



## **HISTORIC PRESERVATION FUND COMMITTEE**

### **Minutes**

### **October 1, 2018**

*City of Arts & Innovation*

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**October 1, 2018, 6:30 p.m.**  
**Mayor's Ceremonial Room, 7<sup>th</sup> Floor**  
**City Hall, 3900 Main Street**

COMMITTEE MEMBERS PRESENT: Councilman Mike Gardner, Philip Falcone, Jennifer Gamble  
Steve Lech, Charles Tobin

STAFF PRESENT: Mary Kopaskie-Brown, City Planner  
Anthony Beaumon, Deputy City Attorney  
Scott Watson, Associate Planner  
Frances Andrade, Project Assistant

Chairman Gardner called the meeting to order at 6:30 p.m.

#### **COMMENTS FROM THE AUDIENCE:**

There were no comments from the audience at this time.

## **DISCUSSION CALENDAR:**

Planning Case P16-0140: Request by Hao Allen and Annie Ya-Chen Duan for: 1) a one-year time extension; and 2) a modification to the project scope associated with the previously approved \$18,700 grant awarded on April 11, 2016. Grant is to rehabilitation at a multi-family residence located at 4259 Mission Inn Ave, a Contributor to the Seventh Street Historic District, within the R-1-7000-CR, Single Family Residential and Cultural Resources Overlay Zones, in Ward 1. It has been determined this project is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Guidelines Section 15331 (Historical Resource Restoration/Rehabilitation).

Scott Watson, Associate Planner, presented the staff report. Mr. Duan has requested a time extension to complete the project. A modification of the project scope to include: 1) rebuild front elevations where columns are leaning at deck; 2) paint exterior of house; and 3) replace inappropriate rear siding. He would no longer complete: 1) rebuilding of the rear deck; and 2) replacement of the windows from the project scope.

Mr. Duan stated that to complete the entire scope of the project would cost over \$100,000. He indicated that he did not have the funds to complete the entire project at this time.

Mr. Watson explained that there is no recommended reduction for the awarded grant. The project cost for the modified scope of work totals \$40,700, within the \$18,700 in grant funds. This would equate a \$22,000 match by the property owner.

**MOTION** by Committee Member Lech, **SECOND** by Committee Member Falcone: To **APPROVE** the request for a one-year time extension for Planning Case P15-0750; and **APPROVE** the request to modify the project scope to read, "Rebuild front elevations where columns are leaning at deck; paint exterior of house; and replace inappropriate rear siding.

MOTION CARRIED: unanimously.

AYES: Falcone, Gamble, Gardner, Lech, Tobin

NOES: None

ABSTENTION: None

Fund Reconciliation: Consideration of the recommendation to accept \$726.45 in returned grant funds back into the Historic Preservation Fund for reimbursement pursuant to request of the Finance Division recommendation.

Mr. Watson, Associate Planner, explained that the Historic Preservation Fund Committee (HPFC) began awarding grant funds in April 2015. A total of forty-four grants, totaling \$684,260.91, have been awarded in four grant cycles. On July 31, 2017, the HPFC accepted \$69,792.86 in returned funds with the majority of the funds being distributed during the Grant Cycle IV meeting on October 17, 2016. On January 8, 2018, the HPFC accepted back into the fund \$19,912.50 from two grants, which were either cancelled or expired.

Since the HPFC's January 8, 2018 meeting, Planning Case P15-0750 came in under budget by \$726.45. This excess amount is being returned to the Historic Preservation Fund. With this returned grant funding and additional book sales and interest, the balance of the fund is currently \$38,537.20.

**MOTION** by Committee Member Lech, **SECOND** by Committee Member Gamble: To **ACCEPT** the returned grant funding back into the Historic Preservation Fund in the amount of \$726.45.

MOTION CARRIED: unanimously.

AYES: Falcone, Gamble, Gardner, Lech, Tobin

NOES: None

ABSTENTION: None

HP FUND RESEEDING: Discussion and recommendation on potential sources for reseeding the Historic Preservation Trust Fund.

Scott Watson, Associate Planner, reported that the committee held a workshop to discuss potential for reseeding the HP fund at their last meeting. Following the workshop the committee asked staff to bring back a priority ranking for funding sources based on the workshop discussion. Included in today's packet was a reworked reseeding matrix ranked in order based on staff's interpretation of the different potential resources. Also, added was the suggestion for development fees as well as code violation fines. As requested, staff reached out to the City of Ontario to find out more about their Mitigation Banking Program. Their Mitigation program is based off of their ranking which is a tiered system of designation. Their tier1 would equate to City Landmark; tier 2, Structures of Merit and tier 3 district contributor or something of that nature. In the City of Ontario, only tier 3 is eligible for mitigation banking. If a developer or someone wants to demolish a structure a fee of 10% of the valuation per square foot of the property is assigned and deposited into the HP Fund, which they use as a loan program. Over the 15 years of the program they have collected \$400,000. The program was included as part of their General Plan. Areas in the General Plan were designated high growth areas and identified eligible for the Mitigation Banking program. The City Council approved a statement of overriding consideration as part of the General Plan. The Planner in Ontario stated that they find this actually deters people more than it encourages the demolition of the structures.

Mr. Watson announced that the City has partnered with the University of California Riverside and contracted a grant writer who is looking for various grants for the city. One of the projects staff suggested was the HP Fund. The grant writer has been doing some investigation and finds that because the City is not a 501C3, the likelihood to receive grants and donations is limited. The 501C3 status is a base requirement for receiving grants from foundations. Governmental grants can be received but have none been found to date.

