

December 1, 2003

**Honorable Mayor and Members of the  
Hermosa Beach City Council**

**Regular Meeting of  
December 9, 2003**

SUBJECT: APPEAL OF PLANNING COMMISSION DECISION TO DENY A GENERAL PLAN AMENDMENT FROM COMMERCIAL CORRIDOR TO MEDIUM DENSITY RESIDENTIAL; ZONE CHANGE FROM COMMERCIAL SPA-7 TO R-2 TWO-FAMILY RESIDENTIAL; AND, THE DEVELOPMENT OF A NINE-UNIT CONDOMINIUM PROJECT

**Planning Commission Recommendation:**

The Planning Commission, at their meeting of August 19, 2003, considered the requests of the applicant, and based on the testimony and evidence presented at the hearing, voted 5:0 to deny General Plan Amendment (GPA) 03-3, Zone Change (ZC) 03-3, Condominium (CON) 03-7, Precise Development Plan (PDP) 03-8 and Vesting Tentative Tract Map 060067.

The Planning Commission found that the requested redesignation and rezoning of the property to residential use is not in the best interest of the City with respect to long-term development of the Pacific Coast Highway Commercial Corridor. Specifically, the Commission found that the General Plan Map accurately depicts the appropriate commercial depth for long-term land use and development of the commercial corridor and is at a consistent depth for the block between 5<sup>th</sup> and 6<sup>th</sup> Street, and that reducing the potential depth for commercial development would preclude the opportunity for new commercial activity or the continuation or expansion of existing commercial activity along the Highway, and will reduce the already limited opportunities for new and/or expanded commercial uses along Pacific Coast Highway.

**Site Information**

GENERAL PLAN:	Commercial Corridor
ZONING:	SPA-7
DEPTH FROM P.C.H.:	140 to 290 Feet
EXISTING USE:	Commercial
UNITS ALLOWED IF R-2 ZONE:	9
NUMBER OF UNITS PROPOSED:	6 Under Latest Plan Revision
PROPOSED SQUARE FOOTAGE:	2,500 to 2,600 Square Feet Each Unit
ENVIRONMENTAL DETERMINATION:	Negative Declaration Recommended <sup>1</sup>

The subject property is located on the north side of Fifth Street, and contains no connection to or frontage on Pacific Coast Highway and is currently fully developed with commercial uses. The property abuts property to the east and north that also is designated Commercial and zoned SPA-7, and contains commercial uses. Abutting property to the west and across Fifth Street to the south are designated Medium Density Residential and zoned R-2. The subject property is currently occupied by four businesses including two motor vehicle repair shops, an auto upholstery shop and an office. The General Plan was changed from Multi-Use Corridor to Commercial Corridor, and the zoning changed from C-3 to S.P.A. 7 as a result of the "Multi-Use Corridor" study in 1989. The depth for commercial development from P.C.H. is 290 feet. Motor vehicle related business and a retail flower shop occupy the remaining property on the block between 5<sup>th</sup> and 6<sup>th</sup> Streets, which surround the subject property to the north and east, and which also contains frontage on P.C.H.

## Analysis

### GENERAL PLAN AMENDMENT / ZONE CHANGES

The applicant is proposing to limit the Commercial General Plan and Zoning Map designations to a depth of 140 feet from P.C.H. and change the subject property to Medium Density Residential and R-2. While this is more consistent with the property to the south across 5<sup>th</sup> Street, which has a commercial depth of 130 feet, it is inconsistent with abutting property to the north, which shares this same block and has a commercial depth of 290 feet. (Please See Attached Zoning Map).

