

# LA COUNTY PERCENT FOR ART ORDINANCE

Below is an overview of the above listed coalition's "Suggested Amendments" broken down between priority amendments and technical amendments, and "Concerns". This feedback is based on the June 2019 Los Angeles County Percent for Art Ordinance:

## **SUGGESTED AMENDMENTS**

- Priority Amendments:
  - **Residential Development Should be Exempted**
    - Previously Exempted – When the ordinance was first introduced residential development was exempted, due to the negative impact on housing, according to County staff. (Noted in the Resolution prepared by Regional Planning staff in the first version of the ordinance.)
    - Currently Experiencing a Housing Crisis – The County's homelessness count is up 12%, and costs increased to the production of housing (like an art fee) reduces supply across all income levels. This results in increased costs for the "missing-middle" and first-time homebuyers (teachers, firefighters, police, etc.).
    - Residential Housing is Unique – Residential development provides community benefits such as; School, Park and Recreation fees, etc.
    - Inclusionary Zoning Consideration – Affordable Housing has an exemption, and this is very positive. Since inclusionary is coming down the pipeline ALL market-rate development will be producing affordable housing and dealing with the same financial issues as affordable housing, especially on private-public-partnerships.
  - **Industrial Development Should be Exempted:**
    - Public Safety – This is a public safety issue. Industrial locations such as research, manufacturing, heavy industry, warehousing, etc., are all facilities that have numerous safety needs even for the employees and are not designed for the public to come and go. Often there are security measures and fencing designed to keep the public out of the locations.
- Technical Amendments:
  - **Broaden the definitions of Civic Art & Include Murals:**
    - In the current ordinance items such as "landscaping", "decorative elements", "design enhancements", and "architecture of the building or facility, or any portion thereof" have been excluded as part of the "Civic Art" definition on Page 3, and under the "Civic Art Standards" section on Page 14, points "e." and "f." We ask that those items be included within the Civic Art definition.
    - On Page 10, Item 10 the word Murals should be added; "Commercial and Industrial development projects, or portions thereof that are designed and dedicated to the arts as long as the sites, murals and hard art works are maintained within the building..."
  - **Building Valuation:**
    - Maintenance should be part of the cost contributing to the 1% fee. Currently the cost burden is 1% *plus* maintenance of the art. This amounts to more than a 1% fee and exist in perpetuity. Additionally, excluded is the cost of services and utilities for the art. These expenses should be recognized as part of the fee threshold.
  - **Local Return of Revenue:**
    - To ensure that the residents who are paying for the art fee through increased rents are reaping the benefit, the revenue must be spent within the supervisorial district in which they were generated.

- Art Tax – Implementing a percent for art ordinance that is seeking to mitigate a deficit in the community, in this case art, should be produced or expensed within the respective jurisdiction. Otherwise, this would not be considered a “mitigation fee”, instead it would be an “art tax”.
- **Reduce the Impacts on Rents and Job Creation:**
  - Any art ordinance developed should be a be voluntary-incentive-based program.
  - Include meaningful offsets or incentives to balance the increase in 1% fees.
  - A credit program should be established for art in development, developers should be receiving credit for what they are already providing as art on their developments.
- **Renovation & Rehabilitation:**
  - These categories should remain exempt. Staff had originally exempted them and at the last moment, without explanation or discussion, they were excluded in the revised draft of the ordinance (Page 1, should remove “Revitalization Project”, and on Page 10, Item 5 there should be an exemption for restoration, renovation and rehabilitation). Improving and maintaining the quality of a community requires renovations and rehabilitation of buildings. This should be encouraged and incentivized, and failure to exempt renovation and rehabilitation is likely to discourage or delay improvements to residential buildings
- **Sunset Date:**
  - This ordinance should incorporate an implementation of an end date to allow County staff and the Board of Supervisors time to review the effects of the art ordinance, evaluate the success, and make adjustments if needed.
- **Building Hurdles:**
  - Development Process –This proposal creates an entirely new mandatory process that must be navigated, in addition to an already complicated entitlement process. Art is in the eye of the beholder. Developers would be subject to the approval of this new Department of Arts and Culture in accordance with their policies and implementation procedures, which is unclear and yet to be determined.
    - On Page 11, number one, line nine: the word “may” should be changed to “shall”, so it would say “A certificate of occupancy shall be issued, and the deposit returned.
    - On Page 7, The developer *must* get all approvals and permits for any off-site art *before* the county art plan is approved. This would force the developer go through the entire process of getting permits without knowing if the County will approve the art project. The County should approve the art plan before one gets the additional permits.

## **CONCERNS**

- **Need for Ordinance is Unclear:**
  - Research Needed – County staff should research the art needs of the County to better address the reason for the ordinance.
  - Prioritization – County staff should review and assess the County’s art condition versus competing priorities, like homelessness, housing, transit, etc. The homeless situation has grown worse since last year with a 12% increase.
  - Art in Development – Building to today’s standards & market there already are many art elements and enhanced design features in/on buildings (see the sample project slides).
- **Small Business:**
  - The County has a policy to promote small business retention. Small business operates on a small margin, and the more costly it is to build, operate and maintain a building, the more difficult it will be for small businesses to survive. This is true for residential developers and commercial buildings.