

Agenda Date: 12/6/2016

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Mark Danaj, City Manager

FROM:

Marisa Lundstedt, Community Development Director
Nhung Madrid, Senior Management Analyst
Laurie Jester, Planning Manager
Ted Faturos, Assistant Planner

SUBJECT:

Consideration of the Downtown Specific Plan and related Amendments, Including Amendments to the Local Coastal Program, as Recommended by the Planning Commission (Community Development Director Lundstedt).

**CONDUCT PUBLIC HEARING AND ADOPT RESOLUTION NO. 16-0075 AND
INTRODUCE ORDINANCE NOS. 16-0029, 16-0030, AND 16-0031**

RECOMMENDATION:

Staff recommends that the City Council conduct a Public Hearing, adopt the following Resolution, and waive further reading and introduce the following Ordinances:

1. Adopt Resolution No. 16- 0075, approving the Downtown Specific Plan and conforming amendments to the General Plan, and adopting a Mitigated Negative Declaration (MND) and Mitigation Monitoring and Reporting Program;
2. Introduce Ordinance No. 16-0029, approving Zoning Code and Zoning Map Amendments to reflect the Downtown Specific Plan;
3. Introduce Ordinance No. 16-0030, approving amendments to the Local Coastal Program's Land Use Policy and Zoning Maps and Implementing Ordinance Section A.16.030(G) to reconcile designation nomenclature and map and text inconsistencies; and
4. Introduce Ordinance No. 16-0031, approving amendments to the Local Coastal Program's Implementation Plan to incorporate the Downtown Specific Plan, and related text amendments.

EXECUTIVE SUMMARY:

This report summarizes the Downtown Specific Plan's progress to-date, which includes the following:

- A summary of community engagement and outreach efforts;
- A review of the City Council and Planning Commission's *Consensus Items*;
- A detailed overview of the progression of the Plan's discussion items, as raised throughout the public process, including the eleven items which Planning Commission further refined (referred to as Clarification Items) and four focused topic areas (referred to as Key Concepts);
- A summary of City documents that requires updating, including Amendments to the Local Coastal Program, as a result of the adoption of the Plan,
- A Summary of the Resolution and Ordinances to adopt the Plan;
- An overview of the requisite environmental review under the California Environmental Quality Act (CEQA), including an Initial Study/Mitigated Negative Declaration and a Mitigation Monitoring and Reporting Program.

There are two main areas that the report identifies, and where Council's policy discussion should focus. These are:

1. Clarification Items: These are eleven new Planning Commission items that the City Council requested that the Planning Commission look into further, or they were not discussed at the City Council level. All of these items had extensive review through the public review process.
2. Key Concepts: The report provides a more detailed discussion of four key concepts that generated the most discussion and evaluation. These four key concepts are:
 1. Maximum Tenant Frontage
 2. Retail Sales Floor Area Square Footage Cap
 3. Second-Floor Outdoor Dining
 4. Live/Work Use

A significant amount of research and evaluation regarding these two main categories has been conducted and vetted through a thoughtful evaluation process by the Planning Commission. Proposed recommendations are also provided for each of the topic areas.

FISCAL IMPLICATIONS:

No direct fiscal implications associated with the recommended action.

BACKGROUND:

Since June 2014, the community has been engaged in an ongoing discussion about the future of the Downtown. In early 2015, the City collaborated with the Urban Land Institute (ULI) to conduct a week-long visioning charrette to engage community stakeholders and evaluate the Downtown area. In May 2015, the City began pursuing the preparation of the Downtown Specific Plan with Michael Baker International (MBI), which brought together various stakeholders in the community to provide input, including residents, business owners, commercial property owners, community groups and many other interested parties in the City.

In addition to all of the community outreach activities during the ULI visioning week, the City held six community workshops and 15 City Council and/or Planning Commission meetings and/or study sessions representing over 100 hours of community engagement.

City Council and Planning Commission Study Sessions

With the release of the Draft Downtown Specific Plan in early March 2016, Staff held a series of study sessions with the City Council and Planning Commission to discuss and refine the Draft Plan's main concepts. At the April 18th City Council study session, the Council reached consensus and provided Staff direction on the following main concepts (grouped by chapter) and further described in Attachment 1. This list of items is intended primarily as background information only; the Key Concepts which are the focus of the discussion for the Plan follow later in the report.

