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Title: Consideration of the Sepulveda Initiatives Planning Project Recommendations (Continued from the June 19, 2018 City Council Meeting) (Community Development Director McIntosh).
CONDUCT PUBLIC HEARING AND CONTINUE PUBLIC HEARING TO JULY 17, 2018

Sponsors:

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Attachments: 1. Ordinance No. 18-0017 (Draft for Discussion Purposes), 2. Interim Zoning Ordinance No. 17-0020-U, 3. Sepulveda Initiatives Working Group Report, 4. Public Hearing Notice, 5. Draft Minutes from Planning Commission Meeting (June 13, 2018), 6. 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 Department Director
Nhung Madrid, Senior Management Analyst
Rafael Garcia, Assistant Planner

SUBJECT:
Consideration of the Sepulveda Initiatives Planning Project Recommendations (Continued from the June 19, 2018 City Council Meeting) (Community Development Director McIntosh).
CONDUCT PUBLIC HEARING AND CONTINUE PUBLIC HEARING TO JULY 17, 2018

RECOMMENDATION:
Staff recommends that the City Council:

1. Receive the Sepulveda Initiatives Working Group Report and input from the Planning Commission discussions and public hearings;
2. Conduct the first portion of the public hearing;
3. Receive public testimony; and
4. Continue public hearing to July 17, 2018.

EXECUTIVE SUMMARY:
In September 2017, staff commenced the Sepulveda Planning Initiatives Project. Staff collaborated with a Community Ad Hoc Working Group and received feedback on development standards-related

to height, setbacks, and desirable land uses and features for the Sepulveda Boulevard Corridor. The Group also provided input on updating the Sepulveda Boulevard Development Guide. This report summarizes the Group's input, and the Planning Commission's recommendations based on the Group's findings.

FISCAL IMPLICATIONS:

No fiscal implications associated with the recommended action.

BACKGROUND:

At the June 19, 2018 City Council meeting, the City Council continued this public hearing item to tonight's City Council meeting. The staff report remains consistent with the June 19, 2018 staff report, however, one new document, Attachment 6, has been added. Due to the timing of the previous Planning Commission public hearing on June 13, 2018, the minutes were not previously available for posting. At this time, the draft minutes from the Planning Commission's public hearing on the Sepulveda Project are now available to provide the City Council with information on the outcome of the Planning Commission's meeting. Staff will also provide more input on the Planning Commission's discussion during the presentation of this item.

The Sepulveda Corridor has been discussed and studied many times over the last 20 years to determine if more intentional planning could result in more development cohesion along this arterial. Recently, there was discussion of a Sepulveda Specific Plan, but rather than undertaking new planning efforts, staff evaluated previous reports and recommended various planning initiatives focused on economic vitality, planning, parking, traffic and overall corridor beautification.

As directed at the September 19, 2017 City Council meeting, staff convened five public meetings with an Ad Hoc Community Working Group, and through their discussions, the Group made a series of recommendations, resulting in The Sepulveda Initiatives Working Group Report (Attachment 2). This report summarizes both the process and outcome of an accelerated effort in response to the following City Council approved Work Plan:

1. Initiate a zone text amendment to:
 - a. Add incentives for the redevelopment of "opportunity sites" for hotels and/or mixed-use developments;
 - b. Possibly limit (but not prohibit) new office uses using a cap, or a locational requirement, or allowing only as part of mixed-use development; and
 - c. Update commercial parking requirements.
2. Amend the Sepulveda Boulevard Development Guide to include standards for addressing the commercial/residential interface on east/west streets and at the rear of commercial properties.
3. Appoint a Working Group committee to work with staff and guide policy alternatives.

DISCUSSION:

This report presents the findings from the Sepulveda Planning Initiatives Ad Hoc Working Group meetings, and the input received from the Planning Commission at their April 25 and May 23 meetings. Due to the timing of the Planning Commission public hearing on June 13 and the posting of this report, staff will provide a verbal update on the outcome from the June 13 Planning Commission public hearing.

