

# LOS ANGELES DEPARTMENT OF CITY PLANNING RECOMMENDATION REPORT AND NOTICE

## CULTURAL HERITAGE COMMISSION

**DATE:** March 20, 2008  
**TIME:** 10:00 AM  
**PLACE:** City Hall, Room 1010  
200 North Spring Street  
Los Angeles, CA 90012

**CASE NO:** CHC-1997-52407-MA  
**Location:** 11833-37 Laurelwood Drive  
**Contract No:** 97-2038302  
**Council District:** 2  
**Community Plan Area:** Sherman  
Oaks-Studio City-Toluca Lake-  
Cahuenga Pass  
**Neighborhood Council:** Studio City  
**Plan Land Use:** Low Medium  
Residential  
**Zoning:** [Q]RD1.5-1VL  
**Legal Description:** Lot 9 Tract 5336,  
Arb 1, 2  
**Assessor Parcel Nos:** 2369027010,  
2369027012

**REQUEST:** Cancellation of Historical Property Contract

**APPLICANT:** City of Los Angeles

**OWNER:** Helen Jameson  
22372 Boating Way  
Canyon Lake, CA 92587

**RECOMMENDATION:** That the Cultural Heritage Commission:

1. **RECOMMEND** that the City Council proceed with cancellation of the Mills Act Historical property Contract pursuant to Council Motion 07-3645 with a public hearing
2. **ADOPT** the report findings

S. GAIL GOLDBERG, AICP  
Director of Planning

**[SIGNED ORIGINAL IN FILE]**

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Ken Bernstein, Manager

**[SIGNED ORIGINAL IN FILE]**

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Lambert Giessinger  
Historic Preservation Architect  
Historical Property Contracts Manager  
(213) 978-1183

### ATTACHED EXHIBITS:

Attachment A: Council Motion and PLUM Referral Letter  
Attachment B: February 21, 2008 Commission Site Inspection Tour Photographs  
Attachment C: Copy of Contract recorded on December 30, 1997  
Attachment D: August 23, 2007 OHR Letter to Property Owner and attached correspondence  
Exhibit 1: Zone Information and Map Access System (ZIMAS) Property Profile Report

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**\*ADVICE TO PUBLIC:** \*The exact time this report will be considered during the meeting is uncertain since there may be several other items on the agenda. Written communications may be mailed to the *Commission Secretariat, 200 North Spring Street, Room 525, Los Angeles, CA 90012*. While all written communications are given to the Commission for consideration, the initial packets are sent the week prior to the Commission's meeting date. If you challenge these agenda items in court, you may be limited to raising only those issues you or someone else raised at the public hearing agendized herein, or in written correspondence on these matters delivered to this agency at or prior to the public hearing. As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability, and upon request, will provide reasonable accommodation to ensure equal access to these programs, services and activities. Sign language interpreters, assistive listening devices, or other auxiliary aids and/or other services may be provided upon request. To ensure availability of services, please make your request not later than three working days (72 hours) prior to the meeting by calling the Commission Secretariat at (213) 978-1300.

## **BACKGROUND**

Council Motion 07-3645 (Greuel-Weiss), initiated on November 13, 2007, instructs the Planning Department, in consultation with the City Attorney, to terminate Mills Act Historical Property Contract No. 97-2038302 for the subject property – the Laurelwood Apartments. The Laurelwood Apartments were built in 1948 and are listed as Historic-Cultural Monument No. 228. The complex was designated in 1980, as an example of the work of Modernist architect Rudolph M. Schindler. The Los Angeles Administrative Code Sections for the Mills Act that apply in this case are as follows (emphasis added in bold type):

### Sec. 19.140. Purpose.

Pursuant to California Government Code Section 50280, the City Council may contract with an owner or agent of the owner of any qualified historical property, as defined in Section 50280.1 thereof, provided the contract meets the requirements of Sections 50281 and 50282 thereof. Pursuant to Article 1.9 of the California Revenue and Taxation Code, historical properties that are “restricted” by the type of contracts referenced in the previous sentence shall be reassessed by the County Assessor in a manner that may result in lower real property taxes. The purpose of this chapter is to implement State law permitting the approval of such Historical Property Contracts by establishing a uniform procedure for the owners of certain qualified historic properties within the City of Los Angeles to follow when applying for approval of Historical Property Contracts.