Consensus Items - City Council

Chapter 3

- Vision Statement

Chapter 4

- Ground Floor Retail Uses
- Land Use Changes (Veterinary)
- Retail Square Footage Cap or Formula Use Regulations
- Use Permit Process

Chapter 5

- Maintain or Increase Parking

Chapter 6

- Building Height / Stories
- Maximum Tenant Frontage
- Setbacks and Stepbacks
- Towers and Turrets at Corners
- Façade Transparency
- Private Dining in the Public Right-of-Way

Chapter 7

- Beach Head Site
- Pedestrian Plazas
- Drop-Off Zones

Chapter 9

- Eliminate Chapter 9: Economic Development

Over the course of seven months, Staff facilitated five public meetings with the Planning Commission. The Commission agreed with the City Council on the following concepts listed below:

Consensus Items - Planning Commission

Chapter 3

- Vision Statement

Chapter 4

- Ground Floor Retail Uses
- Land Use Changes (Veterinary)

Chapter 5

- Maintain or Increase Parking

Chapter 6

- Towers and Turrets at Corners

Chapter 7

- Beach Head Site
- Pedestrian Plazas
- Drop-Off Zones

Chapter 9

- Eliminate Chapter 9: Economic Development

Additionally, the Commission provided recommendations on the City Council's remaining consensus items, and further refined other areas of the Plan that were not previously addressed by the City Council. As mentioned above, these are referred to as Clarification Items and are discussed later in the report.

On October 26, 2016, Staff presented the Final Draft Downtown Specific Plan (Attachment 2) to the Planning Commission. The Commission held a public hearing and received public testimony consistent with other comments that have been received at previous study sessions and workshops. The Commission also reviewed and discussed the completed Implementation Plan, new Chapter 9. This Chapter was briefly discussed in the initial study sessions and in the Draft Plan (March 2016) as it was a work in progress.

The Commission unanimously adopted the following Resolutions:

- a) Recommending approval and adoption of the Final Draft Downtown Specific Plan, related General Plan amendments and making the appropriate CEQA determination;
- b) Recommending adoption of revisions to the Zoning Map and Zoning Code text to reflect the Downtown Specific Plan;
- c) Recommending adoption of revisions to the Local Coastal Program, including the Land Use Policy Map, Zoning Map, Local Implementation Plan, and reconciliation of designation nomenclature and map inconsistencies from 1992-1994 and 2004, as directed by the California Coastal Commission; and
- d) Recommending adoption of revisions to the Local Coastal Program, including the Land Use Policy Map, Zoning Map and Zoning Text, Local Implementation Plan,

to reflect the Downtown Specific Plan, and mixed-use standards.

Attachment 3 provides the staff reports (excluding attachments), approved minutes for the Planning Commission meetings of April 27th, May 11th, July 27th, August 10th, and October 26th, and approved Planning Commission Resolutions, all which are related to the Downtown Specific Plan.

DISCUSSION:

Report Format

The Final Draft Specific Plan represents a culmination of extensive research, analysis and evaluation of a wide range of concepts. The staff report format focuses on two main areas as follows:

3. **Clarification Items:** These are eleven new Planning Commission items that the City Council requested that the Planning Commission look into further, or they were not discussed at the City Council level. All of these items were evaluated and discussed extensively through the public review process.
4. **Key Concepts:** The report provides a more detailed discussion of four key concepts that generated the most discussion and evaluation. These four key concepts are:
 1. Maximum Tenant Frontage
 2. Retail Sales Floor Area Square Footage Cap
 3. Second-Floor Outdoor Dining
 4. Live/Work Use

Both the Clarification Items and Key Concepts are further described below.

Clarification Items - Planning Commission

This list of clarification items is intended as a summary of the Planning Commission's extensive public discussion. The final recommendations for these items are further detailed in Attachment 4.

1. *Non-Pedestrian Oriented Ground Floor Uses on Alleys - Chapter 4*
Allow for ground-floor non-pedestrian oriented uses (office, banks, etc.) located exclusively on alleys without a Use Permit.
2. *Land Use Changes (Optometrist) - Chapter 4*
Create a new permitted land use classification that allows optometrists that function primarily as a retail use to be located on the ground-floor without a Use Permit.
3. *Use Permit Process - Chapter 4*
Develop additional Use Permit Findings to implement the vision and goals of the Plan as follows:
 - a) The proposed use is consistent with the goals, purpose, vision, and guidelines of the Specific Plan, Local Coastal Program, and the City's General Plan.
 - b) The proposed use will maintain a balanced mix of uses which serves the needs of both local and nonlocal populations.
 - c) The proposed use would preserve and enhance the safe, attractive,

pedestrian-friendly, small town atmosphere and a sound economy.

- d) The proposed use will maintain and enhance the residential quality of life for the Manhattan Beach community.

4. *Maximum Ground Floor Setbacks - Chapter 6*

Language changed from “maximum setback” to “maximum ground floor setback”.

