

182332  
ORDINANCE NO. \_\_\_\_\_

An ordinance amending Sections 19.142 and 19.144 of the Los Angeles Administrative Code to increase the annual limit on the amount of unrealized City revenue from loss of property taxes not collected due to executed historical property contracts.

**THE PEOPLE OF THE CITY OF LOS ANGELES  
DO ORDAIN AS FOLLOWS:**

Section 1. Section 19.142 of the Los Angeles Administrative Code is amended to read as follows:

**Sec. 19.142. Limitations on Eligibility.**

It is the intent of the City Council that unrealized City revenue from loss of property taxes not collected due to executed Historical Property Contracts shall not exceed \$2,000,000 annually. In furtherance of this policy, eligibility for Historical Property Contracts shall be limited, except within the Downtown Historic Core, the Hollywood Historic District or the Greater Downtown Los Angeles Area, to sites, buildings or structures with a pre-contract assessed valuation of \$1,500,000 or less for single-family dwellings, and \$3,000,000 or less for multi-family residential, commercial, or industrial buildings, unless the individual property is granted an exemption from those limits by the Cultural Heritage Commission.

The limitations on eligibility shall be based on the Priority Consideration Criteria as developed by the Historical Property Contracts Manager or the Cultural Heritage Commission and kept on file with the Office of Historic Resources in the Department of City Planning. The Priority Consideration Criteria are as follows:

(a) **Necessity.** The residential, commercial or industrial project will require financial incentives in addition to any mortgage financing, private capital or public loans, to help ensure the preservation of the property. This criterion shall establish that the structure is in danger of deterioration and in need of substantial rehabilitation that has significant associated costs.

(b) **Uniqueness.** The project is a unique example of a residential, commercial or industrial property. The unique characteristics of the Historic-Cultural Monument or HPOZ Contributing property are identified under this criterion.

(c) **Investment.** The residential, commercial or industrial project will result in additional private investment in the building other than for routine maintenance that may include seismic retrofitting, and substantial repair or rehabilitation work. This criterion will estimate the costs for the restoration and rehabilitation of the property that the owner is committed to undertaking.

(d) **Affordability.** (Multi-family/Commercial mixed-use properties only): The residential or mixed-use project will result in the preservation or addition of safe and affordable dwelling units for low and moderate income households. Eligible properties under this criterion shall conform to current United States Department of Housing and Urban Development (HUD) criteria for affordable housing.

(e) **Employment.** (Commercial and Industrial buildings only): The commercial or industrial project will primarily supply goods or services to residents of low and moderate income areas or provide employment of low and moderate income persons.

For the purpose of this section, "**assessed valuation**" does not include any portion of the value of a mixed-use project which is already exempt from payment of property taxes by a determination of the County Assessor pursuant to Sections 4(b) and 5 of Article XIII of the California Constitution and Sections 214, 254.5, and 259.5 of the Revenue and Taxation Code.

The Cultural Heritage Commission may grant an exemption from the limitations imposed by this section when:

- (a) granting the exemption will not cause the cumulative loss of property tax revenue to the City to exceed \$2,000,000 annually; and
- (b) the site, building or structure is a particularly significant Historic-Cultural Monument or Contributing Structure; and
- (c) granting the exemption will assist in the preservation of a site, building or structure which would otherwise be in danger of demolition, substantial alteration or relocation.

The City Council may, by majority vote, approve Historical Property Contracts not otherwise meeting the eligibility requirements contained in this chapter if it is found that the property meets all requirements of California Government Code Sections 50281 and 50282 and is especially deserving of a contract due to the exceptional nature of the property or other special circumstances.

Sec. 2. Section 19.144 of the Los Angeles Administrative Code is amended to read as follows:

An owner of a Historic-Cultural Monument or Contributing Structure may file an application with the Department for approval of a Historical Property Contract. Each application shall be accompanied by a nonrefundable application fee according to the following schedule:

- (a) Single-family residential property: \$250
- (b) Multi-family, Commercial and Industrial property: \$1,142
- (c) Valuation Exemption: \$473

An application for approval of a Historical Property Contract must include a complete legal description of the property.

Upon receipt of an application on a form to be prescribed by the Department and upon the payment of the fees required by this section, eligibility of the property for a Historical Property Contract pursuant to this chapter shall be determined. Upon verification that the property is a Historic-Cultural Monument or a Contributing Structure, the Department shall calculate the amount of revenue loss to the City from real property tax savings. If the amount of lost revenue from the proposed Historical Property Contract will not cause the City's lost revenues from Historical Property Contracts in the aggregate to exceed \$2,000,000 annually, then the Department shall ascertain whether the property's current assessed valuation is \$1,500,000 or less for single-family dwellings, or \$3,000,000 or less for multi-family residential, commercial or industrial buildings, unless the property is located within the Downtown Historic Core, the Hollywood Historic District, or the Greater Los Angeles Downtown Area, in which case the dollar limitations relating to assessed valuation are inapplicable. If those respective valuations are exceeded and the property is located outside of the Downtown Historic Core, the Hollywood Historic District or the Greater Los Angeles Downtown Area, the Cultural Heritage Commission shall determine whether an exemption should be granted, pursuant to Section 19.142 of this Code.

If the property is determined ineligible for a Historical Property Contract by the Historical Property Contracts Manager pursuant to this section, the owner or the owner's agent may appeal the Staff Determination of Ineligibility to the Cultural Heritage Commission. The appeal shall be filed on a form provided by the Department of City Planning. The fee for an appeal is \$473. The Cultural Heritage Commission shall make a determination of eligibility subsequent to the appeal.

If the property is determined eligible for a Historical Property Contract pursuant to this Section, the owner or the owner's agent shall prepare and submit to the Department a Historical Property Contract containing the required provisions as set forth in Section 19.143 and pay a Contract Execution Fee according to the following schedule:

- (a) Single-family residential property: \$1.00 per every \$1,000 of assessed property valuation
- (b) Multi-family, Commercial and Industrial property: \$1,866

The City's standard Historical Property Contract or the owner's version, as approved by the City Attorney, shall then be submitted by the Department to the City Council for its consideration. Historical Property Contracts are subject to City Council approval by majority vote of the entire City Council.

Sec. 3. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, at its meeting of NOV. 21 2012.

JUNE LAGMAY, City Clerk

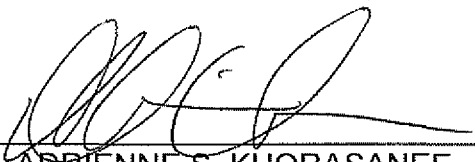
By  \_\_\_\_\_ Deputy

Approved DEC 06 2012 \_\_\_\_\_

 \_\_\_\_\_ Mayor

Approved as to Form and Legality

CARMEN A. TRUTANICH, City Attorney

By  \_\_\_\_\_  
ADRIENNE S. KHORASANEE  
Deputy City Attorney

Date August 6, 2012 \_\_\_\_\_

File No. CF 11-1778 \_\_\_\_\_