The central policy issue for City Council in all of the Highway related zone change requests is where to draw the commercial boundary and whether the commercial lot depth should be maintained or reestablished. Approving these changes would preclude future use of the property for commercial purposes and limit the potential redevelopment of the Pacific Coast Highway fronting commercial property. The proposed change is significant as it reduces the commercial lot depth by 150 feet (from 290 feet to 140 feet). The question of what can practically be developed in 150 feet is useful in making a decision about the proposed rezoning. Hypothetically, a 150-foot depth allows development of a strip mall (in line shops and surface parking) or up to 10,000 square feet of two-story office development with 2 levels of subterranean parking for 40 cars. A 290-foot depth allows development of a hotel larger than those recently developed along the Highway at 2<sup>nd</sup> (Holiday Inn) and 15<sup>th</sup> Street (Hampton Inn). In commercial areas such as the Highway, most hotels are relatively small, however, the larger the site the more desirable for hotel development according to the Hilton Hotels Corporation.<sup>2</sup> It is arguable that the City's goal of enhancing the commercial development by ensuring commercial lot depth has been realized with projects such as these two new hotels, and the new Sav-On drugstore.

The applicant argues that this property does not fit in with the intent of encouraging new commercial development along P.C.H. because of existing ownership divisions, and economic and neighborhood compatibility considerations. To support this argument the applicant has provided a traffic generation analysis and a supplemental fiscal analysis that estimates the existing and potential tax revenue associated with this property. The traffic analysis demonstrates the lesser traffic impacts residential uses have as compared to commercial uses, and the fiscal analysis demonstrates the potential fiscal advantage to the city in terms of tax revenue of the proposed residential use as compared to the existing commercial use. According to the analysis, even a successful commercial redevelopment of the site would provide no greater fiscal revenue than the residential uses because of the property tax gains.

In response to these arguments, the issue of neighborhood compatibility is really subject to the kind of use proposed for a property. Some commercial uses such as hotels are very good commercial neighbors and have little impact upon the surrounding area. Regarding the fiscal analysis, the report does not fairly reflect what assembled property with a hotel would produce in tax gains or the tax benefits if developed with a larger business "mini-box" use such as an Office Depot or Staples. The report simply examines a 3,500 sq. ft. stand alone business or part of a complex of retail stores. The point of the SPA zone is to force land assembly to a higher and better use. A more complete analysis would show the net affect for a hotel or mini-box use over 1.4 acres, the total land area under the current zoning.

In considering the appeal, the Council must weigh the benefits of rezoning and redesignating commercially zoned property along the commercial corridor, against the disbenefits of losing some of the relatively small amount of commercial property in the City. Approximately 14% of

the City is zoned commercial and less than 6% of that land is located along the City's commercial corridors. Reducing the depth of commercial lots renders the remainder of a site less usable for quality commercial and tends to have collateral effects on abutting properties since it becomes harder to provide the kinds of environmental mitigation for a project (increased setbacks, landscaping, etc.) that larger sites afford.

#### RESIDENTIAL CONDOMINIUM PROJECT

The applicant has provided project plans, revised since the Commission meeting, to show the intended residential development should the General Plan Amendment and Zone Change be approved. The project has been modified from 9-units in three attached clusters, to a project containing six detached units. The applicant as part of the appeal submitted these revised plans.

If the Council does not support the General Plan Amendment and Zone Change there is no reason to consider the details of the development permits for the condominium project. However, if the Council determines to approve the General Plan Amendment and Zone Change, the Council can only act on the originally submitted 9-unit residential project as part of this appeal. Otherwise the applicant's modified development project must be remanded back to the Planning Commission for consideration and recommendation. The applicant's preference is to have the project remanded back to the Planning Commission.

Staff is providing the following general analysis of the modified residential project as information for the benefit of the Council if it is considering approval of the GPA and Zone Change to R-2. The development permits on this modified project, however, are separate from the legislative actions required for a General Plan Amendment and Zone Change, and must be remanded back to the Planning Commission since it is not the same project reviewed by the Commission.

#### PRECISE DEVELOPMENT PLAN / CONDITIONAL USE PERMIT – IF R-2 ZONE

The proposed project, as revised for Council review consists of six detached units. One driveway will be provided on Fifth Street to provide vehicle access to all the units along a common "motor court". The buildings each contain two stories above a basement, and roof decks. The units range in size from 2,500 square feet to 2,568 square feet and contain 3 bedrooms and a den and 3 ½ bathrooms. The buildings are designed in a contemporary Mediterranean style of architecture. The project originally submitted for Planning Commission consideration contained the maximum number of units that would be allowable in the R-2 zone (9 units), in three attached clusters, in a contemporary design. Also, the unit sizes were much smaller, ranging from 1,200 square feet to 1,600 square feet.

