



## Staff Report

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### Honorable Mayor and Members of the Hermosa Beach City Council Regular Meeting of June 14, 2022

#### INFORMATION REGARDING THE CITY'S HISTORIC RESOURCES PRESERVATION PROGRAM (Interim Community Development Director Angela Crespi)

##### **Recommended Action:**

Staff recommends City Council receive a report regarding the City's historic resources preservation program and provide staff with feedback regarding the program as desired.

##### **Executive Summary:**

At its May 10, 2022 meeting, Mayor Mike Detoy requested Council consider directing staff to bring an item regarding the City's historic resources preservation program including fiscal impacts, possible waiver of fees, and any information about historical designations in Hermosa Beach. The proposed future agenda item was unanimously supported by all Councilmembers in attendance. This report provides an overview of the historic resources preservation program, as well as the requested financial information.

##### **Background:**

The City's Historic Resources Preservation Ordinance, as codified in the Hermosa Beach Municipal Code (HBMC) Chapter 17.53 was adopted in 1998. The purpose of the historic resources preservation program is to identify and ensure the long-term protection and use of local historic resources, such as buildings and structures, sites and places within the City that reflect special elements of the City's architectural, artistic, cultural, historical, political, and social heritage.

To be eligible for consideration as a landmark, a historic resource must be at least 50 years old. However, a historic resource at least 30 years old may be eligible if the City Council determines it is exceptional or is threatened by demolition, removal, relocation, or inappropriate alteration. Per the HBMC, the resource must also meet one or more of the following criteria:

- It exemplifies or reflects special elements of the City's cultural, social, economic, political, aesthetic, engineering, or architectural history;
- It is identified with persons or events significant in local, state, or national history;
- It embodies distinctive characteristics of a style, type, period, or method of construction, or is a valuable example of the use of indigenous materials or craftsmanship;

- It is representative of the notable work of a builder, designer, or architect; or
- Its unique location or singular physical characteristic(s) represents an established and familiar visual feature or landmark of a neighborhood, community, or the City.

***Past Board, Commission, and Council Actions***

<b>Meeting Date</b>	<b>Description</b>
December 17, 1996	City Council adopted a two-year moratorium ordinance on the demolition or modification of historic and architecturally significant structures for the purpose of possible adoption of a historic preservation ordinance.
October 20, 1998	Planning Commission adopted a resolution recommending approval of the draft Hermosa Beach Preservation Ordinance (PC Resolution 98-65).
October 27, 1998	City Council approved a text amendment to the zoning ordinance adding a Hermosa Beach Preservation Ordinance (Ord. No. 98-1186). City Council adopted a resolution establishing a list of potential historic buildings (Resolution No. 98-5937).
July 23, 2002	City Council approved the designation for the Hermosa Beach Community Center at 710 Pier Avenue (City Council Resolution 02-6216).

**Discussion:**

Nomination of a historic resource as a landmark may be made by the City, or by application of the property owner or property owners representing a majority or controlling interest in the property on which the resource is located. With the property owners written consent, a Historic Landmark Nomination Application may be submitted to the Community Development Department for processing.

Once the Community Development Department has determined an application is complete, meaning the application is submitted with all supporting materials and all fees have been paid, no development related permits including: building; alteration; demolition; removal; or relocation permits for any historic resource, improvement, building or structure relative to a proposed landmark shall be issued until a final determination regarding the proposed designation is made by City Council.

After receipt of a complete application, staff would schedule a public hearing before the City Council to study the proposed designation and to determine its eligibility and qualifications. The Council has no more than 70 days from the initial hearing date to approve, in whole or in part, or disapprove the proposed designation. Council carefully considers whether a proposed property meets the HBMC

criteria for landmark designation, therefore, an application does not guarantee designation.

The fiscal impact of an application is reflected in the application fees, which are included in the City's Master Fee Schedule and based directly on the cost of providing the service. In 2022, the total fees associated with a historic resource nomination is \$4,298.19\* and include:

- Historic Resources Review, Nomination/Application Fee \$2,756;
- Legal Public Hearing Noticing (300 Foot Radius) \$881;
- Legal Advertising in a Local Newspaper \$176;
- Required Categorical Exemption of the California Environmental Quality Act \$204; and
- City Records Technology System Fee \$281.19.

\*An additional 2.75 percent processing is applied if the applicant pays by credit card.

There is no mechanism in the associated HBMC or the resolution adopting the Master Fee Schedule to waive the fees associated with an application by a property owner. Should Council desire a mechanism to waive the fees associated with a Historic Landmark Nomination Application, policy decisions including objective eligibility criteria would need to be made. Similarly, should City Council desire to initiate the nomination of a privately owned property, the same eligibility criteria would need to be established. Eligibility criteria could include considerations regarding the quality of the structure, owner income, community benefit, potential for destruction, etc.

The above outlined fees do not include the possible need to hire a historic preservation consultant to prepare a study outlining the historical or architectural significance of the proposed resource. If required, the report and recommendation from a historic preservation professional would serve as the basis for City Council action regarding whether the resource qualifies under the ordinance criteria. The estimated cost of a professional historic preservation report is between \$5,000 and \$10,000. If such a consultant were deemed to be necessary, the cost would need to be reimbursed by the applicant.