5. *Maximum Ground Floor Front Setback - Chapter 6*

Change the maximum ground floor front setback from ten feet to 12 feet.

6. *Minimum Rear Yard Setback - Chapter 6*

Revise minimum rear yard setback to zero, ten, or 20 feet provided required paved parking, landscaping, or combination of the two, is included and depending on the dimensions between the rear alley property line and building.

7. *Optional Second-Story Stepback- Chapter 6*

Remove second-story optional stepback regulations of 5 feet for residential/mixed use and 6 feet for commercial as regulation seems unwarranted.

8. *Building Height/Stories - Chapter 6*

Height limit to remain at 26 feet in Area B with 2 foot height exceptions for elevator shafts.

9. *Facade Transparency - Chapter 6*

Require minimum 70 percent facade transparency for properties on primary Downtown corridors, and other requirements for corner properties.

10. *Historic Preservation - Chapter 6*

Revise language in Plan to be consistent with adopted Historic Preservation regulations.

11. *Private Dining in the Public Right-of-Way - Chapter 6*

No change to current standard of a minimum of four feet of sidewalk clearance, and continue education and enforcement efforts with restaurateurs.

The Planning Commission provided clear direction and/or recommendations on all of these concepts. A summary table of all concepts discussed by City Council and the Planning Commission, including the Consensus Items, Clarification Items and Key Concept Items, is provided in Attachment 5. This table identifies each item, a brief summary of City Council’s direction, a summary of Planning Commission’s recommendation, and lastly, the items final policy recommendation as reflected in the Final Plan.

Final Draft Downtown Specific Plan

The Final Draft Downtown Specific Plan is reflective of City Council’s direction and the Planning Commission’s collective recommendations. Attachment 6 is structured with text in “redline strike-out”, as well as yellow highlighted text, which represents new and revised text within the document. The Planning Commission’s proposed recommendations only affect Chapters 4 and 6 of the Final Draft Downtown Specific Plan.

The Downtown Specific Plan changes land use classifications and development standards only in the CD Downtown Commercial Zone. The Plan does not change any regulations in the three other zones within the Specific Plan Area (RH Residential High Density, PS Public and Semi-Public, and OS Open Spaces). However, properties that are zoned RH, PS, and OS

zones within the Specific Plan Area are still governed by the Specific Plan Design Guidelines located in Chapter 6 of the Plan.

Key Concepts

The Final Draft Plan introduces new regulations consistent with City Council's direction and Planning Commission's recommendations. The following four key concepts have been the focus of discussion by the Planning Commission, and Staff felt it appropriate to discuss these items in greater detail for the City Council's benefit. To assist the Council in reviewing the progression of each key concept through the numerous study sessions, the discussion below presents each item using the following structure:

Draft Downtown Specific Plan

This section provides a brief description of the concept as proposed in the March 2016 Draft Downtown Specific Plan.

City Council Consensus

This section summarizes City Council's initial direction based on the March 2016 Draft Plan.

Planning Commission Consensus

This section provides a detailed summary of Staff's follow-up with the Planning Commission, and the Commission's rationale for their final recommendation.

Final Draft Plan Recommendation

This section summarizes the final language as proposed in the Final Draft Downtown Specific Plan (October 2016).

Key Concept #1: Maximum Tenant Frontage - Chapter 6

Draft Downtown Specific Plan

The Draft Plan recommended a 50 foot maximum individual building frontage along a street. Many stakeholders interpreted the maximum building frontage as a maximum tenant frontage, and felt that a 50 foot maximum tenant frontage would be too large and out of character for the small town Downtown feel.

City Council Consensus

After hearing from the public, City Council recommended that Staff and the Planning Commission explore a 35 foot maximum tenant frontage on Manhattan Beach Boulevard and evaluate options for maximum tenant frontages along Manhattan Avenue and Highland Avenue. City Council's stated goal was to prevent single tenants from taking over and combining multiple storefronts along a street or even consolidating building lots and building larger buildings with larger tenant spaces that would be out of character for the Downtown. In addition, City Council requested that Staff collect data on existing Downtown tenant frontages so that any proposed maximum tenant frontage would be based on existing buildings and lots, not on an arbitrary number.

Planning Commission Consensus

Planning Commission agreed with Staff's recommendation that lots 35 feet or more in depth

should have a maximum tenant frontage of 35 feet, and lots with less than 35 feet in depth should have a maximum tenant frontage of 50 feet. For corner lots, Staff recommended that the Community Development Director would determine which storefront would be subject to the maximum tenant frontage of 35 feet or 50 feet, taking into account the lot's development, size, slope, and the tenant patterns of the surround blocks. Key to the determination for corner lots would be consistency with surrounding development, maintaining and enhancing pedestrian orientation, and encouraging an active, lively streetscape.