Staff is recommending that the City Council receive staff's presentation, open the public hearing,

receive public testimony, and discuss the recommendations. Staff is ultimately seeking the adoption of an ordinance governing the Sepulveda Corridor. Attached is a draft code text amendment, consistent with the draft Planning Commission Resolution that was considered on June 13, 2018 to amend the City's zoning ordinance's regulations in relation to height, setbacks, parking as well as uses allowed along Sepulveda Boulevard as part of the General Commercial (CG) zoning designation. Based upon the input received by the public and the City Council, the draft ordinance will be amended and presented at the July 17, 2018 public hearing.

Development Standards

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. The Working Group suggested the following related to height:

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.

Planning Commission Input:

Based on the input received from the Working Group, the Commission generally supported increasing the height limit to allow contemporary/modern/flat-roof design buildings to be built at a height greater than 30 feet and/or up to 40 feet without the need of a 4:12 roof pitch, and without the need to have parking at the ground or below ground levels.

In addition, there was a general consensus to allow roof mounted mechanical equipment and elevator shafts to exceed the maximum allowed height limit, by five feet, so long as it is properly screened and located in an area that would not be visible or adversely impact the surrounding properties.

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.

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.

Planning Commission Input:

Based on the input from the Working Group, the Commission generally supported allowing flexibility for the daylight plane requirement and unanimously supported allowing mixed-use development within the CG zoning district along Sepulveda Boulevard and supported modifying existing setback standards in order to accommodate mixed-use development and provide flexibility for all residential portions of a mixed-use project. Due to the complexity of modifying the existing mixed-use standards, the Commission supported staff's recommendation to return to the Commission with a code text amendment revising the mixed-use standards to allow additional flexibility within the CG zoning district along Sepulveda Boulevard at a later time.

During the Planning Commission meetings, the public did express concerns regarding the increased height as well as the change to the daylight plane requirement. Currently, the zoning code requires that along a rear property line abutting a residential district, structures shall not intercept a "one-to-one" or 45° daylight plane inclined inward from a height of 15 feet above existing grade at the property line. This has been changed so that along a rear property line abutting a residential district, structures shall not intercept a 60° daylight plane inclined inward from a height of 15 feet above existing grade at the property line. The daylight plane requirement acts as a setback in that it requires buildings to be further setback along the upper floor levels (floor levels above the first floor level) when abutting a residential property at the rear.

Staff has incorporated a minimum lot depth and lot square footage requirement to help alleviate any impacts that may be generated as a result of the modification to the daylight plane requirement.

Furthermore, in order for a project to take advantage of the reduction in the daylight plane requirement they would need to secure approval of a Use Permit and demonstrate that no impacts would be generated on the adjacent properties.

Medical Uses Including Medical Office

The Working Group did not recommend any changes to the current requirements for medical office, or any other medical uses. When the Interim Zoning Ordinance expires, no use permits will be required for medical office unless it is for new construction in excess of 5,000 square feet.

The Commission discussed the topic of medical/office uses along the Corridor, and did not suggest incorporating new regulations.

Desirable Uses and Features

In terms of desirable uses and features that the City would receive and/or benefit from in return for more flexible development standards, the Working Group's discussions generally focused on uses that may be lacking along the Corridor, uses that may be present in other areas of the City, or uses that neighboring cities may have.

Issue #3: Uses and Features:

Ad Hoc Working Group Input:

- The Group suggested desirable uses such as high end restaurants, mixed-use development, hotels, and community related amenities like a local theater and/or children's museum.
- The Group commented that there are uses that currently exist, and still support and encourage such neighborhood-serving uses like the local dry cleaners, coffee shop, UPS Store, and others.
- The Working Group did not suggest the need to limit or further regulate office/medical uses on the Corridor. This discussion was raised in response to Interim Zoning Ordinance (IZO) No. 17-0020-U that is currently in effect which prohibits new health care facilities on Sepulveda Boulevard without a Use Permit (Attachment 3).
- The Working Group expressed a desire for beautification along the Corridor and having beautification standards. This could be accomplished through a beautification and improvement fund. There was also a desire to have a more uniform look for improvements in the right of way to achieve consistent design along the Corridor.
- The Working Group also supported other features such as nighttime lighting for pedestrian safety along the Corridor, wider sidewalks and increased buffers on Sepulveda but also along the residential zoning district. Lastly, the group suggested a tourism tax assessment as it relates to hotels.

