City of Manhattan Beach

Legislation Text

File #: 18-0010, **Version:** 1

TO:
Honorable Mayor and Members of the City Council

THROUGH:
Bruce Moe, Acting City Manager

FROM:
Anne McIntosh, Community Development Director
Laurie B Jester, Planning Manager
Angelica Ochoa, Associate Planner

SUBJECT:
Discussion of Fees and Incentives for Historic Preservation Applications (Community Development Director McIntosh).
DISCUSS AND PROVIDE DIRECTION

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RECOMMENDATION:
Staff recommends that the City Council discuss and provide direction on fees and incentives associated with Historic Preservation.

FISCAL IMPLICATIONS:
The current fee for historic preservation applications is approved through the end of fiscal year 2018-2019, which will end on June 30, 2019. The fee is $2,901 for Historic Designation and for Planning Commission Review of a Certificate of Appropriateness. Administrative review of a Certificate of Appropriateness is $149 hourly, minimum 2 hours, and additional fees may apply, depending on the scope of project. The fee was approved through the User Fee Study and Fee Resolution process that was finalized in fiscal year 2014-2015. If the City Council approves reducing or waiving the fee as an incentive for residents to apply for historic preservation, the cost will be absorbed by the City. To date, staff has not received any Historic Preservation designation applications.

Property tax reductions through the Mills Act is another potential incentive. The current Mills Act pilot program expired October 7, 2016. If the Council provides direction for staff to explore reinitiating this incentive, staff will provide a report at a later date and fiscal implications will be provided.

BACKGROUND:
The prior Landmark Ordinance was adopted by the City Council in 2006. The designation was only honorary and voluntary, and did not limit or prohibit any alterations or development rights. In 2014 and 2015 the Council had a series of meetings and directed staff to revise and develop an expanded and more robust Historic Preservation Ordinance with assistance from a consultant. On February 29, 2016, the City Council adopted amendments to the Zoning Code to revise the Historic Preservation regulations, Chapter 10.86, which applies citywide. On August 15, 2017 the Council further revised the regulations to assign the responsibilities of implementation to the Planning Commission and

amended the timeline for the initiation of the Historic Resources Survey and Inventory of Historic Resources until a later date, to be determined by the City Council.

As part of implementing the program, staff is in the process of hiring a consultant to complete a Historic Context Statement for the City and to review historical reports, as needed. The Historic Context Statement will provide a framework for evaluating potential historic resources. Historic Preservation applications are available for the public to begin the process, as well as additional information.

DISCUSSION:
At the December 5th meeting, the City Council received public input on the fee from the Manhattan Beach Cultural Conservancy, briefly discussed the input and directed staff to research options for application fees and other incentives.

Current Fees
The current fee to apply for Historical Designation is $2,901, which includes:

- Application - $2,616
- Public Hearing - $70
- CEQA Determination - $215

The current fee to apply for a Certificate of Appropriateness to make alterations to a designated historic property is a minimum of $3,199, which includes:

- Staff review of application- $149 per hour, minimum 2 hour deposit ($298)
  - Additional fees may be required depending on scope of project and review required
- Planning Commission review of application - $2,616
- Planning Commission Public Hearing Notice - $70
- Planning Commission CEQA Determination - $215

The current fees represent staff time and cost for processing Historical Preservation applications. These were adopted through a User Fee Study and Fee Resolution public hearing process, which was adopted in fiscal year 2014-2015. The current fees are approved through end of fiscal year 2019. If the City Council directs staff to provide a reduced fee or no fee, a public hearing would be required to amend the current adopted Fee Resolution, which can be done at any time. According to the Finance Department, the new User Fee Study will begin February 2019 to revisit overall fees.

Other Cities and Incentives
During the adoption of the Historical Preservation Ordinance, the Historic Preservation consultant researched different cities and fees related to preservation applications (Attachment 1). Some cities waive the fee and other cities offer reduced fees, as well as incentives, such as the Mills Act, to encourage applications. The City of Redondo Beach does not charge any fees for Historical Designation applications unless the project includes a Variance or a Certificate of Appropriateness. The City may want to waive or reduce the fee in order to give residents an incentive to apply. In this case, the City would absorb the cost of processing applications.

The Mills Act program is a contract that allows qualifying property owners to receive a property tax

reduction and use the savings to help restore and maintain their property. The City initiated and adopted a two-year Mills Act Pilot Program on October 7, 2014, which expired on October 7, 2016. Staff will return with information on the Mills Act program for City Council consideration at a later date. The City Council can discuss adoption of a permanent Mills Act program at that time as an incentive for property owners along with applying for Historic Designation.

LEGAL REVIEW
The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

CONCLUSION
Staff requests the City Council discuss and provide direction on fees for Historic designation and Certificate of Appropriateness applications.

Attachment:
1. Memo and Permit Fee Spreadsheet