Staff presented their recommendation after measuring nearly every tenant frontage along Manhattan Beach Boulevard, Highland Avenue, and Manhattan Avenue and sharing the compiled information with the Planning Commission. Staff provided further context to the Planning Commission by also describing the size, layout, pattern, and topography of the different lots within the Downtown.

Final Draft Plan Recommendation

The Final Draft Plan has been updated to reflect Planning Commission's direction. Staff created a visual illustration of the collected data on existing tenant frontage for every commercial block affected by a maximum tenant frontage regulation (Attachment 7). Staff has also compiled a list of existing businesses that would become nonconforming as a result of the Final Draft Plan's maximum tenant frontage regulations (Attachment 8). The Final Draft Plan contains language that allows projects to become eligible for a Minor Exception and/or Variance if they do not meet the maximum tenant frontage requirement as described below.

Key Concept #2: Retail Sales Floor Area Square Footage Cap - Chapter 4

Draft Downtown Specific Plan

The Draft Plan did not include a maximum square footage for any particular use. Mirroring the current Code, the Draft Plan required a Use Permit for any office use over 2,500 square feet, any single use over 5,000 square feet, and any site over 10,000 square feet in land area.

City Council Consensus

After the Draft Plan's release, several stakeholders and the Downtown Residents' Group in particular, requested a cap on the square footage of retail spaces. City Council directed Staff and Planning Commission to study a retail square footage cap where a Use Permit would be required for retailers that exceed 1,600 square feet. City Council also stated that any retail square footage cap should not be based on an arbitrary number, but rather on the characteristics of the Downtown's lot and building sizes.

Planning Commission Consensus

After discussing with the Planning Commission, Staff recommended that the retail square footage cap be based on the sales floor area of a retailer. The sales floor area, in combination with the other Specific Plan regulations and guidelines, would provide consistency with existing lot and building sizes while providing flexibility for retailers that may have larger storage or other "back of house" areas. Staff recommended that sales floor area exclude rooms that are permanently inaccessible to the public, such as storage rooms, back offices, mechanical rooms, bathrooms, and tenant common areas. Planning Commission agreed with Staff and recommended a retail sales floor area square footage cap of 1,600 square feet in the Final Draft Plan.

Planning Commission chose the 1,600 square foot number based on data collected by Staff on the square footages of many Downtown retailers (Attachment 9). There are nine retailers within the Downtown that have square footages over 1,600 square feet of total buildable floor area (BFA). Planning Commission recommended that any retail square footage cap be based on sales floor area, not BFA; and directed Staff to measure the sales floor area of the nine retailers who had over 1,600 square feet in BFA to better understand how the new retail square footage cap would affect these retailers.

Of these nine retailers, Staff believes that there are only two retailers with sales floor areas over 1,600 square feet. With the proposed square footage cap, the only retailer that would become nonconforming would be Wright's (1,605 square feet of sales floor area), as American Apparel (1,965 square feet of sales floor area) is covered by the Metlox Master Use Permit.

Final Draft Plan Recommendation

The Final Draft Plan requires a Use Permit for any new retail space over 1,600 square feet of sales floor area. The new retail sales floor area square footage cap would not apply to any use regulated by a Use Permit that allows larger square footages. Additionally, the square footage cap does not apply to any other use such as grocery stores, restaurants, hair salons, or hotels.

Key Concept #3: Second-Floor Outdoor Dining - Chapter 4

Draft Downtown Specific Plan

Mirroring the current Code, the Draft Plan did not directly address or regulate second-floor outdoor dining at restaurants in the CD zone. The Draft Plan did require a Use Permit for establishing or expanding a restaurant use, which is the same as the current Code. Any new restaurant that desires second-floor outdoor dining would need to go through the Use Permit process, as would any existing ground-floor restaurant that wanted to add second-floor outdoor dining. There are no specific regulations in either the current Code or the Draft Plan that regulate second-floor outdoor dining beyond these standard restaurant Use Permit requirements.

Planning Commission Consensus

The Planning Commission discussed the concept of second-floor outdoor dining in response to public testimony received at several study sessions. The Commission acknowledged that although second-floor outdoor dining could benefit the entire community, Downtown residents still had concerns about potential negative impacts. The Commission initially voiced support for appropriately-scaled second-floor outdoor dining if located on the primary Downtown commercial corridors. Planning Commission specifically directed Staff to create regulations that would limit second-floor outdoor dining to only Manhattan Beach Boulevard, Highland Avenue, and Manhattan Avenue; and that any second-floor outdoor dining be located at least one block away from a residentially-zoned use. Limiting second-floor outdoor dining to only certain blocks within the Downtown would create new regulations that are not within the current Code, as second-floor outdoor dining is currently allowed on any Commercial property citywide, as long as a Use Permit is obtained.

