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March 19, 2019

Los Angeles City Council
c/o Office of the City Clerk
City Hall, Room 395
Los Angeles, California 90012

Attention: PLUM Committee

Dear Honorable Members:

**TEMPORARY SIGNS ON TEMPORARY CONSTRUCTION WALLS AND FENCES
SURROUNDING VACANT LOTS; CF 17-0893**

On June 12, 2018, the Planning and Land Use Management Committee (PLUM) considered a proposed ordinance to clarify regulations regarding temporary signs on temporary construction walls and on solid wood fences surrounding vacant lots. After discussion, PLUM continued the matter and instructed:

1. The Department of Building and Safety (DBS), with assistance from the Department of City Planning (DCP), to report on more detailed options regarding construction wall requirements pertaining to temporary signs, including options for perimeter walls around larger project sites.
2. DCP, with assistance from the Department of Public Works Office of Community Beautification (OCB), to report on the overall efficacy of the graffiti abatement program, including past performance; and report on options to further enhance City reporting requirements.
3. DCP, OCB and the City Attorney to report on recommendations on how to quantify the value of temporary signs on construction walls for determining the benefits provided to the City; including a discussion on whether the program participants can be compelled to share the data.

BACKGROUND

The proposed ordinance, approved by the City Planning Commission (CPC) on May 25, 2017, clarifies regulations pertaining to temporary signs located on temporary construction walls and on wood fences surrounding vacant lots. Current regulations were established as part of the Department of Public Works Graffiti Abatement Program in 2007 to provide an incentive for graffiti removal by allowing temporary signs in exchange for maintaining the subject property and public property within the surrounding area free of graffiti and trash. However, in recent years, some ambiguity in the regulations has resulted in enforcement challenges. Examples of the issues encountered are construction walls erected that are not required for the construction work underway and required construction walls maintained longer than necessary, primarily for the

intent of posting off-site signs. The purpose of the proposed ordinance is to clarify the regulations to facilitate proper enforcement.

The following are the key components of the proposed ordinance approved by the CPC and presented to PLUM:

- A permit for a temporary sign on a temporary construction wall can only be issued when:
 - there is a separate valid permit authorizing construction work on site;
 - at least a portion of the temporary construction wall is required for public safety; and
 - there is no operating business on the lot or lots on which the building undergoing authorized construction is situated.
- If construction work is suspended, discontinued, or abandoned for 6 months, the temporary sign permit becomes invalid.

ADDITIONAL EVALUATIONS SINCE JUNE 2018

As part of the City's research for this report, DCP and the DBS met with industry representatives to garner a more detailed understanding of the industry dynamics.

1. Construction Wall Requirement

Temporary Construction Wall Definition

As the proposed ordinance is currently written, temporary signs are only allowed on construction walls if at least a portion of the wall is required by Los Angeles Municipal Code (LAMC) to protect pedestrian safety. Some industry representatives expressed interest in expanding the provisions so as to allow temporary signs on any construction wall, whether it is required or not, including those erected for security purposes.

Recommendation:

DCP recommends no changes to the proposed ordinance, and does not recommend that temporary construction walls be expanded to include walls erected for site security. The LAMC contains no established criteria regulating when security walls are allowed. Therefore, allowing temporary signs on security walls could result in a proliferation of security walls erected for the purpose of posting temporary signs on them.

Operating Business Requirement

The proposed ordinance prohibits temporary signs on temporary construction walls where there is an operating business on site. Some industry representatives have advocated for eliminating this prohibition. Their rationale is that businesses on large sites having multiple tenants would be prohibited from participating in the program unless all the businesses on the site are closed.

Recommendations:

DCP recommends no changes to the proposed ordinance, and does not recommend allowing temporary signs on temporary construction walls on sites with operating businesses. The purpose of the program is to allow temporary signs as an incentive for maintaining the subject property and public property within the surrounding area free of graffiti and trash. When a site includes operating businesses, the incentive to maintain the property already exists, thereby eliminating the need for the incentives provided by the program. Furthermore, since these temporary signs can generate a substantial amount of revenue, allowing the signs in addition to other normal business activity, can create an incentive to post signs primarily for the purpose of generating revenue, rather than for the intended purpose of abating trash and graffiti. Allowing businesses to remain in operation while participating in the program facilitates the use of the fence for an unintended purpose and the proliferation of unnecessary and unaesthetic fences for longer periods of time, which could also adversely affect other nearby businesses or residents. Allowing temporary signs on sites where there is an operating business would greatly increase the number of sites throughout the City that would be eligible to post temporary signs, effectively expanding the scope of this program.

Should the ordinance be modified to allow temporary signs on temporary construction walls on sites with operating businesses, DBS recommends that the ordinance render the sign permit expired if construction authorized by the building permit has not commenced, or has been suspended, discontinued or abandoned for a continuous period of 60 days. This would allow DBS to enforce violations more expeditiously. Further, PLUM may choose to consider limiting how far temporary signs may be located from operational businesses.

