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Title: Consideration of the Sepulveda Initiatives Planning Project Recommendations (Community Development Director McIntosh).
CONDUCT PUBLIC HEARING AND CONTINUE THE PUBLIC HEARING TO AUGUST 21, 2018

Sponsors:

Indexes:

Code sections:

Attachments: 1. Ordinance No. 18-0017 (Draft Ordinance for Discussion Purposes), 2. PowerPoint Presentation

Date	Ver.	Action By	Action	Result
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TO:
Honorable Mayor and Members of the City Council

THROUGH:
Bruce Moe, City Manager

FROM:
Anne McIntosh, Community Development Director
Nhung Madrid, Senior Management Analyst
Rafael Garcia, Assistant Planner

SUBJECT:
Consideration of the Sepulveda Initiatives Planning Project Recommendations (Community Development Director McIntosh).
CONDUCT PUBLIC HEARING AND CONTINUE THE PUBLIC HEARING TO AUGUST 21, 2018

RECOMMENDATION:
Staff recommends that the City Council:

- a) Receive a staff presentation,
- b) Receive public testimony, and
- c) Continue the public hearing to August 21, 2018.

EXECUTIVE SUMMARY:
In September 2017, staff commenced the Sepulveda Initiatives Planning Project. Staff collaborated with a Community Ad Hoc Working Group to formulate recommendations related to height, setbacks, and desirable land uses and features for the Sepulveda Boulevard Corridor. At a future meeting, the City Council will consider adopting an Ordinance amending the Zoning Code to implement a portion of the recommendations of the Working Group (Attachment 1).

FISCAL IMPLICATIONS:

There are no fiscal implications associated with this action.

BACKGROUND:

On July 3, 2018, the City Council opened a public hearing to consider the adoption of an Ordinance to amend the zoning code and implement the recommendations of the Sepulveda Initiatives Working Group via the Planning Commission.

At this meeting, Council members asked questions and directed staff to do additional research regarding the following:

Mixed-Use with housing and Senior Housing

- More information about nearby mixed-use projects with housing
- Examples of mixed-use sites in other cities that may or may not “work”
- Explain the development standards that would be required for mixed-use/senior housing
- What is the zoning for the residential development in Hermosa Beach - residential or commercial?

Proposed Incentives

- Rationale behind additional height required for hotel development (some information is being provided by the South Bay Board of Realtors)
- Rationale behind continuing or deleting height credit for first level parking
- Daylight planes and how they would apply to building massing
- Request to have example pictures/graphics instead of drawings of what we are trying to show
- Actual height of Crimson Hotel and Hawthorn Suites
- How will leased parking adjacent to property work

Medical Uses

- More analysis of limiting medical offices in other cities, such as the square footage limit in Beverly Hills

Comparison of Working Group, Planning Commission and staff recommendations

- Prepare a matrix showing issue/Ad Hoc recommendation/Planning Commission recommendation, comparison of staff/task force/Planning Commission desirable uses

DISCUSSION:

Due to the agenda packet schedule, there has not been enough time to conduct the research for the items listed above for this meeting. Therefore, staff will present the information that was not covered in detail at the July 3rd City Council meeting and seek direction on some additional issues.

Specifically, at tonight’s meeting staff will:

1. Explain the detailed zoning recommendations;
2. Provide a brief report from the Traffic Engineer regarding the upcoming item on parking code amendments; and
3. Seek City Council direction regarding the list of “desirable uses” as well as the possible inclusion of medical and/or senior housing uses in the ordinance.

The results of the additional research requested by City Councilmembers will be presented at a future City Council meeting. A draft Ordinance reflecting Council direction on a number of items will be presented for consideration at a future meeting.

Zoning Recommendations

The Working Group discussed developing more flexible development standards in return for desirable uses and features, in an attempt to attract uses and development that was deemed desirable by the group members. In summary, the group generally supported flexible development standards related to parking, height and setbacks as described in further detail below.

Issue #1: Height

The Working Group indicated that the height limit along the corridor was one of the biggest obstacles facing development. The maximum allowed height limit within the General Commercial (CG) zoning district is 30 feet. However, a roof pitch of at least four vertical feet for each 12 lineal feet of roof area is required. If the roof pitch is less, the maximum building height is 22 feet, unless structure parking is provided at or below ground level. This development limits the maximum allowed height for many structures to only 22 feet, in that, much of the development proposed is often times of modern or contemporary architectural design which is characterized by a flat roof design.

Although the proposed amendments allow buildings to be built at a higher height, no additional square footage will be allowed and the maximum allowed square footage will remain the same. In addition, a Use Permit is required in order to take advantage of the height increase incentive, and the applicant would have to demonstrate that no impacts would be generated on the adjacent properties. The ordinance will also include certain criteria that will require project sites to be a minimum depth and square footage in order to qualify to take advantage of the increased height flexibility.

Ad Hoc Working Group Input

- Modifying the height limit to allow contemporary/modern/flat-roof design buildings to be built at 30 feet (i.e. three-story) without the need of a 4:12 roof pitch and without the need to have structure parking at the ground or below ground levels.
- Changing the height limit to allow contemporary/modern/flat-roof design buildings to be built at a height greater than 30 feet (i.e. more than three-story) without the need of a 4:12 roof pitch and without the need to have structure parking at the ground or below ground levels.