Each unit contains a two-car garage private with access via the common motor court to Fifth Street. Guest parking in is provided along the common driveway adjacent to the garages, with three more guest parking spaces provided than required by the Zoning Ordinance for a total of 6 spaces. No on street parking will be lost, as the new curb cut on Fifth Street will replace two existing curb cuts.

The project is generally designed to comply with the R-2 requirements of the Zoning Ordinance, Lot coverage calculates to be 38%, to comply with the maximum of 65% and all required yards are provided. The prevailing setback along the north side of Fifth Street is 10-feet, and the project provides 10 feet for all the building that front on Fifth Street. The plans show sufficient common open space area to comply with the requirement for projects containing five or more units, as 646 square feet is provided in a landscaped garden area in the rear of the property. The plans also

provide for the minimum of 300 square feet of open space per unit, with decks and private yards.

The Zoning Ordinance describes the required common open space area or facility as areas that may include “play areas, pool, spa, recreation room, gym, garden and similar amenities for the common use of all owners.” The proposed common open area for this project contains a picnic area which would appear to be sufficient to comply with the intent of the Zoning Ordinance.

The structures are proposed to comply with the 30-foot height limit, as measured from existing corner point elevations and existing grade, but the plans do not provide the necessary detail on the roof plans at this point to verify compliance with the height limit.

In summary, the condominium project plans are sufficient to demonstrate the applicant’s intent for developing this property should the General Plan Map and Zoning Map be changed, and show a project that complies with R-2 zoning requirements and typical design requirements of the Commission. However, further detail will be needed on project plans if remanded to the Planning Commission to meet the standard of review typically required by the Commission.

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Ken Robertson  
Senior Planner

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Sol Blumenfeld, Director  
Community Development Department

Concur:

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Stephen R. Burrell  
City Manager

Attachments

1. Resolution to sustain the Commission’s denial
2. Planning Commission Minutes / Resolution
3. Maps (Location, General Plan, Zoning)
4. Aerial Photo and site photos
5. Applicant’s letter and analysis (traffic study, fiscal analysis)
6. Correspondence

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<sup>1</sup> At their meeting of July 10, 2003, The Staff Environmental Review Committee recommended an environmental negative declaration for the proposed General Plan Amendment/Zone Change, and the development plan based on the initial study, and traffic impact analysis prepared by Linscott, Law and Greenspan which demonstrates that residential use will have a substantially lower traffic generation than the existing uses, and 3 other alternative commercial land uses. Trip Generation Analysis prepared by Linscott, Law and Greenspan dated June 9, 2003. Table 2 provides the traffic generation comparison between the existing use, the proposed residential use, and alternative commercial uses; specialty retail; fast food restaurant; sit-down restaurant. The most recent project revision reduces the number of dwelling units to six from nine originally proposed.

2. Hilton Hotels Corporation, Greg Francois, Vice President Western Region.

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**RESOLUTION 03-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, TO SUSTAIN THE PLANNING COMMISSION DECISION TO DENY A GENERAL PLAN AMENDMENT FROM COMMERCIAL CORRIDOR (CC) TO MEDIUM DENSITY RESIDENTIAL AND A ZONE CHANGE FROM SPECIFIC PLAN AREA 7 (S.P.A. 7) TO TWO-FAMILY RESIDENTIAL (R-2), AND TO DENY A CONDITIONAL USE PERMIT, PRECISE DEVELOPMENT PLAN, AND TENTATIVE TRACT MAP FOR A 6-UNIT CONDOMINIUM PROJECT FOR THE PROPERTY LOCATED AT 725 FIFTH AND LEGALLY DESCRIBED AS THE WEST 150 FEET OF A PORTION OF LOT 24, BLOCK 78, SECOND ADDITION TO HERMOSA BEACH**

9 The City Council of the City of Hermosa Beach does hereby resolve and order as follows:

10  
11 Section 1. An application was filed by Andrew Fisher owner of property at 725 Fifth Street  
12 seeking to amend the General Plan Map and the Zoning Map for the subject property, and for a  
13 Conditional Use Permit, Precise Development Plan, and Vesting Tentative Tract Map for a 6-unit  
14 condominium project.

