

Highrose Questions from August 16, 2022 City Council Meeting

After publication of the August 16, 2022 City Council agenda packet, staff received the following questions from City Council regarding the Highrose project via email. The questions were also asked at the August 16 City Council meeting. The following provides a summary of the questions and answers.

Questions are shown in ***bold italicized text***. The responses from staff and/or the applicant are synopsized below, with answers from the applicant, marked and prefaced as [Applicant] where applicable.

1. Please provide the exact unit mix of the 79 units and average square footage of each.

The six units set aside for “very low income” residents include two studio units, one one-bedroom unit, and three two-bedroom units.

Unit Type	Total Number (includes affordable)	Number Affordable	Average Unit Size
Studio	21	2	512 sq ft
1 BD	11	1	792.3 sq ft
2 BD	40	0	1,095 sq ft
3 BD	7	3	1,394.6 sq ft
Total	79	6	---

2. Of the parking spaces provided, how many are tandem?

66 standard sized, non-tandem spaces

48 standard sized tandem spaces (aka 24 sets of two-car tandem spaces)

13 compact, non-tandem spaces

127 spaces total

7 motorcycle parking spaces have also been provided.

3. What does staff believe are the challenges with the use of tandem parking spaces?

Tandem spaces must be assigned in a way that only one unit may use the two tandem spaces. As explained below, tandem spaces are permitted by the Municipal Code and Local Coastal Program for residential projects, and staff's role in reviewing a project is limited to ensuring compliance with these regulations.

Highrose Questions from August 16, 2022 City Council Meeting

4. *With a normal permitting process, does the city allow tandem parking spaces? If not, why not?*

Local regulations allow for tandem parking in residential projects, as the City's Municipal Code and Local Coastal Program have minimum dimension requirements for a set of spaces to be considered tandem parking. Staff frequently sees tandem spaces proposed in residential projects, with the tandem spaces primarily used to meet minimum parking requirements.

5. *How will tandem parking spaces be assigned to each of the unit types?*

[Applicant] Tandems will be assigned to the 2 and 3 bedroom units.

6. *Applicant indicates they have a lease from Chevron for additional parking spaces at the north end of the building.*

a - Exactly how many parking spaces are included?

[Applicant] (a) We intend to re-stripe the lot once the Verandas project is developed, and it should result in 150 spaces +/-

b - What are the terms of the parking space lease, specifically the length of the lease and the termination terms?

c - When is the parking space lease from Chevron due for renewal?

[Applicant] (b&c) Chevron has been leasing the parking lot to the owner of Verandas for decades (since the 70s). They typically enter into either a 5 or 10 year leases w/ the right to terminate on 30 days notice. We have a 5-year lease. It's worth noting that if the Chevron lot were to become unavailable, the current commercial uses would place more demand on the City parking garage, and street parking, than the proposed residential development.

d - Are these leased parking spaces controlled by the applicant at all times?

[Applicant] Yes.

7. *Can the applicant at any time apply for a Residential Parking Permit zone surrounding the property?*

A residential parking permit program would not be permitted in the El Porto area because it falls inside the Coastal Zone, which requires all public parking to remain available to everyone equitably.

8. *Has the applicant indicated who will manage the property?*

[Applicant] No, we are in process of interviewing property managers.

Highrose Questions from August 16, 2022 City Council Meeting

- *If so, who is it?*

N/A

- *What is the relationship, if any, to the applicant, ex subsidiary?*

[Applicant] No relationship, property manager will in all likelihood be an independent third party property manager. We don't self-manage any of our properties currently.

- *Will there be a permanent onsite manager? If so, what are the hours of operation?*

[Applicant] Yes, this is required for projects of this size. Hours of Operation TBD.

9. *What are the proforma rents for each of the apartment types? Will the applicant share this information with the City?*

[Applicant] For market rate units, we have yet to engage an independent third party property manager, but once engaged, will defer to them for further guidance on pricing. Based on research using www.apartments.com, market-rate rental units in nearby coastal cities are ranging from \$2,500-\$7,500, depending on number of bedrooms. The affordable units of course are capped and regulated, and range from \$650 to \$1,050 depending on unit type.

