

September 28, 2006

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

**Regular Meeting of
October 10, 2006**

SUBJECT: REVIEW OF ELIMINATING RESIDENTIAL CONDOMINIUMS IN THE C-1 ZONE

Recommendation:

That the City Council direct staff as deemed appropriate.

Background:

This item was brought up by Councilman Sam Edgerton. Council directed staff to submit a report assessing the impacts of eliminating residential condominiums in the C-1 (Limited Commercial Zone) in order to mitigate the potential loss of restaurants and "traditional" uses in the zone. This report assesses the potential impacts of the proposal.

The C-1 zone allows certain stand-alone commercial uses and mixed-use development combining ground level commercial with residential uses above. The C-1 zone has allowed residential apartments above commercial for over 60 years and in August 2003 the City Council clarified that the C-1 permitted use list also included residential condominiums. In December 2003 the City adopted a mixed-use ordinance combining standards from the R-3 and C-1 zones. Many cities in the area including Manhattan and Redondo Beach, have adopted similar ordinances to encourage mixed-use development to spur revitalization of underdeveloped properties and to accommodate additional housing need. Developers have incentive to redevelop such properties because of the extra value added to commercial property with residential uses.

An example of this revitalization effect in Hermosa Beach is 44 – 48 Hermosa Avenue where a new mixed-use project will replace the businesses that had sat vacant, becoming a code enforcement problem with vagrants and illegal dumping. A developer pursued redevelopment of the site but requested adding condominiums to the permitted use list in order to develop the project. The City Council's approval of this change facilitated redevelopment. The project is currently in construction. The only other new mixed-use project in the city involves the property at 20 Hermosa Avenue which had been vacated by a restaurant more than two years prior to purchase by a local architect who planned to locate his office on the ground level and his residence above. The project is currently in plan check. There are no other applications to develop mixed-use projects at this time.

Analysis:


There are 39 C-1 zoned lots in the city, eight of which contain restaurants. The loss of existing restaurant or "traditional" uses in the C-1 zone was raised as a potential problem created by the new mixed-use ordinance and it was suggested that removing condominiums from the C-1 permitted use list would present a way to mitigate this problem because there would be no compelling reason to redevelop C-1 zoned property. The current mixed-use development standards in the C-1 zone prohibit several commercial uses including restaurants that were deemed to be inharmonious with residential above. A new mixed-use project cannot include a restaurant. Stand-alone restaurants are still a permitted use in the zone and stand-alone condominiums are not permitted.

The attached table and land use survey indicates that there are no existing restaurants located on C-1 zone lots that are susceptible to redevelopment without property assembly because these uses occupy lots that are too small to accommodate a mixed-use project with required parking. Thus the restaurant properties cannot be redeveloped as a mixed-use project unless they are assembled with other C-1 zoned properties and are not likely to be replaced. The proposal to remove residential condominiums from the C-1 zone

will potentially affect 13 properties that are similarly zoned and located adjacent to three or more lots that can be assembled and developed with at least a two-unit project. Less than two units is generally not a profitable development because of the cost of land, and less than three lots generally provide inadequate land area to accommodate ground level commercial and required project parking unless the lots are exceptionally large. Further, if a lot is small and not directly accessed by two or more streets, it is generally not possible to redevelop it with even one residential unit above ground level retail because parking is a major controlling factor in developing a mixed use project. If a project cannot be parked it cannot be built. The attached table illustrates how parking affects mixed-use development feasibility in the C-1 zone. Most single, small lots that include uses like Martha's, El Gringos or the Bottle Inn restaurants are not threatened with redevelopment and similarly "traditional" uses such as the Green Store, Boccatos and Mikey's Deli are also not developable due to the inability to provide adequate parking.¹

Any additional concerns about losing existing restaurants and "traditional" uses in the C-1 zone can be addressed in two ways:

1. Amend the permitted use list to remove condominiums as part of the residential uses allowed in the C-1 zone, similar to the way it was written originally which reduces the incentive to redevelop C-1 property; or
2. Eliminate the restriction on restaurants from the Mixed Use Ordinance. (ie. amend "Limitation on allowed Commercial Uses". The types of uses that are currently prohibited in the mixed-use ordinance include restaurants, bars, laundries and stand alone parking lots or structures.