Planning Commission Input:

The Commission briefly discussed the suggested land uses, and as previously mentioned, the majority of the uses are already allowed uses, with the exception of residential/commercial mixed-use. The Commission unanimously supported adding mixed-use on the Corridor, however, due to the complexity of modifying the existing mixed-use standards, the Commission supported staff's recommendation to return to the Commission with more information. In addition, the Commission will need to determine which land uses will be eligible to take advantage of the flexible development standards such as setbacks, height, parking requirements and so forth. If mixed-use is allowed, the

Commission may establish a mixed-use (residential to commercial) ratio.

Sepulveda Boulevard Development Guide

Issue #4: Amend Sepulveda Boulevard Development Guide:

The Sepulveda Boulevard Development Guide was adopted in 1997. These guidelines are intended to encourage certain desirable elements to be included within development projects on the Corridor, and supplement the City Zoning requirements as part of the discretionary project review and approval process. The guidelines address such issues as vehicular access, pedestrian access, sidewalk dedication, building orientation, visual aesthetics, residential nuisances, landscaping, signs and utility undergrounding. As guidelines, they are not mandatory, like development standards, they instead provide guidance to applicants, staff, the Planning Commission and the City Council when reviewing projects. Although these guidelines were adopted 20 years ago, the majority of the guidelines remain applicable, as confirmed through discussions with the Working Group.

Ad Hoc Working Group Input:

The Working Group generally supported the current guidelines, as written, and recommended fairly minor modifications including:

1. Emphasis on improving the pedestrian experience through wider sidewalks and landscaping, especially on areas of Sepulveda with greater pedestrian use.
2. Emphasis on safe and appealing vehicular points on entry to Sepulveda businesses (especially restaurant, retail and service uses) from perpendicular (west-to-east) access streets oriented to adjacent residential neighborhoods. This includes easier and safer access from the sidewalk as opposed to walking through an existing parking lot not striped for pedestrian access.
3. Desirability of more pronounced buffer zones between commercial and residential zones.
4. If mixed-use residential/commercial development is conditionally permitted on Sepulveda, then specific site design guidelines should be required.
5. Standard requirements for larger discretionary projects:
 - a. Require neighborhood meeting before project submittal
 - b. Recommend initiation of a Neighborhood Traffic Management Plan

Planning Commission Input:

The Commission did not have any concerns about these modifications and support incorporating these five modifications and updating the Sepulveda Boulevard Development Guide.

Commercial Parking

Issue #5: Update Commercial Parking Standards:

Ad Hoc Working Group Input:

The Working Group did not feel that a reduction in parking should be offered as an incentive to attract certain business types, however, it was the general consensus of the Group that the City's commercial parking codes be updated to more closely match the current regional and national parking rates. While many of the City's parking codes are satisfactory, some parking requirements should be modified to prevent parking deficiencies that may cause overflow parking into surrounding neighborhoods or conversely require surpluses that discourage development of desirable uses. Additionally, restaurant and coffee house parking codes should be revised to remove ambiguity in calculating the required parking using seating area. Better definition and certainty of certain parking

codes would be beneficial for developers.

The Working Group supported parking agreements which would allow neighboring properties to share parking in order to meet parking demand requirements if one property had a parking surplus. The Working Group also generally agreed that a defined parking reduction would be appropriate for certain mixed-use developments that share the same parking area. It was felt that any significant or atypical reduction would need to be supported by a professional parking study, but could be administratively approved if specific guidelines are established.

Planning Commission Input:

Due to the unique issues related to parking requirements, the Planning Commission supported staff's recommendation that the suggested parking code revisions and amendments be reviewed first by the Parking and Public Improvements Commission (PPIC), then brought back to the Planning Commission in fall 2018, after the other Sepulveda Initiatives have been implemented.

During the Planning Commission meeting, members of the public expressed concerns regarding changes or reduction to the parking standards. To further clarify, no changes to the parking standards are proposed at this time as part of this amendment. The only change to parking involves removing the requirement that the parking be provided at the ground or below ground level as part of the building footprint (as part of Issue # 1). This code amendment is only removing the requirement that the parking be located as part of the building footprint at the ground or below ground level, however, all projects would still have to comply with all requirements and would have to provide off-street parking as part of the project. This portion of the code is being amended, in that, it accomplishes nothing, but to require that the parking be incorporated as part of the building footprint.

