

CITY OF SANTA MONICA ZONING ORDINANCE

9.56.160 Certificate of Economic Hardship

A. Application for a certificate of economic hardship shall be made on a form furnished by the Department. An application shall be processed in accordance with the same procedures set forth in Sections 9.56.170 and 9.56.180 of this Code.

B. The Landmarks Commission may solicit expert testimony or require that the applicant for a certificate of economic hardship make submissions concerning any or all of the following information before it makes a determination on the application:

1. Estimate of the cost of the proposed construction, alteration, demolition or removal, and an estimate of any additional cost that would be incurred to comply with the recommendations of the Landmarks Commission for changes necessary for the issuance of a certificate of appropriateness. In connection with any such estimate, rehabilitation costs which are the result of the property owner's intentional or negligent failure to maintain the designated landmark or property in good repair shall not be considered by the Landmarks Commission in its determination of whether the property may yield a reasonable return to the owner.
2. A report from a licensed engineer or architect with experience in rehabilitation as to the structural soundness of any structures on the property and their suitability for rehabilitation.
3. Estimated market value of the property in its current condition; estimated market value after completion of the proposed construction, alteration, demolition or removal; estimated market value after any changes recommended by the Landmarks Commission; and, in the case of a proposed demolition, estimated market value after renovation of the existing property for continued use.
4. In the case of a proposed demolition, an estimate from an architect, developer, real estate consultant, appraiser or other real estate professional experienced in rehabilitation as to the economic feasibility of rehabilitation or reuse of the existing structure on the property.
5. Amount paid for the property, the date of purchase, and the party from whom purchased, including a description of the relationship, if any, between the owner of record or applicant and the person from whom the property was purchased, and any terms of financing between the seller and buyer.
6. If the property is income-producing, the annual gross income from the property for the previous two years; itemized operating and maintenance expenses for the previous two years; and depreciation deduction and annual cash flow before and after debt service, if any, during the same period.
7. If the property is not income-producing, projections of the annual gross income which could be obtained from the property in its current condition, in its rehabilitated condition, or under such conditions that the Landmarks Commission may specify.

8. Remaining balance on any mortgage or other financing secured by the property and annual debt service, if any, for the previous two years.
9. All appraisals obtained within the previous two years by the owner or applicant in connection with the purchase, financing or ownership of the property.
10. Any listing of the property for sale or rent, price asked, and offers received, if any, within the previous two years.
11. Assessed value of the property according to the two most recent assessments.
12. Real estate taxes for the previous two years.
13. Form of ownership or operation of the property, whether sole proprietorship, for profit or not-for-profit corporation, limited partnership, joint venture or other.
14. Any other information considered necessary by the Landmarks Commission for a determination as to whether the property does yield or may yield a reasonable return to the owners.

C. In considering an application for a certificate of economic hardship, the Commission shall consider all relevant factors. In order to grant a certificate of economic hardship, the Landmarks Commission must make a finding that without approval of the proposed demolition or remodeling, all reasonable use of or return from a designated landmark or property within a Historic District will be denied a property owner. In the case of a proposed demolition, the Landmarks Commission must make a finding that the designated landmark cannot be remodeled or rehabilitated in a manner which would allow a reasonable use of or return from such landmark or property to a property owner.

D. Upon a finding by the Commission that without approval of the proposed work, all reasonable use of or return from a designated landmark or property within a historic district will be denied a property owner, then the application shall be delayed for a period not to exceed one hundred twenty days. During this period of delay, the Commission shall investigate plans and make recommendations to the City Council to allow for a reasonable use of, or return from, the property, or to otherwise preserve the subject property. Such plans and recommendations may include, but are not limited to, provisions for relocating the structure, a relaxation of the provisions of the ordinance, a reduction in real property taxes, financial assistance, building code modifications and/or changes in zoning regulations.

E. If, by the end of this one hundred twenty day period, the Commission has found that without approval of the proposed work, the property cannot be put to a reasonable use or the owner cannot obtain a reasonable economic return therefrom, then the Commission shall issue a certificate of economic hardship approving the proposed work. If the Commission finds otherwise, it shall deny the application for a certificate of economic hardship and notify the applicant by mail of the final denial. (Added by Ord. No. 2486CCS §§ 1, 2, adopted June 23, 2015; amended by Ord. No. 2520CCS § 59, adopted June 14, 2016)