2. Review of Graffiti Abatement Program

The Graffiti Abatement Program allows temporary signs on temporary construction walls or on solid wood fences surrounding vacant lot in exchange for graffiti removal. The program was established to provide an incentive to clean up construction sites and/or vacant lots and their surrounding areas and maintain them free of graffiti and trash. Program participants are obligated to patrol a required cleanup area every 24 hours to search for graffiti and trash and remove it within 24 hours of its discovery. The required cleanup area is a 500-foot radius around the property proposed for the temporary sign; the cleanup area can be extended up to a radius of 1500 feet by OCB, depending on the presence of graffiti or trash. While cleanup is enforced by OCB, currently no mandatory reporting is required to document cleanup performed; DCP is aware of only one company that voluntarily reports the cleanup data to OCB on a regular basis. A few other companies provide sporadic reports.

Without complete data from all the sign operators, it is difficult to evaluate the efficacy of the program. Required monthly reporting would quantify cleanup benefits, identify areas where cleanup could be improved and areas where the cleanup radius should be expanded, and would facilitate enforcement. The proposed ordinance provides OCB with the authority to establish administrative policies and procedures which would allow for the enforcement of mandatory monthly reporting on cleanup efforts, as well as provide additional guidelines and requirements for graffiti abatement efforts.

3. Valuation of Temporary Signs on Construction Walls/ Fences Surrounding Vacant Lots

DBS reports that as of September 2018, there were a total of 97 active temporary sign permits, 59 of which were located on construction walls and 38 on fences surrounding vacant lots.

In conferring with industry representatives, DCP learned that media companies engage in a complex process in their effort to project potential revenue from temporary signs on construction walls and fences surrounding vacant lots. Variables such as a property's location, length of street frontage, leasable advertising area, construction duration, and estimated turnover rate for temporary signs are the major factors considered in estimating the value of posting signs in various locations. Media companies also consider the cost of posting temporary signs, including monthly rent paid to the property owners, expenses incurred during the process of finding eligible property, selling leasable space for advertisement, securing entitlements, and cost of construction, clean-up and administration. Negotiations between stakeholders involved in the process, such as media brokers, property owners, contractors, and advertising buyers impact these costs. Roughly half of the revenue a media company receives from posting a temporary sign is paid as rent to the site-owner where the sign is posted. According to sources, after deducting costs, the estimated earnings by media companies for a temporary sign at a single site vary considerably but are estimated to range from \$500-14,000 per month, depending on specific site characteristics. Given these myriad factors and considerations, DCP did not discover any standardized formula for determining the value of these temporary signs.

With regard to correlating the amount of revenue as a basis to determine whether the City can expand the required cleanup area, research suggests that there is no correlation between the expected revenue and the need for cleanup near the site. Often, the value of temporary signs is inversely correlated with the presence of trash and graffiti, as trash and graffiti tend to be more prevalent in less affluent locations which are less likely to be considered prime locations for advertising. For this reason, there would be no utility in requiring media companies seeking temporary sign permits on construction walls and fences to provide their anticipated revenue from the signs.

However, it should be noted that the current regulations authorize OCB to expand the 500-foot radius cleanup area in 250-foot increments, up to a maximum radius of 1,500 feet depending on the presence of graffiti or trash. This type of cleanup requirement is based on the actual amount of graffiti and trash that needs to be cleaned up. The cleanup requirement begins with a relatively modest 500-foot radius, which is increased incrementally only after OCB finds that conditions at the site make such an increase necessary. Also, the cleanup requirement serves as a reasonable mitigation for the additional neighborhood blight caused by the display of the temporary signage, which is always present but is difficult to quantify. This authorization is maintained in the proposed ordinance.

OTHER RECOMMENDATIONS

DBS offers the following recommendations to further strengthen the regulations.

Modify the Expiration Provisions of the Sign Permits

Currently, a permit for temporary signs on temporary construction walls does not expire until the construction permit has expired or been revoked. This prevents DBS from quickly enforcing against illegal sign postings. DBS recommends that the ordinance be modified to expire the sign

permit without having to wait for the construction permit to expire or be revoked. If the ordinance allows for sign permits to expire while a construction permit is still valid, DBS can enforce against abuses of the program more quickly and effectively. This modification to the ordinance would allow for the policies of the ordinance to be enforced more effectively.

Restrictions to Limit Repeat Violators

DBS recommends including a provision in the ordinance that would enable DBS to deny a sign permit if the site had a sign permit that was expired or revoked in the previous two years. This would help prevent repeat violators of the program from immediately posting signs after being required to take them down.

SUMMARY

After additional evaluation requested by PLUM on June 12, 2018, no changes are recommended to the ordinance regarding: 1) temporary signs on construction walls surrounding operating businesses, 2) reporting requirements for the Graffiti Abatement Program, or 3) the valuation of temporary signs. DBS has offered recommendations to strengthen the enforcement of the proposed ordinance for PLUM's consideration.

Please contact Yi Lu, 213-978-1287 or Erin Coleman, 213-978-1338 at the Department of City Planning with any question regarding this report.

Sincerely,

A handwritten signature in blue ink, appearing to read "V. P. Bertoni", followed by a circular stamp containing the letters "FP".

VINCENT P. BERTONI, AICP
Director
Department of City Planning

A handwritten signature in blue ink, appearing to read "Frank M. Bush", followed by the word "for" in a smaller, cursive script.

FRANK M. BUSH
General Manager
Department of Building and Safety

A handwritten signature in blue ink, appearing to read "Paul K. Racs".

PAUL K. RACS
Director
Office of Community Beautification
Department of Public Works