Chair Gardner suggested using a community foundation as a vehicle for accepting grants. The foundation may charge a portion for their administrative processing.

Mr. Watson agreed. There has been conversation about the City establishing a citywide foundation which would have a line item to the HP Fund, but this would be done the road.

Mr. Watson noted that another suggestion was that the HP Fund form their own foundation, separate from the City. This would be similar to the Housing Development Corporation.

Mr. Watson briefly went through the reseeding matrix. He requested input from the Committee in regards to the ranking and direction for staff to develop a strategy.

Committee Member Falcone stated that he would have thought the code violation fines would have been higher on the list.

Mr. Watson replied that this was based on the discussions at the last meeting, and can definitely be adjusted.

Chair Gardner suggested that the Committee forward something to the Council but it doesn't necessarily have to be ranked in any way and the Council would do that. The Committee can identify for consideration these funding sources.

Committee Member Tobin noted that at the end of the last meeting he was disconcerted in that there was still a cloud over the question of private donations. The City has a policy, it was provided to us and he thought it was absolutely crystal clear. The City can receive private donations through that policy.

Mr. Watson agreed, the City is able to accept them but the likelihood of receiving them from large corporations is low.

Committee Member Tobin pointed out that it has to be decided, is the glass half empty or half full. The term, fund development was specifically added to the job recruitment of the historic preservation officer. This should be a primary focus of that job. We should not slam the door on the potential for private donations. It is clear that there is a City policy that says it can be accepted. He felt this was a viable pathway and pointed to the City of Pasadena and Los Angeles which have been very successful.

Committee Member Lech commented that this may be where the foundation comes into play. He did not see someone donating to the City directly but if there was a preservation foundation, he could see people or entities donating to that.

Committee Member Tobin stated that there were already a number of operational city foundations, such as Museum, Housing and Parks. He believed the city should also have Historic Preservation Foundation.

Chair Gardner pointed out that the cost of creating a foundation is relatively low. However, there is some noticeable time required, whether that person is the Historic Preservation Officer or City Planner, but they are not trouble free. The Committee can certainly make this recommendation to Council.

Ms. Kopaskie-Brown, City Planner, agreed and noted that is something that can be researched, should the City form a foundation.

Committee Member Falcone asked if the Committee thought Riverside had the means raise sizable individual or corporate donations that would make the foundation worthwhile?

Committee Member Lech recalled the Evergreen Cemetery group which raised \$3 million. This group worked hard and with the right people and advertising, the HP Foundation could as well.

Committee Member Tobin said that the cemetery was a perfect example. You have to create the vehicle by which this can be done. He reiterated that a city foundation for historic preservation is an appropriate structure to create. He felt the City policy says this structure can accept private donations.

Ms. Kopaskie-Brown noted that no one has stated differently. The City can receive the private donations. The point is people may be more willing to donate to a foundation or 501C3 because of the benefits to them as the giver. It is an issue of optics, who is the money given to. A lot of people/corporations like the optics of donations given to a foundation rather than government.

Committee Member Tobin asked whether the general fund allocation was to be a one time only or an annual allocation?

Chair Gardner stated that Committee can make that suggested to forward to Council. It doesn't hurt to ask.

Committee Member Tobin stated that a dialogue should be started with regard to a general fund allocation. There is a good solid economic argument to be made for the City to continue with a general fund allocation. A revolving loan should be considered. There are many examples of successful preservation revolving loan programs nationally. This concept should remain on the list. He suggested an amendment to add a revolving loan/grant authority to the HP Fund.

Mr. Watson noted that the City of Ontario included this as part of the General Plan EIR process. He suggested Riverside may want to do this as well which would require coordinating with the General Plan update process which may be long term.

Ms. Kopaskie-Brown agreed and stated that there are many short term items that can be done quickly and others that are probably long term.

Chair Gardner agreed this is potentially feasible without substantial cost as part of the General Plan update and could be included on the list. He asked if there was anything in the list that anyone would recommend removing. If not, the Committee can ask staff to draft the presentation to Council.

Committee Member Tobin stated these were his top four items: private donations, general fund allocation, revolving loan and mitigation banking.

Committee Member Lech asked where staff was in the General Plan EIR process?

Ms. Kopaskie-Brown replied that staff was still working on the development of a request for proposal for consultants. She noted that the General Plan once begun will take approximately 9 to 12 months to complete.

**MOTION** by Committee Member Lech, **SECOND** by Committee Member Falcone: To **ADD** creating a historic preservation fund to the reseeding matrix.

MOTION CARRIED: unanimously.

AYES: Falcone, Gamble, Gardner, Lech, Tobin

NOES: None

ABSTENTION: None

Ms. Kopaskie-Brown indicated that it will take staff time to prepare the report to City Council. She stated that staff will prepare something and return to the Committee for their input.

Committee Member Tobin suggested revisiting Title 20 financial incentives, specifically the Mills Act program. The Mills Act goes directly from application to the City Council. He would like to see the administration of the Mills Act report to the Cultural Heritage Board. The program should be better targeted to interact with other programs and it has to be simplified. This would be another potential revision to Title 20, if it were restructured.

Chair Gardner noted that staff would have to go through the Mills Act itself at the state legislation level to see what the administrative requirements are.

Ms. Kopaskie-Brown stated this would be another question to ask the city attorney.

**ADJOURNMENT:**

The meeting was adjourned at 7:55 p.m. to the next meeting to be determined.

*The minutes were approved as presented at the January 14, 2019 meeting.*