

LAGUNA BEACH HISTORIC PRESERVATION BACKGROUND

“Since the 1920’s and the real flowering of Laguna Beach, there has always been a strong recognition of Laguna Beach as a village scale community in a unique setting complemented by human scale housing. Since the 20’s citizens and local government have tried earnestly to preserve the village scale and quality of Laguna, . . .” (Citation: *Laguna Beach Historic Survey Final Report*. Prepared by the Environmental Coalition of Orange County, Inc., 1981.)

During the period from July 15, 1980 to July 15, 1981 a historic survey was performed by Heritage Orange County, Inc., with the assistance of a City Council-appointed Historic Survey Advisory Board. This survey identified a total of 852 pre-1940 homes and structures within the City. The survey rated homes and structures into three categories. The Historic Resources Inventory served as a source of documented information about the City’s historic resources from which the Historic Resources Element of the Laguna Beach General Plan was prepared and adopted by City Council on October 6, 1981 (Resolution 81.115). The number one implementation goal of the Historic Resource Element was to develop and adopt a Historic Preservation Ordinance in order to preserve and protect the cultural heritage of Laguna Beach.

On December 21, 1982, the City Council adopted Resolution 82.111, which formally recognized the 1981 Historic Resources Inventory “as a listing of the best representative examples of historically significant architecture within the City of Laguna Beach.” The Inventory found that about 25% of the structures dated from prior to 1940 still retained their original architectural integrity, but that the majority of the structures had a difference between the size and architectural quality of the original buildings. Due to the changes over time the team responsible for the survey instituted a classification system. **Exceptional** (E-rated) buildings were those with outstanding historic architectural integrity and were excellent architectural examples. **Key** (K-rated) buildings had very good historical architectural integrity and were fine period examples. **Contributive** (C-rated) buildings were those that contributed to the overall character and history of a neighborhood but may “not be unique in and of themselves.”

On August 15, 1989, the City Council adopted the Historic Preservation Ordinance (Ordinance 1179 – Municipal Code Chapter 25.45). This Ordinance established a “voluntary” Historic Register, which was available to owners of historic structures identified on the Historic Resources Inventory, and now also includes historic structures listed in the South Laguna Specific Plan. The Ordinance recognizes the Historic Resources Inventory and its classification system. The Ordinance provides incentives to owners of structures on the Historic Register to maintain, preserve and improve their historic properties. This Ordinance requires Design Review Board approval for proposed construction, exterior alteration, enlargement or demolition of a building or structure listed on the City’s Historic Register. The Ordinance also establishes the Heritage Committee in an advisory role on matters pertaining to historic preservation as specified in the Ordinance.

When a proposed project might adversely affect a historical resource, the California Environmental Quality Act (CEQA) requires the City carefully consider the possible impacts before proceeding (Public Resources Code Sections 21084 and 21084.1). Revisions to CEQA made in 1992, particularly Chapter 1075 of the Statutes of 1992, highlight the importance of evaluating possible impacts upon historic resources.

CEQA applies to discretionary projects and equates a substantial adverse change in the significance of a historical resource with a significant effect on the environment (Section 21084.1). "Substantial adverse change" is defined as demolition, destruction, relocation or alteration activities that would impair historical significance (Section 5020.1).

This effectively requires preparation of a mitigated Negative Declaration or an Environmental Impact Report (EIR) whenever a project may adversely impact historical resources. Current CEQA law provides that an EIR must be prepared whenever it can be fairly argued, on the basis of substantial evidence in the administrative record, that a project may have a significant effect on a historical resource (*Guidelines* Section 15064). A mitigated Negative Declaration may be used where all potentially significant effects can be mitigated to a level of insignificance (Section 21080). For example, a mitigated Negative Declaration may be adopted for a project that meets the Secretary of Interior's Standards for Rehabilitation and local historic preservation regulations, and so will not adversely affect the resource.

This presents the City with two key questions which it must address in sequence. First, does a significant historical resource exist? Absent a historical resource, the agency may proceed as usual and, depending upon the circumstances, may be able to apply a CEQA exemption to the project. Second, where a significant historical resource does exist, will the proposed project result in a substantial adverse change such that the qualities that make the resource significant are impaired or lost? This question is usually answered through preparation of an initial study for the project.

The Mills Act was adopted in 1976 by the State Legislature to establish an alternative method for determining assessment values for historic properties. The Act authorizes cities to enter into 10-year contracts (minimum) with owners of qualified historic structures that agree to comply with certain preservation restrictions and receive property tax reductions. The property owner may then use the money made available from a reduced tax bill to maintain and/or rehabilitate the historic structures.

In September 1993, the City Council approved the use of the Mills Act as an incentive for the preservation of historic structures (E-rated structures). In 2006, the City amended Mills Act eligibility to include "K"-rated structures. Periodic inspections of the properties are made by staff to ensure contract compliance.

On November 21, 1995, the City Council amended the Historic Preservation Ordinance (Ordinance 1309) to revise the parking incentives for Historic Register listed buildings.

On January 10, 2006, the City Council amended the Historic Preservation Ordinance (Ordinance 1458) and amended/updated the City's Historic Resources Element of the General Plan (Resolution 06.006). The amended Ordinance requires Design Review Board approval for proposed demolition of a building or structure listed on the City's Historic Resources Inventory.

Over the years the above listed documents satisfied the basic need to guide historic resource development and preservation in the City. Today, however, the Historic Resource Inventory is outdated and must be updated for compliance with CEQA and consistency with the Secretary of Interior's Standards for the Treatment of Historic Properties and the California Office of Historic Preservation's (OHP's) Instructions for Recording Historical Resources.