The Planning Commission considered several options regarding where to allow second-floor outdoor dining along Manhattan Beach Boulevard, Highland Avenue, and Manhattan Avenue (as shown in Attachment 10). Several Commissioners, however, felt that Attachment 10 included blocks located too close to residential areas, and wanted some blocks removed. With different Commissioners wanting different blocks to remain on the map, there was a 3-2 straw vote in favor of the area depicted in Attachment 11. The Commission indicated that it would be up to the City Council to make the final decision on the boundary area where second-floor outdoor dining could be allowed with a Use Permit.

Final Draft Plan Recommendation

Attachment 11 reflects the Planning Commission's recommended locations where second-floor outdoor dining could be requested through a Use Permit. A new Use Permit finding for second-floor outdoor dining has been added to require all second-floor outdoor dining areas be located within the map shown in the Final Draft Plan. Additionally, any second-floor outdoor dining area would not be allowed to face residential properties. Attachment 12 provides a cross-section of Manhattan Avenue illustrating how second-floor outdoor dining is proposed to be oriented. Second-floor outdoor dining areas that face a residential use will not be eligible to apply for a Use Permit.

Furthermore, special requirements for second-floor outdoor dining uses provide for the submittal of a noise study for any second-floor outdoor dining use proposed to serve full alcohol with hours of operation past 10:00 P.M. Physical and operational modifications, improvements and conditions to minimize any adverse impacts may be required. Post-construction and operation monitoring to verify conformance with the conditions of the Use Permit, and additional modifications, improvements and conditions as needed to ensure conformance with the Use Permit may also be required.

It is important to note that second-floor outdoor dining is currently allowed on any Commercial property citywide, these regulations are much more restrictive than what is currently in the Code, and serve to balance the concerns expressed by the Downtown residents. Taken together, the Final Draft Plan creates a strong regulatory framework for second-floor outdoor dining in the CD zone that does not exist in either the current Code or the Draft Plan.

Key Concept #4: Live/Work Land Use Classification - Chapter 4

Draft Downtown Specific Plan

The Draft Plan proposed a new land use classification called "live/work" that would be allowed in the CD zone with a Use Permit.

City Council Consensus

City Council had little comment on the live/work land use classification and did not direct any changes to this language for the Final Draft Plan.

Planning Commission Consensus

Staff reassessed the Draft Plan's live/work language and felt a more robust definition of the new land use classification was needed. Planning Commission agreed with Staff and directed Staff to craft simple, easy-to-understand live/work regulations that also limit negative potential

impacts to neighbors and businesses. Staff crafted new live/work regulations and incorporated them into the Final Draft Plan, and returned to Planning Commission to get feedback on the new live/work regulations. Planning Commission reached consensus that the live/work regulations crafted by Staff were appropriate. However, a few Commissioners expressed that the expanded live/work regulations could possibly discourage the live/work use. Some Commissioners also felt that an office use should be an allowed “work” use, while others were concerned with the prohibition on converting “work” square footage to “live” square footage, and vice versa.

The Commission also discussed that the current “mixed use” regulations would still be available as an option, which allows a mix of residential and commercial use on one site through the Use Permit process. Mixed use allows more flexibility in the percentage and location of the uses and the business owner is not required to live on the site. The live/work use allows more flexibility in the development standards with reduced parking as the business owner and resident are one in the same, and a reduction in open space is also provided for. Both use classifications are needed as each serves a specific and different purpose.

Final Draft Plan

The Final Draft Plan’s live/work regulations, as further detailed in Attachment 13, include the following:

- Defines the live/work use
- Outlines which commercial uses are allowed as the “work” portion
- Sets performance standards that any potential live/work project must meet in order to be approved during the Use Permit process
- Explicitly states that offices are prohibited as an allowed “work” use in a live/work unit
- Classifies the live/work use as a Commercial Use instead of a Residential Use
- Requires open space to be provided equal to 10% of the residential portion of the live/work unit, with a minimum 48 square feet of open space per live/work unit
- States that any “work” portion of a live/work building has to front a street in order to maintain the pedestrian-oriented and commercial nature of the Downtown, while the “live” component is required to be either behind or above the “work” use

The live/work regulations within the Final Draft Plan have been slightly modified since receiving final approval from the Planning Commission given their input and to allow a bit of flexibility. Specifically, the live/work standards before the Council allow for the Director of Community Development to administratively approve the conversion of a minor portion of a building from commercial to residential square footage, or vice versa, provided all other live/work requirements are met and the integrity of the overall commercial nature of the use is maintained. This was added to the Final Draft Plan by Staff to address some of Planning Commission’s concerns that this specific live/work regulation was not flexible enough to account for minor expansions or contractions in either residential or commercial square footage within an existing live/work unit. This revision is reflected in Attachment 13.

