

As of the writing of this report, staff had not received any public comments regarding the project.

ANALYSIS³

In reviewing the concepts for the proposed zone text amendment, the Commission may wish to consider the following information as it relates to the project and required findings.

As proposed, the Zone Text Amendment has been requested as part of an individual project on the property located at 1000 North Crescent Drive; however, the amendment would potentially apply to all properties in the city, creating a new entitlement that would incentivize the preservation of historically significant resources. Recognizing the broader applications of this Zone Text Amendment, staff analyzed a number of issues for the Planning Commission's consideration. These issues include the following:

³ The analysis provided in this section is based on preliminary research by the report author, and discussions with the applicant and other relevant staff. The Planning Commission in its review of the administrative record and based on public testimony may reach a different conclusion from that presented in this report and may choose to modify the findings. A change to the findings may result in a final action that is different from the staff recommended action in this report.

Incentive Examples. A number of cities have established zoning incentives for the purpose of encouraging the protection and enhancement of historic resources. Common zoning incentives provide flexibility in development standards such as setbacks, density, FAR, parking standards, and others, or provide relief from bringing nonconforming properties into compliance. A handful of examples are briefly noted and discussed below in order to inform the discussion regarding the types of incentives that would be appropriate for achieving the goals of the City of Beverly Hills:

- **Eugene, OR:** Structures in the Historic Overlay zone are eligible for Adjustment Review, which allows adjustments to development standards in an efficient and effective manner. Any number of zoning regulations can be waived based on the needs of each project, and each project is considered on a case-by-case basis by a Historic Review Board. A prerequisite for Adjustment Review requires that the property be a designated historic landmark.
- **Seattle, WA:** The Director, in consultation with the Director of the Department of Neighborhoods, may waive or allow departures from standards for street level development, residential amenity areas, setbacks, floor area ration limits, and screening and landscaping for designated landmark structures or for development within a Landmark District.
- **Santa Cruz, CA:** Historic Alteration Permit allows for modifications of district regulations for height, stories, parking, setbacks, projections into the required yards, open space, lot coverage, rear yard coverage, floor area limitations, accessory dwelling units, fence heights, slope regulations, yards, and parking requirements, as well as use variations to encourage adaptive reuse.

Entitlement Framework. Based on the unique context and needs of the City of Beverly Hills, as well as a review of best practices and alternatives, staff has developed a general framework for the potential entitlement process that would create the incentive discussed in this report. Below are some potential elements of that framework:

- **Historic Incentive Permit.** Case studies from other cities revealed three basic forms of historic incentive programs. In the “Seattle Model”, deviations from development standards are given through a director-level approval process, similar to the City of Beverly Hills’ Minor Accommodation procedures. The “Santa Cruz Model” requires a special permit and prescribes which development standards are eligible for modification. The “Eugene Model” also requires a special permit, but does not prescribe which standards are eligible. Rather, the permit is discretionary in nature, and allows each project to be evaluated on a case-by-case basis, and projects are weighed on their merits in terms of historic preservation benefits versus the scope of code deviation requested. Based on a study of examples and consideration of the unique needs of the City of Beverly Hills, staff believes the Eugene model may provide the most appropriate model. The creation of a new Historic Incentive Permit would provide a vehicle for applicants to request certain deviations or relief from zoning requirements. Deviations would be allowed in the form of waivers, and rather than take a prescriptive approach in defining precisely which development regulations are eligible for waiver, staff believes that it would be more appropriate to allow applicants to request those waivers that would specifically apply to their project, whatever they may be. However, staff recognizes that certain development standards would not be appropriate for waiver, and this issue is analyzed and addressed in later sections of this staff report.

- **Review and Approval Procedure.** As contemplated, the Historic Incentive Permit would have a review and approval procedure similar to that of the R-1 Permit procedures. Preliminary review would be conducted by staff to determine landmark status of a subject property, and whether the Historic Incentive Permit would be an appropriate vehicle toward achieving the desired project outcome. The reviewing authority would be the Planning Commission, and all Historic Incentive Permit applications would be subject to Planning Commission review and approval. Remaining consistent with the R-1 Permit procedures, public notice would be required as follows:
 - In the Central Area, all owners and occupants of properties within a 500' radius of the subject property, plus the blockface of any property located within the 500' radius.
 - In the Hillside and Trousdale Areas, all owners and occupants of properties within a 500' radius of the subject property.