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 23, 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.

Senior Housing Option

The recent application by Sunrise Senior Living ("Sunrise Project") for a development on Sepulveda at the "Goat Hill" site has raised the question of whether senior housing would be another use to

consider on Sepulveda.

The existing General Plan designates Sepulveda Boulevard as commercial, not residential. Consistent with the General Plan, Sepulveda Boulevard is zoned General Commercial (CG), and housing is not a permitted use in the Zoning Code. The City's housing element expressly focuses future housing opportunities in other commercial zones - CD (Downtown), CL (Local) and CNE (North End), not on Sepulveda. There are two RSC (Residential Senior Citizens) zones in the City: Valley Drive where the Belamar Hotel is located, and in the Manhattan Village where the Senior Villas are located.

The Sepulveda Working Group discussed housing as a possible use several times during the meetings, and concluded that housing would be a desirable use as part of a mixed-use project on Sepulveda. This could be rental housing for any demographic, and would be an incentivized use that could request the height bonus. However, the Working Group did not recommend changing the General Plan and Zoning Code to allow stand-alone, single-use residential housing projects.

The Director of Community Development determined that, as a stand-alone, single-use residential housing project with an assisted living component, the Sunrise Project is inconsistent with the General Plan and Zoning Ordinance, and would not be permitted under the zoning code as it is currently written. The applicant contends that the Sunrise Project is a "Residential Care Facility," a use conditionally permitted in the General Commercial (CG) zoning district with City approval of a Use Permit, and has appealed the Director's decision to the Planning Commission. The appeal was scheduled for the June 13, 2018 Planning Commission Meeting. The Planning Commission granted the applicant's request for a continuance of the item to a future meeting.

State housing law, and the Manhattan Beach General Plan and Zoning Ordinance, define senior housing as its own residential use, separate from other types of housing. It would be appropriate for the City Council to discuss the specific need for housing for seniors and whether or not it would be desirable to permit (or conditionally permit) senior housing as a stand-alone use along Sepulveda Boulevard. The City Council has the discretion to direct staff to draft, for City Council consideration: (1) a General Plan amendment and zone text amendment to allow (or conditionally allow) senior housing in general along Sepulveda; or (2) a zoning map amendment to add the RSC designation to specific locations. The proximity of senior housing to the myriad medical uses on Sepulveda could make this a desirable future location for seniors. Depending on the direction, it could be added to the same Ordinance containing any City Council-directed amendments regarding the Sepulveda Corridor.

POLICY ALTERNATIVES:

ALTERNATIVE #1: Maintain the zoning code as-is without making any amendments.

ALTERNATIVE #2: Consider providing direction for senior housing as a permitted use on Sepulveda Boulevard.

ALTERNATIVE #3: Consider implementing permanent limits on medical uses, including medical office or consider extension of Interim Ordinance No. 17-0020-U (Attachment 2).

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 through 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. All of the information in the Sepulveda Initiatives Working Group Report was derived from feedback directly from the Ad Hoc members at their meetings.

Both the Planning Commission and City Council public hearings were noticed in The Beach Reporter (Attachment 4). Other methods for outreach included a press release, social media postings, mailed notices to all property owners and occupants along the Sepulveda Boulevard Corridor and 4,000 mailed notices to all property owners and occupants within a 500 foot radius of the Sepulveda Boulevard CG zoning district.

Additionally, since all of the Ad Hoc Working Group members are residents or represent those that are a part of this community, these members were instrumental in disseminating information related to this project to those that they represent, their neighbors and fellow community members.

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 the proposed 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. The City Attorney also concurs with the Director's determination that the Sunrise Project, as proposed, is inconsistent with the General Plan and Zoning Code.

Attachments:

1. Ordinance No. 18-0017 (Draft for Discussion Purposes)
2. Interim Zoning Ordinance No. 17-0020-U
3. Sepulveda Initiatives Working Group Report
4. Public Hearing Notice
5. Draft Minutes from Planning Commission Meeting (June 13, 2018)
6. PowerPoint Presentation