Non-Conformities-Minor Exceptions and Variances

The Final Draft Plan introduces several new development standards that are not part of the current Code, and some buildings or tenant spaces may become nonconforming with these

new standards. Chapter 6 of the Final Draft Plan has been updated so that these nonconforming properties have the same Minor Exception and Variance options as properties outside the Specific Plan area. The following summarizes the proposed process.

Minor Exception

Existing businesses that do not meet the maximum tenant frontage or minimum façade transparency requirements in the Final Draft Plan would be allowed to maintain their nonconformities even if the space was vacated and a new tenant took over the space. However, a business with a nonconforming tenant frontage or façade that proposes significant alterations would have to comply with the new standards. Properties that are not able to meet the new requirements could apply for a Minor Exception. Minor Exception applications receive Staff level review and decision (Attachment 14).

Variance

A Variance is another option for property owners that can't meet the maximum tenant frontage or minimum transparency requirements. Variances are granted by the Planning Commission, and proposed projects are held to a high standard and must demonstrate that they meet the required findings. Variances are more likely to be applied for by projects that involve new or substantially new structures.

The Final Draft Plan allows properties to apply for a Variance, and also adds two new required findings as follows:

- A. Granting the application would not result in development that is significantly inconsistent with other development in the surrounding area, and the character of the area will not be significantly adversely changed by the granting of the Variance.
- B. The relief granted would still result in a building with an attractive and pedestrian-friendly design, and consistent with the goals and policies of the Downtown Specific Plan.

The Final Draft Plan has modified the definition of a nonconforming structure to include those that do not meet the façade transparency and tenant frontage requirements. Without the new language in the Final Draft Plan, CD zoned properties would not be eligible to apply for a Minor Exception or Variance if their proposed project did not meet the façade transparency and/or tenant frontage requirements. Attachment 15 summarizes these changes in a simple flow chart.

Updating Other City Documents- Local Coastal Program

Adoption of the Downtown Specific Plan necessitates various revisions to the Local Coastal Program (LCP), including the Coastal Zone Land Use Policy Map and Zoning Map, as well as other Maps and Text Amendments. The LCP amendments in Ordinance 16-0030 reconcile inconsistencies between the LCP and the General Plan, Zoning Map, Zoning text, and conform the LCP to the historic and current designations and uses in the project area. Certain revisions formalize prior LCP Amendments.

Land Use Policy Map, Zoning Map and other Reconciliation

The discussion below describes changes to the Local Coastal Program for consistency with the

Zoning Code and General Plan, as requested by the Coastal Commission from 1992 to 1994 as well as from 2003 and 2004.

1992-94 California Coastal Commission Reconciliation

The City LCP Land Use Plan (LUP) was certified by the California Coastal Commission in 1981, and amended in 1992-94 together with establishment of a Local Implementation Program (LIP), or Coastal Zoning Ordinance. During the 1992-94 LUP Amendments, the maps within the documents were not formally revised, and therefore were not incorporated into the City's final certified LCP. Coastal Commission staff has requested that these maps and text be revised with the modifications they requested in 1993. This will reconcile designation nomenclature and provide consistency with the General Plan and Zoning Maps, text, and the actual land uses.

2003-2004 General Plan and Housing Element Updates

In 1995, Zoning Code provisions pertaining to residential and mixed-use development in commercial zones were reviewed, and then adopted in January 1996. Some of these provisions were translated into the LCP Coastal Zoning Code, however several of the revisions were not, and those are now included in the LCP Amendment for consistency with the Zoning Code.

Additionally, during these 1995 mixed-use Zoning Code revisions, the Planning Commission and City Council became aware of 28 lots in the Downtown Commercial Zone, in the 200 and 300 blocks of 10th and 11th Streets next to Highland Avenue, that were developed exclusively as residential. The community expressed a desire to protect the residential character of this historically residential neighborhood and requested that the Council redesignate/rezone the area to high density residential. The Council then approved the revision with the 2003 General Plan Housing Element. Without the designation as High Density Residential, these residential uses are nonconforming uses, which severely limits their ability to expand.