15 Section 2. The Planning Commission conducted a duly noticed public hearing to consider the  
16 application for a General Plan Amendment, Zone Change, and condominium project on August 19,  
17 2003 at which testimony and evidence, both written and oral, was presented to and considered by the  
18 Planning Commission. Based on the testimony and evidence reviewed at the hearing the Commission  
19 denied the requests, as set forth in P.C. Resolution 03-43.

20 Section 3. The applicant filed an appeal of the Planning Commission decision, and modified  
21 the condominium project by reducing the number of proposed units from nine to six.

22 Section 4. The City Council conducted a duly noticed public hearing to consider the  
23 applicant's appeal of the Planning Commission denial of the General Plan Amendment, Zone Change,  
24 and entitlements for a condominium project on December 9, 2003, at which testimony and evidence,  
25 both written and oral, was presented to and considered by the City Council.

26 Section 5. Based on evidence received at the public hearing, and the record of decision of the  
27 Planning Commission, the City Council makes the following factual findings:

28 1. The property is designated Commercial Corridor on the General Plan Map, and S.P.A. 7  
29 (Commercial Specific Plan Area) on the official City Zoning Map as a result of the Multi-Use Corridor  
study in 1989. The S.P.A. 7 zoning for the site allows continued commercial use of the property, or an  
assembly of this property with the P.C.H. fronting commercial property, and does not allow residential  
use.

2. The requested change will reduce the depth of the commercial designated property, as  
measured from P.C.H. westward, from 290 feet to 140 feet, and replace the commercial designations  
on the subject property to allow residential development for up to nine units consistent with the Medium  
Density Residential classification of the General Plan and the R-2 Zoning district in the Zoning  
Ordinance.

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3. The property at 725 Fifth Street currently is used for commercial purposes containing motor vehicle repair shops and an office.

4. The adjacent property to the north is designated on the General Plan and Zoning Maps for commercial purposes to a depth of 290 feet, and to the south across Fifth street to a depth of 130 feet.

5. Surrounding abutting property to the north and east is designated Commercial Corridor on the General Plan Map and Zoned R-2, and is currently developed with automotive related commercial uses.

Section 6. Based on the foregoing factual findings, the City Council makes the following findings pertaining to the General Plan Amendment:

1. The proposed amendment to the General Plan Map to reduce the depth of the Commercial Corridor designation from 290 to 140 feet, is not in the best interest of the City with respect to long-term land use and development of the Pacific Coast Highway Commercial Corridor.

2. The General Plan Map accurately depicts the appropriate commercial depth for long-term land use and development of the Pacific Coast Highway corridor at this segment of the corridor and is at a consistent depth for the block between 5<sup>th</sup> and 6<sup>th</sup> Street.

3. Reducing the potential depth for commercial development would preclude the opportunity for new commercial activity or the continuation or expansion of existing commercial activity along the subject segment of the P.C.H., and will reduce the already limited opportunities for new and/or expanded commercial uses to locate along Pacific Coast Highway within the boundaries of Hermosa Beach.

Section 7. Based on the foregoing findings, the City Council hereby denies the requested General Plan Amendment.

Section 8. By virtue of the denial of the proposed General Plan Amendment, it would be contrary to State Law to approve the Zone Change because such a change it would render the Zoning designation inconsistent with the General Plan designation. Therefore, the Zone Change is hereby denied.

Section 9. By virtue of the denial of the General Plan Amendment and Zone Change it would be contrary to the Municipal Code to approve the proposed 9-unit residential condominium project as the current zoning does not permit residential uses. Therefore the Conditional Use Permit, Precise Development Plan, and Vesting Tentative Tract Map for a 6-unit condominium are hereby denied.

PASSED, APPROVED and ADOPTED this      day of      ,2003

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PRESIDENT of the City Council and MAYOR of the City of Hermosa Beach, California

ATTEST:

APPROVED AS TO FORM:

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CITY CLERK

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CITY ATTORNEY

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