Once City Council designates a property as a historic landmark, the property is listed on the local register of landmarks and all appropriate City departments are notified so that the notice of designation is incorporated into the necessary City records. Unless otherwise exempted, HBMC Section 17.53.140 requires any modification to a property listed on the City's register of landmarks to obtain a Certificate of Appropriateness granted by the City Council. The review process for a Certificate of Appropriateness includes a City Council evaluation of whether the proposed modifications alter any of the historic defining characteristics of the structure. With the local designation, the landmark would be able to utilize the California Historical Building Code as an alternative to complying with the building standards in HBMC Title 15, Building Code.

As of June 2022, the following buildings have been designated or identified for protection under the City's Historic Resources Preservation Ordinance:

1. The locally designated landmark 'Bijou Theater' at 1229-1235 Hermosa Avenue;
2. The locally significant landmark Hermosa Beach Community Center at 710 Pier Avenue (City Council Resolution 02-6216); and
3. The Bank of America Building at 90 Pier Avenue and Hermosa Hotel at 20-26 Pier Avenue are designated as potential landmarks that warrant further study by Section 17.53.040(B) of the Historic Preservation ordinance (per Planning Commission Resolution No. 98-65).

Removal of a historic landmark designation status would also require an application and City Council approval. In the event of substantial destruction of a landmark, the City Council would hold a public hearing to determine whether the character defining features have been altered thus negating the historic status. The fee associated with an application to remove the historic status in 2022 would be \$6,039 per the City's Master Fee Schedule.

In Hermosa Beach, a historic landmark designation is for local purposes only and does not include State or National designation. The City does not currently participate in historic preservation incentive programs such as the Mills Act, which is a State program administered and implemented by local governments.

Where available, the Mills Act program allows cities to enter into contracts with the owner of a historic structure to provide a method of reducing property taxes by 50 percent or more, in exchange for the continued preservation of the property. To qualify for the Mills Act, a building must first be designated as a local landmark or be a contributing structure within a designated local historic district approved by the City Council.

To opt into the Mills Act program, City Council would need to adopt an ordinance to implement the Mills Act. The City would then have the authority to determine eligibility criteria, how many contracts they will allow in their jurisdiction, application procedures, and contract terms.

The City is currently undergoing a comprehensive update to the zoning code. As part of this effort, the Planning Commission and City Council will consider changes to code sections including HBMC Chapter 17.53 (Historic Resources Preservation). As currently proposed, modifications to changes to Chapter 17.53 only include minor text changes to ensure that the language is clear, concise, and easy to use. No major programmatic or policy changes are proposed as the City's Historic Preservation Ordinance is currently in line with industry best practices.

### **General Plan Consistency:**

This report and associated recommendation have been evaluated for their consistency with the City's General Plan. Relevant Policies are listed below:

#### *Land Use Element*

**Goal 5. Quality and authenticity in architecture and site design in all construction and renovation of buildings.**

Policy:

- **5.5 Preservation and adaptive reuse.** Provide incentives for the preservation or adaptive reuse of historic structures and iconic landmarks.

**Goal 10. A strong sense of cultural and architectural heritage.**

Policies:

- **10.1 Historic landmarks and districts.** Encourage the voluntary designation of potentially historic resources as landmarks or historic districts.
- **10.2 Protect designated landmarks.** Continue to use the Certificate of Appropriateness process for reviewing applications to demolish or alter designated landmarks.
- **10.3 Public and institutional facilities.** Consider the designation of potentially historic public or institutional resources under threat of demolition or deterioration.
- **10.4 Historic resources as cultural tourism.** Promote historic places and cultural tourism as an economic development strategy.
- **10.5 Adaptive reuse and sustainable development.** Promote historic preservation as sustainable development and encourage adaptive reuse of historic or older properties.
- **10.6 History and cultural heritage.** Support and encourage efforts to document and share the cultural heritage and history of Hermosa Beach.
- **10.7 Culturally inclusive planning.** Ensure that historic preservation planning is culturally inclusive and reflective of the unique background and diversity of neighborhoods in the city.
- **10.8 Incentives and technical assistance.** Provide expert technical assistance to owners of potentially eligible and designated historic properties with tools and incentives to maintain historic resources.
- **10.9 Salvage architectural features or materials.** Encourage the preservation or reuse of historic architectural features on site or within the community.
- **10.10 Archaeological and paleontological resources.** Recognize the prehistory and history of the city and strive to identify, protect, and preserve archaeological and paleontological resources.

**Fiscal Impact:**

There is no fiscal impact associated with the recommended action.

**Attachments:**

1. Planning Commission Resolution 98-65
2. City Council Resolution 98-5937
3. City Council Resolution 98-1186
4. City Council Resolution 99-5980
5. City Council Resolution 99-5981
6. City Council Resolution 02-0616

7. Link to Historic Preservation Ordinance
8. Link to The California Office of Historic Preservation-Mills Act Program

**Respectfully Submitted by:** Melanie Hall, Interim Associate Planner

**Concur:** Angela Crespi, Interim Community Development Director

**Noted for Fiscal Impact:** Viki Copeland, Finance Director

**Legal Review:** Mike Jenkins, City Attorney

**Approved:** Suja Lowenthal, City Manager