10. *What process would need to take place to convert the apartment building to a condo type building where buyers could purchase individual units?*

[MBMC Chapter 10.88](#) and MBLCP Chapter A.88 have strict guidelines and procedures for condominium conversions, which include obtaining approval of a Use Permit to convert rental housing to condominiums. The Use Permit would have to be accompanied by a Tentative Tract Map, which is subject to the State Subdivision Map Act and Title II (Subdivisions) of the Municipal Code.

11. *What are the Short Term Rental rules for this type of project in that area of the city?*

Renting apartments on a short-term basis in a Density Bonus housing project is inconsistent with recently-adopted state housing laws, and the City has a policy prohibiting short-term rentals. The California Court of Appeal recently ruled that an amendment to the City's Local Coastal Program is required to impose a Coastal Zone-wide prohibition of short term rentals. However, in light of state housing laws, such ruling does not affect the ability of the City to prohibit short term rentals in housing projects such as Highrose. The City requires an Affordable Housing Agreement to ensure that the project functions the way it is proposed and is intended to function: as a project providing 79 units of housing, not as a commercial enterprise.

12. *Will the applicant be able to rent out apartment units as a Short Term Rental?* As stated above, City requires an Affordable Housing Agreement to ensure that the project

Highrose Questions from August 16, 2022 City Council Meeting

functions as a project providing 79 units of housing, not as a commercial enterprise. In addition, the property owner has indicated that the terms of the lease would likely prohibit tenants from renting units out as Short Term Rentals to avoid liability issues.

- If so, how will that be managed so the City gets TOT, etc.

N/A

- If so, are there any limits set by the City with regards to the number of the units rented as Short Term Rentals?

N/A

13. What is the largest Multi Family apartment complex in the City of MB, how many units are there and where is it located?

- What is the largest Multi Family apartment building closest to the subject property?

- How many units does it have?

(See Table below)

Address	Proximity to Project	No. of Units	Lot Acreage	Density (dwelling units/acre)
401 Rosecrans Ave (Project)	0 feet	79	1.002	78.8
3803 Crest Dr.	+/- 100 feet	4	0.04	100
3814 Highland Ave	+/- 177 feet	8	0.08	100
The Strand	+/- 757 feet	11	0.21	52.3
3400 N Valley Dr.	+/- 5,283 feet	48	0.99	48.5
1300 Parkview Ave (Manhattan Village Senior Villas)*	+/- 7,069 feet	104	3.7	28.1

* Largest multi-family complex in the City

14. Which agency manages the very low income rentals?

As mentioned above, the applicant has indicated that a property management company will manage all units.

- How much will the very low income tenant pay per month and how much is paid by the housing agency? What is the total rent received by the applicant?

As mentioned above, specific rents have not been determined yet. Furthermore, rents are directly linked to the income levels for tenants and therefore, may vary.

- How often do they inspect the units?

Highrose Questions from August 16, 2022 City Council Meeting

All affordable housing projects shall be subject to an affordable housing agreement (between the property owner and the City) conforming to the provisions of Section A.94.050(D) of the Manhattan Beach Local Coastal Program, which shall be recorded as a covenant on the title to the Property. In the case of rental housing developments, the affordable housing agreement shall provide for the following conditions governing the use of target units during the use restriction period:

- a. The rules and procedures for qualifying tenants, establishing affordable rent rates (based on HUD formulas and HUD criteria), filling vacancies, and maintaining target units for qualified tenants.
- b. Provisions requiring owners to verify tenant incomes and maintain books and records to demonstrate compliance with this chapter.
- c. Provisions requiring owners to submit an annual report to the City, which includes the name, address, and income of each person occupying target units, and which identifies the bedroom size and monthly rent or cost of each target unit.

15. How many units would be allowed if this was not a density bonus project?

The base density for the project site, without local and State density bonuses is 51 units.

16. Will the project create the need for the installation of a traffic signal at the intersection of the proposed project's driveway and Rosecrans Avenue?

The City Traffic Engineer has determined that the project driveway on Rosecrans Avenue would not meet minimum criteria for State and Federal traffic signal warrants.

Daily and peak hour volumes are too low to justify stopping the main street traffic flow, and the nearby traffic signal at Highland Avenue provides sufficient gaps with good sight distance for drivers to enter the street from the project driveway. There is no history of traffic collisions that would be remedied by a traffic signal. The installation of an unwarranted traffic signal increases the number of conflicts at the intersection and potential for rear-end type collisions. Also, a new traffic signal only 280 feet away from an existing traffic signal would increase overall vehicle delay, air pollution, and travel time.