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CITY ATTORNEY

REPORT NO. R 17 - 0 2 4 0
JUL 18 2017

REPORT RE:

**DRAFT ORDINANCES AMENDING SECTION 19.01 F OF THE LOS ANGELES
MUNICIPAL CODE AND SECTION 19.144 OF THE LOS ANGELES
ADMINISTRATIVE CODE TO INCREASE THE FILING AND APPLICATION FEES
FOR HISTORIC PRESERVATION SERVICES, INCLUDING MILLS ACT CONTRACTS**

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Council File No. 17-0600

Honorable Members:

As requested by the Budget and Finance Committee, this Office has prepared and now transmits for your consideration, approved as to form and legality, the enclosed draft ordinances amending Section 19.04 F of Article 9, Chapter 1 of the Los Angeles Municipal Code (LAMC) and Section 19.144 of Chapter 14, Division 19 of the Los Angeles Administrative Code (LAAC).

These amendments increase the Historic Preservation and Mills Act fees to full cost recovery and adopt new fees for historic preservation services for which fees are not currently collected.

Background and Summary of Ordinance Provisions

On April 28, 2017, the Budget and Finance Committee, in consideration of the Mayor's 2017-2018 Proposed Budget, requested that the City Attorney "with the assistance of the Planning Department, prepare and present an ordinance to increase Historic Preservation and Mills Act fees to full cost recovery and adopt new fees for historic preservation services for which fees are not collected." The Budget and Finance Committee also requested a report back from the Planning Department, as well as the City Administrative Officer (CAO), on potential funding options, costs and benefits of expanding the City's Historic Preservation Overlay Zone (HPOZ) program.

On May 2, 2017, the Planning Department reported back to the Budget and Finance Committee on the potential funding options, costs and benefits of expanding the City's HPOZ program. The Planning Department requested the addition of one City Planner and three City Planning Associates to its existing staffing of the HPOZ unit at a cost of \$396,000 to be funded by the General Fund. The Planning Department proposed increases to HPOZ fees as part of the fee study currently pending before City Council.

On May 3, 2017, the CAO's office reported back to the Budget and Finance Committee regarding funding options, costs and benefits of expanding the HPOZ program. The CAO indicated that the 12-month fully burdened cost to add the four requested positions is \$564,408. The CAO concluded that increasing Historic Preservation and Mills Act fees to full cost recovery and adopting new fees for historic preservation services for which fees are not currently collected would fully fund the requested positions.

On May 18, 2017, Councilmember Ryu made a motion (Ryu – Koretz) "that the Budget and Finance Committee report on the Mayor's Proposed Budget for 2017-18 be amended to request the City Attorney, with the assistance of the Planning Department, to prepare and present an ordinance with options to update Historic Preservation and Mills Act Fees, including reviewing additional cost recovery, and review options for adopting new fees for historic preservation services for which fees are not collected."

Pursuant to these directives, this Office prepared amended ordinances to modify existing Historic Preservation and Mills Act fees to full cost recovery and adopt new fees for historic preservation services for which fees are not currently collected. A fee study supporting the fee increase implemented through these draft ordinances has been completed, but the Planning Department should comment on the appropriateness of increasing the fees to achieve full cost recovery.

Charter Findings Not Required

The enclosed draft ordinances strictly relate to increases in an existing fee in the fee schedule and are not land use ordinances. For this reason, these ordinances are not subject to approval by the City Planning Commission, pursuant to Charter Section 558.

CEQA Findings

The provisions of these draft ordinances do not constitute a "Project" under Section 15378 of the California Environmental Quality Act (CEQA) Guidelines. Pursuant to CEQA Guidelines Section 15378(b)(5) a "Project" does not include "[o]rganizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment." The draft ordinances merely amend Section 19.04 F of the LAMC and Section 19.144 of the LAAC to increase the fees associated with certain services. As such, there are no reasonably foreseeable direct or indirect physical changes on the environment caused by the draft ordinances.

If the City Council concurs, it should adopt this finding prior to or concurrent with its action on the ordinances.

Fee Notice Requirements

Prior to adopting a new fee or increasing an existing fee, the Council must conduct a public hearing concerning the matter, as required by Government Code Section 66016. Notice of the time and place of the meeting at which the hearing will be held, including a general description of the matter to be considered, must be published in accordance with Government Code Section 6062a. Those sections of State law require that prior to adoption of a new or increased fee a public hearing be held and notice of that hearing be published in a newspapers with two publications at least five days apart over a ten-day period. The notice period begins the first day of publication, and there must be at least five days intervening between the first and the second publications, not counting the dates of publication.

Council Rule 38 Referral

Copies of the draft ordinances was sent, pursuant to Council Rule 38, to the Department of City Planning and the CAO with a request that all comments, if any, be presented directly to the City Council when this matter is considered.

If you have any questions regarding this matter, please contact Deputy City Attorney K. Lucy Atwood at (213) 978-8248. She or another member of this Office will be present when you consider this matter to answer any questions you may have.

Very truly yours,

MICHAEL N. FEUER, City Attorney

By



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DM:KLA:mh
Transmittal