Other revisions within the 2003 General Plan included provisions related to the new Public Safety Facility and the extension of 13th Street. A small narrow portion of land designated *Downtown Commercial*, just north of 13th Street became part of the Public Safety Facility. This small area was redesignated/rezoned *Public Facilities* to reflect the actual land use. The Specific Plan will also amend the Downtown Commercial District Height Limit Diagram to reflect changes to the boundaries of the Downtown Commercial (CD) zoning designation. The proposed change pose no impacts to the existing height limitations in the Downtown area; it is only reflecting the changes to the geographic boundary of the CD zone described above.

In 2004 the City Council approved Amendments to the LCP for consistency with the 2003 General Plan. However, the Amendments were never certified by the Coastal Commission as the requisite parallel revisions to the Coastal Zone Land Use Policy Map and associated documents were not included in the revisions. The Specific Plan and associated documents will reconcile these inconsistencies.

Specific Plan Updates

The adoption of the Specific Plan will require a number of revisions to the Local Coastal Program (LCP), including the Land Use Policy Map, Zoning Map and Zoning Text, and Local Implementation Plan (LIP), to reflect the Downtown Specific Plan. These changes will include:

- Amending the Coastal Zone Land Use Plan
- Replacing the Land Use Policy Map
- Replacing the Coastal Zone Zoning Map in the LIP Zoning regulations Chapter A.01
- Adding the Downtown Specific Plan Area (D8) Design Review Overlay to the Coastal Zone Zoning Map
- Amending required text to reference the Downtown Specific Plan including:
 - Chapter A.01 (General Provisions)
 - Chapter A.12 (Residential Districts)
 - Chapter A.16 (C Commercial Districts)
 - Chapter A.24 (OS Open Space)
 - Chapter A.28 (Public and Semi-Public District)
 - Chapter A.44 (D Design Overlay District)
 - Chapter A.68 (Nonconforming Uses and Structures), and
 - Chapter A.84 (Use Permits, Variances and Minor Exceptions).

These revisions will ensure consistency with the Local Coastal Program and the Downtown Specific Plan.

Resolution and Ordinances

The attached Resolution and Ordinances reflect the Planning Commission's recommendation to the City Council on the Downtown Specific Plan, General Plan Amendments, Zoning Map and Zoning Code (text) Amendments and Local Coastal Program (LCP) Amendments, as well as environmental review under the California Environmental Quality Act (CEQA). Proposed revisions to current provisions are shown in the Resolution and Ordinances as highlighted in yellow, with existing text to be deleted as ~~strikeout~~ and new text to be added as underline.

1. Resolution No. 16-0075 - Adoption of the Downtown Specific Plan, related General Plan Amendments (GPA), and CEQA determination (Attachment 16).
2. Ordinance No. 16-0029 - Adoption of revisions to the Zoning Map and Zoning Code Text to reflect the Downtown Specific Plan (Attachment 17).
3. Ordinance No. 16-0030 - Adoption of revisions to the Local Coastal Program (LCP), including the Land Use Policy Map, Zoning Map, Local Implementation Plan (LIP), and reconciliation of designation nomenclature and map inconsistencies from 1992-1994 and 2004, as directed by the California Coastal Commission (Attachment 18).
4. Ordinance No. 16-0031 - Adoption of revisions to the Local Coastal Program (LCP), including the Land Use Policy Map and Local Implemental Plan (LIP), to reflect the Downtown Specific Plan (Attachment 19).

Interim Zoning Ordinance

The current Interim Ordinance or IZO, Ordinance No. 16- 0013-U (Attachment 20) is in effect

until July 5, 2017, unless extended by the City Council. Under state law, the City Council may extend the IZO for a period not to exceed one year (until July 4, 2018). The IZO requires a Use Permit for the following uses in the Downtown:

- (1) Any business or professional office, bank and savings & loan, catering service, or communication facility, proposed to be located on the ground floor streetfront; and
- (2) Any retail sales use proposed to have more than 1,600 square feet of buildable floor area.

Ordinance No. 16-0031 states that the IZO will expire on the earlier of the following occurrences:

- (1) July 5, 2017, unless extended by the City Council
- (2) 30 days after the Coastal Commission certifies the CDP amendments.

Thus, rather than the Specific Plan, the provisions of the IZO (unless expired) will govern all land uses in the Downtown area until such time that the Coastal Commission certifies the CDP amendments. Under an abundance of caution, staff will be recommending at a later date that, prior to its expiration, the Council schedule a duly noticed public hearing to consider extending the IZO should the Commission require additional processing time.

POLICY ALTERNATIVES:

The final recommendations for all of the concepts in the Final Draft Downtown Specific Plan is a product based on input and discussion that has occurred throughout the project's extensive community workshops, study sessions and public meetings that have taken place over the last two years. Staff will be available to respond to any questions the City Council may have if new policies are recommended through the public hearing process.