Staff's recommendation to the Planning Commission was to allow "opportunity sites" up to 40 feet of building height, plus five additional feet for rooftop mechanical equipment.

The Planning Commission had a split vote on height. Three commissioners did not agree with allowing 40 feet plus five feet as part of the overlay zone, although one of the three thought it could be approved for hotels only. Two commissioners supported the 45 foot height limit for opportunity site projects.

Issue #2: Setbacks

The required setbacks within the CG zone along Sepulveda Boulevard are relatively generous as they currently exist. For conventional setbacks, there are almost no required setback standards as part of the CG zoning district with the exception of a required 10 foot front yard setback on the west

side of Sepulveda Boulevard and a daylight plane requirement that would require increased setbacks for multi-story buildings. However, if mixed-use development is allowed in the CG zoning district, it may benefit from more relaxed setbacks for all residential portions of the development.

Currently, as part of mixed-use projects, the residential standards for the Residential High Density (RH) district and area district in which the site is located apply to a building intended for residential use, and commercial standards apply to a building or portion of a building intended for commercial use. Reduced setback standards would provide additional flexibility for mixed use development if it were allowed within the CG zoning district.

Ad Hoc Working Group Input

- **Daylight Plane Requirement:** Change the daylight plane requirement in order to allow additional flexibility for new commercial or mixed use projects. This additional flexibility will only be eligible for uses/projects that are deemed desirable and within the CG zone along Sepulveda Boulevard. Additional flexibility may be needed if additional height is granted (i.e. greater than 30 feet/three-stories).
- **Conventional Setbacks:** Modify existing setbacks in order to accommodate mixed-use development and provide additional flexibility for all residential portions of a mixed-use project.

The Planning Commission agreed unanimously with the staff recommendation for a 60-degree daylight plane formula for setbacks. A shade/shadow study for these projects would ensure that the setbacks would appropriately limit impacts to height.

Issue #3 - Change of Use

The current zoning ordinance requires a Use Permit for a change of use for a single-use tenant improvement project with more than 5,000 square feet of buildable floor area or more than 10,000 square feet of land area and a Master Use Permit for a change of use for a multiple-use tenant improvement project with more than 5,000 square feet of buildable floor area or more than 10,000 square feet of land area. Staff incorporated a provision within the code amendment (MBMC Section 10.44.040.v.) that will not require a Use Permit or Master Use Permit for a change of use so long as the use is permitted by right and the change of use does not intensify the use or parking as part of the project. No additions in square footage will be allowed as part of this provision. This will allow tenant improvement projects within the overlay involving a change of use to secure needed permits and approvals faster and more efficiently without the need of a Use Permit.

During the Planning Commission meeting on May 23rd staff received comments pertaining to this provision from the public. The public had concerns regarding bars or alcohol establishments being allowed without the need of a Use Permit. However, the provision within the code amendment would not allow any intensification in use or parking associated within this provision. It would only allow a change of use for businesses that are permitted by right by the code (as part of Section 10.16.020) and the change in use cannot involve an intensification in use or parking. Also, no net addition of buildable floor area would be allowed in conjunction with this provision.

The Planning Commission approved the staff recommendation for change of use in a 5-0 vote.

Use Mix Discussion

Staff would like to receive direction from the City Council regarding the list of desirable uses. In addition, some discussion regarding medical use and senior housing would be helpful. A straw poll

could be taken to determine the level of interest in retaining or eliminating, in general, any of the desired uses.

Uses Proposed:

- Hotel
- Mixed-Use (specifically commercial with housing)
- Multi-tenant commercial projects that include any of the following uses:
 - Retail
 - High-end dining
 - Day and nighttime uses
- Senior Housing
- Medical uses (specifically if limits should be placed on medical office)
- Community benefitting uses:
 - Museum
 - Theater

PUBLIC OUTREACH/INTEREST:

Public outreach and engagement has been performed since commencement of the project in September 2017. The City convened five public Ad Hoc Working Group meetings from January to March 2018. All meetings had community members in attendance, and staff created and maintained a dedicated webpage where all project specific information was posted to keep the community apprised of the project details and status. This public hearing was originally scheduled on June 19, 2018 and was noticed in The Beach Reporter on June 7 & 14, 2018. The public hearing was continued to July 3 and was continued again to tonight's meeting.

ENVIRONMENTAL REVIEW

The City has reviewed the recommended changes for compliance with the California Environmental Quality Act (CEQA) and has determined that there is no possibility that an enabling ordinance may have a significant effect on the environment; therefore, pursuant to Section 15061(b)(3) Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary at this time. Depending on City Council direction, additional environmental review may be necessary at a later date (e.g., if the City Council directs staff to draft the ordinance to allow certain uses with a Use Permit).

LEGAL REVIEW

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

Attachments:

1. Ordinance No. 18-0017 (Draft ordinance for discussion purposes)
2. PowerPoint Presentation