- **Findings Required.** Typical development permits, such as Minor Accommodations and R-1 Permits, require the reviewing authority to make certain findings in order to approve the project. These findings relate to impacts on the scale and massing of the streetscape, neighbors' access to light and air, neighbors' privacy, and the garden quality of the city. In order to achieve its intended purpose, the Historic Incentive Permit should require additional findings that ensure the continued integrity of historic landmarks in the City. A potential finding could require that the proposed development would not have a substantial adverse impact on the architectural and/or cultural integrity of the historic resource. Below is a list of findings that could potentially be required in order to issue a Historic Incentive Permit:
 - 1) The reviewing authority shall not issue a Historic Incentive Permit unless the reviewing authority finds that the proposed development will not have a substantial adverse impact on:
 - a) The architectural and/or cultural integrity of the historic resource
 - b) The scale, massing, or character of the streetscape
 - c) Neighbors' access to light and air
 - d) Neighbors' privacy
 - e) The garden quality of the city, and
 - f) The public health, safety, or welfare

 - 2) The incentive(s) to be granted would result in substantial restoration of the significant and architectural features or exterior architectural appearance of the resource.

Items for Discussion. While staff has provided a general framework for how the historic incentive entitlement could potentially be structured, there remain some policy issues that staff is seeking direction and comment on from the Planning Commission. These issues are briefly described below:

- **Waivers Not Allowed.** While the intent of this zone text amendment is to incentivize projects that either maintain or enhance the integrity of historic resources in the city, Staff recognizes the need to balance the incentives with the rights of other property owners to quiet enjoyment

of their properties, as well as ensuring that developments are consistent with the goals and policies of the General Plan. To that end, certain development standards could be deemed ineligible for waiver under the Historic Incentive Permit. Potential standards could include maximum height and total floor area. Staff seeks direction and comment from the Planning Commission on what development standards should not be eligible to be waived.

- **Commercial and Multi-Family Properties.** The Zone Text Amendment was initiated in conjunction with development on a historically significant, single-family residential property; consideration should also be given to whether there is a desire to incentivize preservation of other types of historically significant properties, including multi-family and commercial. Staff is seeking comment and direction with regard to the eligibility of various types of land uses to qualify for the Historic Incentive Permit.

Potential Pros and Cons. Various potential issues are discussed in the Analysis section of this report. At this time, staff is seeking comment and direction from the Planning Commission on these issues, which will determine the content of the proposed Zone Text Amendment. Once a draft text amendment is prepared, staff can appropriately analyze the potential pros and cons of the draft that will be under consideration.

NEXT STEPS

It is recommended that the Planning Commission conduct the public hearing, provide comment and feedback, and direct staff to prepare a draft ordinance for consideration.

Report Reviewed By:


Jonathan Lait, AICP, City Planner

ATTACHMENT A

PUBLIC NOTICE



NOTICE OF PUBLIC HEARING

DATE: August 7, 2014

TIME: 9:00 AM, or as soon thereafter as the matter may be heard

LOCATION: City Council Chambers
Beverly Hills City Hall
455 North Rexford Drive
Beverly Hills, CA 90210

The Planning Commission of the City of Beverly Hills, at its SPECIAL meeting on Thursday, August 7, 2014, will hold a public hearing beginning at **9:00AM**, or as soon thereafter as the matter may be heard to discuss the following:

Amendments to the Municipal Code intended to create incentives for property owners to landmark historic buildings. The potential incentives relate to establishing provisions for modifying development standards for landmarked properties in order to accommodate new additions/development on a property while preserving historic buildings. The amendments are associated with a proposed addition to the property located in the Hillside Area of the City at **1000 North Crescent Drive**; however, the discussion will focus on the Municipal Code Amendments, which would potentially apply to all landmarked properties. Consideration of the proposed addition at 1000 North Crescent Drive will occur at a future, noticed public hearing.

If there are any questions regarding this notice, please contact **Andre Sahakian, Associate Planner** in the Planning Division at (310) 285-1127, or by email at asahakian@beverlyhills.org. Copies of the project plans and associated application materials are on file in the Community Development Department, and can be reviewed by any interested person at 455 North Rexford Drive, Beverly Hills, CA 90210.

Sincerely:



Andre Sahakian, Associate Planner

Mailed: July 25, 2014