The City Council finds and determines that entering into Historical Property Contracts as hereinafter provided, will provide an incentive for the owners of the City’s Historic-Cultural Monuments to preserve their properties, thereby providing a cultural benefit to the citizens of Los Angeles. It is also the intent of the Council to provide the same preservation incentive to the owners of Contributing Structures within the City’s Historic Preservation Overlay Zones, established pursuant to Section 12.20.3 of the Los Angeles Municipal Code. The City Council further finds that such preservation will assist in maintaining the City’s existing stock of affordable housing, thereby providing a social and economic benefit to the citizens of Los Angeles.

### Sec. 19.143. Required Provisions of Historical Property Contracts.

The required provisions of a Historical Property Contract shall be those required by California Government Code Sections 50281 and 50282, including, but not limited to:

- (a) a minimum term of 10 years;
- (b) the **owner’s commitment and obligation to preserve and, when necessary, restore and rehabilitate the property** to conform to the rules and regulations of the Office of Historic Preservation of the Department of Parks and Recreation, the United States Secretary of the Interior’s Standards for Rehabilitation, and the State Historical Building Code;
- (c) permission for periodic examination of the interior and exterior of the premises by State and local officials as may be necessary to verify the owner’s compliance with the agreement;
- (d) a provision binding all successors in interest of the owner to the benefits and burdens of the contract;
- (e) a requirement that the owner provide written notice of the contract to the Office of Historic Preservation within six months of entering into the contract;

(f) automatic annual renewal(s) of the contract, absent timely written notice of nonrenewal by the owner or the City, as prescribed in Section 50282(a).

Additionally, the contract shall require that the owner furnish the City with any information requested to determine the eligibility of the property. The contract shall state that **the City may cancel the contract if it determines that the owner has breached any of the conditions of the contract** or has allowed the property to deteriorate to the point that it no longer meets the standards for a Historic-Cultural Monument or Contributing Structure, and that the **City may also cancel the contract if the City determines that the owner has failed to restore or rehabilitate the property in the manner specified in the contract.** The contract shall also state that if the City does cancel the contract for the above reasons the owner shall pay the State of California a cancellation fee of twelve and one-half percent (12½%) of the full value of the property at the time of cancellation, as determined by the County Assessor without regard to any restriction on the property imposed pursuant to the Historical Property Contract.

The contract shall also provide that in the event preservation, restoration or rehabilitation becomes infeasible due to damage caused by natural disaster (e.g., fire, flood, earthquake, etc.), the City may cancel the contract without the owner being required to pay the State of California the above-referenced cancellation fee as a penalty. However, in such event, no contract shall be canceled by the City unless the Cultural Heritage Commission determines, after consultation with the State Office of Historic Preservation pursuant to Public Resources Code Section 5028, that preservation, restoration or rehabilitation is infeasible.

The Department of Planning ("Department") shall maintain a sample "Historical Property Contract" containing all required provisions specified by this section. Contracts submitted on the City's form shall be deemed to contain all provisions necessary for a Historical Property Contract with the City. Additional provisions desired by the owner shall be subject to approval by the City Council and the City Attorney.

Cancellation of the Contract by City Council requires a public hearing. California Government Code Section 50285 states that no contract shall be canceled until after the legislative body has given notice of, and has held, a public hearing on the matter. Notice of the hearing shall be mailed to the property owner and published pursuant to California Government Code Section 6061.