PUBLIC OUTREACH/INTEREST:

As previously mentioned, community engagement and outreach has been instrumental throughout the entire Downtown Specific Plan project. Staff continues to use various methods to reach as many stakeholders and others throughout the community as possible. Tonight's public hearing notice was published in the November 24th and December 1st, 2016 editions of The Beach Reporter, with a quarter page color display ad in the Manhattan Beach section that ran on November 24, 2016.

In addition, information was posted on the Downtown page on the City's website at www.citymb.info/downtownmbdefined <<http://www.citymb.info/downtownmbdefined>>; information was posted on various social media sites; public notices were displayed outside of City Hall and at other public facilities, and email notifications were sent to various stakeholders such as the Downtown Business and Professional Association (DBPA), the Downtown Specific Plan Advisory Committee, the Downtown Residents' Group (DRG), the Manhattan Beach Commercial Property Owners Association (MBCPOA), the South Bay Association of Realtors (SBAOR), and other interested parties that have participated in various Downtown meetings. Lastly, notices were mailed to all property owners and residents within the Specific Plan area, as well as a separate notice to the property owners and residents of the 28 properties directly affected by the LCP change from Downtown Commercial (CD) to Residential High Density

(RH) (Attachment 21). Public comments received from October 27, 2016 to November 28, 2016 are provided in Attachment 22.

ENVIRONMENTAL REVIEW

In accordance with the provisions of the California Environmental Quality Act (CEQA), the City prepared an Initial Study to determine whether the proposed project could have a significant adverse impact on the environment. Although the proposed project could have a significant effect on the environment, revisions and mitigation measures have been incorporated into the project and there are no significant impacts.

Therefore, the City prepared a Mitigated Negative Declaration (MND). A Mitigation Monitoring and Reporting Program (MMRP) has also been prepared to ensure compliance with the requisite mitigation measures. The Downtown Specific Plan Draft MND was posted for public review and comment from August 25, 2016 to September 23, 2016. The City received four written comments and has responded to all of them accordingly. Although the MND evaluated the project's environmental effects, CEQA does not apply to activities and approvals necessary for the preparation and adoption of LCP Amendments in accordance with State regulations. (Attachment 23)

LEGAL REVIEW

The City Attorney has reviewed and approved as to form the ordinances and resolutions.

CONCLUSION

As outlined in the Executive Summary, there are two main areas that Staff would recommend that the City Council focus the policy discussion on which includes the listed Clarification Items, as well as the four Key Concepts which require a more focused discussion. Staff is seeking input and direction from the City Council on these items to finalize the Downtown Specific Plan.

ATTACHMENTS

1. City Council Study Session Consensus Items - April 18, 2016
2. Final Draft Downtown Specific Plan and Appendices- October 2016 - (Due to the volume of this document a hard copy is available in the City Clerk's Office, City Hall Lobby, Library and Police Department)
3. Planning Commission Staff Reports (Excluding Attachments), Approved Minutes for April 27, May 11, July 27, August 10, and October 26, 2016 Meetings, and Approved Planning Commission Resolution Nos. 16-06, 16-07, 16-08, and 16-09
4. Planning Commission Clarification Items
5. Summary Table of Consensus Items, Planning Commission Clarification Items, & Key Concepts
6. "Redline Strikeout" of Final Draft Downtown Specific Plan (Chapters 4 and 6)
7. Tenant Frontage Maps
8. Nonconforming Tenant Frontage Data
9. Retail Sales Floor Area and Buildable Floor Area Data
10. Potential Second-Floor Outdoor Dining Map
11. Proposed Second-Floor Outdoor Dining Map

12. Second-Floor Outdoor Dining Cross-Section
13. Live/Work Regulations
14. MBMC 18.84.120-Minor Exceptions
15. Minor Exception Flow Chart
16. Resolution No. 16-0075
17. Ordinance No. 16-0029
18. Ordinance No. 16-0030
19. Ordinance No. 16-0031
20. Interim Zoning Ordinance No. 16-0013-U
21. Public Hearing Published and Mailed Notices
22. Public Comments
23. Final Initial Study/Mitigated Negative Declaration, Mitigation Monitoring and Reporting Program (MMRP), and Response to Comments - (Due to the volume of this document a hard copy is available in the City Clerk's Office, City Hall Lobby, Library and Police Department)
24. PowerPoint Presentation
25. City Council Staff Report for Public Hearing (Due to the volume of the staff report, this is an alternate option to review the staff report, available online only.)