## **SUMMARY**

Attachment D identifies the multiple times that the City has met with and notified the owner of unsatisfactory conditions on the property. In addition, there have been code enforcement issues raised by the Los Angeles Housing Department on the property. The contract violations were noticed to the owner as far back as 2001. In addition, there have been meetings with the owner, Office of Historic Resources staff and the Council Office. The February 21, 2007 Commission site inspection tour revealed that some cosmetic repair work has been performed at the 11833 building; however, 11837 appeared to be in very dilapidated condition. The on-going property maintenance and rehabilitation work that is lacking on both buildings includes the following:

- Exterior plaster wall finishes that are cracked or missing and peeling paint.
- Deteriorated exterior wood finishes including dry rot and peeling paint.

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- Spauled and cracked concrete surfaces.
- Inappropriately placed electrical conduits on the exterior surfaces of the building.
- Missing light fixtures.
- Unrepaired planter boxes.
- Deteriorated and missing privacy fences at ground floor unit gardens and the use of inappropriate fence and screening materials including wooden lattice panels, wood and chicken wire.
- Deteriorated stairways. This is also noted as a life-safety hazard to the occupants of the building.
- Roof leaks and interior water damage.
- Inappropriate roof repairs.
- Trash and other debris lay throughout the property.
- Inappropriately placed plumbing along the front façade.
- Missing façade signage.

The owner Helen Jameson, purchased the property in 1987 for \$1,600,000. She entered into the Mills Act Contract with the City in 1997 - the first year of the program. The following is a break down of the property tax savings she has received provided to the City by the Assessor's Office.

| <b>Year</b> | <b>Base Year Assessed Value</b> | <b>Mills Act Value</b> | <b>Percent Savings</b> | <b>Tax Savings</b> |
|-------------|---------------------------------|------------------------|------------------------|--------------------|
| 1998        | 1,956,320                       | 868,200                | 56%                    | \$10,881           |
| 1999        | 1,992,480                       | 828,800                | 58%                    | 11,637             |
| 2000        | 2,032,320                       | 914,200                | 55%                    | 11,181             |
| 2001        | 2,032,320                       | 914,600                | 55%                    | 11,177             |
| 2002        | 2,073,106                       | 914,200                | 56%                    | 11,589             |
| 2003        | 2,219,990                       | 1,628,000              | 27%                    | 5,800              |
| 2004        | 2,261,437                       | 1,634,000              | 28%                    | 6,274              |
| 2005        | 2,306,663                       | 1,697,000              | 27%                    | 6,097              |
| 2006        | 2,352,796                       | 1,969,000              | 17%                    | 3,838              |
| 2007        | 2,399,844                       | 2,182,000              | 10%                    | 2,178              |

**Total Property Tax Savings:**

**\$80,652**

The purpose of the Mills Act is to assist owners in the rehabilitation of the property in accordance with the Secretary of The Interior's Standards for Rehabilitation (Standards). The over \$80,000 in property tax savings received by the owner would have helped offset a portion of the costs needed to rehabilitate the property. The Standards define rehabilitation as:

**The process of returning a property to a state of utility, through repair or alteration, which makes possible an efficient, contemporary use while preserving those portions and features of the property which are significant to its historic, architectural and cultural values.**

Projects should involve identification of the significant, historic, character-defining features; the retention of historic elements; the protection of the historic fabric; and its preservation through an appropriate treatment. Rehabilitation as a preservation treatment for this property would emphasize the retention and repair of historic, character-defining features while accommodating efficient, contemporary and continued use as an apartment complex.

#### **FINDING**

The owner has failed to rehabilitate and maintain the property in accordance with the provisions of Historical Property Contract No. 97-2038302.

#### **CONCLUSION**

The Mills Act Historical Property Contract program is jointly administered by the City of Los Angeles, the Los Angeles County Office of the Assessor and the California Office of Historic Preservation (OHP). According to the OHP, cancellation of this contract will be the first in the history of the Mills Act program statewide. The City's Historical Property Contracts Manager has counseled the property owner on numerous occasions since 2001 on the need to rehabilitate the property. She has been given numerous opportunities to prevent the cancellation of the contract and has failed to perform in a manner consistent with the requirements of the contract.