Sol Blumenfeld, Director
Community Development

Concur:



Steve Burrell,
City Manager

Attachments:

1. Development Feasibility Spreadsheet
2. Property Ownership List
3. Example of Mixed Use Development
4. Permitted Use List and Mixed-Use Ordinance

Notes:

1. The C-1 Development Spreadsheet shows existing land uses, required parking for mixed use commercial and residential projects and project feasibility for each property based upon parking. Alternate calculations were prepared for reorienting the commercial on the site (noted with "A" following the Parcel Number column), since the commercial area of the project (and related parking) changes based on lot orientation. Lots that may be assembled are shown shaded/colored on the spreadsheet. The tabulated data indicates the following:
 - One Lot Mixed Use Development with Street Frontage on One or Two Sides - Single lots are generally too small to redevelop with two units unless they are accessed by streets or alleys on two or more property boundaries which allows more efficient lot utilization with back-up onto alleys, etc. (See Attachment 3). Tandem parking is not permitted.
 - Two Lot Mixed Use Development - If two standard lots are assembled the additional commercial frontage requires additional parking and generally cannot be parked.
 - Three Lot Mixed Use Development - Three lots typically provide enough land to park the commercial and residential portions of a project.

A	B	C	D	E	F	G	H	I	J	K
Mixed Use Development on C-1 Zoned Property										
Parcel #	Address	Exist. Use	Lot	Size	Comm. Area	Comm. Parking	Parking Res. Park Feasible 2 Units	Total Park Req'd.	Total Park Prov'd.	MXD Feasible
1	4181018001	3216 Man.	Amigos Tacos	4918	2475	10	8	5	15	8 No
2	4181018001A	3216 Man.	"	4918	1800	7	10	5	12	10 No
3	4181018002	3232 Man.	Dan's Liquor	4905	2475	10	8	5	15	8 No
4	4181019003	200 Long.	La Penita II	2100	900	4	4	5	9	4 No
5	4181023002	2700 Man.	La Stosta	4796	2400	10	8	5	15	8 No
6	4181023002A	2700 Man.	"	4796	1800	7	10	5	12	10 No
7	4181025005	2641 Man.	Manhattan Mar	4134	3150	13	3	5	18	3 No
8	4181025009	2604 Herm.	Comm. Store	2990	921	4	7	5	9	7 No
9	4181025010	2608 Herm.	El Gringo	2087	1998	8	0	5	13	0 No
10	4181025020	2629 Man.	Laundry	3088	1127	5	7	5	10	7 No
11	4181025900	Remnant	"	22	22	0	0	5	5	0 No
12	4181030015	3125 Man.	Bocafos	3859	2100	8	6	5	13	6 No
13	4181030015A	3125 Man.	"	3859	1654	7	7	5	12	7 No
14	4181031012	139 Long.	Apts.	2474	900	4	5	5	9	5 No
15	4181031012A	139 Long.	Apts.	4950	2475	10	8	5	15	8 No
16	4181031014	3201 Man.	Offices	2474	900	4	5	5	9	5 No
17	4181031014A	3201 Man.	"	4950	2475	10	8	5	15	8 No
18	4181031015	3217 Man.	Hair Salon	2474	2474	10	0	5	15	0 No
19	4181031015A	3217 Man.	Hair Salon	2474	900	4	5	5	9	5 No
20	4182003014	19 22nd	Martha's	2627	2627	11	0	5	16	0 No. Comm. Entire Lot
21	4182003014A	19 22nd	"	2627	900	4	6	5	9	6 No
22	4182004008	20 22nd	Nielson Creativ	3601	825	3	9	5	8	9 No. But 2 Units w/
23	4182004011	26 22nd	Bottle Inn	3607	1224	5	8	5	10	8 Adj. Lot Assembly
24	4182004012	2147 Herm.	Green Store	3607	1224	5	8	5	10	8 Possible
25	4182004012A	2147 Herm.	"	3607	2400	10	4	5	15	4 "
26	4187004026A	1020 Strand	Sea Sprite	2537	904.5	3	5	5	8	5 No. But 2 Units w/
27	4187004004A	1028 Strand	Sea Sprite	2537	904.5	3	5	5	8	5 Adj. Lot Assembly
28	4187004005A	1042 Strand	Sea Sprite	6313	1809	5	15	5	10	15 Yes.
29	4187004026A	1016 Strand	Sea Sprite	7366	2713	8	16	5	13	16 Yes.
30	4188003031	20 2nd + Lot	2nd St. Café- V	4000	1800	7	7	5	12	7 Yes.
31	4188003033	135-139 Herm.	Vacant	2250	900	4	5	5	9	5 No.
32	4188003034	133 Herm.	Vacant	2223	900	4	4	5	9	4 No.
33	4188003035	113 Herm.	Pacific Rim Cal	3925	1800	7	7	5	12	7 No. But 2 Units w/
34	4188003036	101 Herm.	Mickey's Deli	3038	1578	6	5	5	11	5 Adj. Lot Assembly

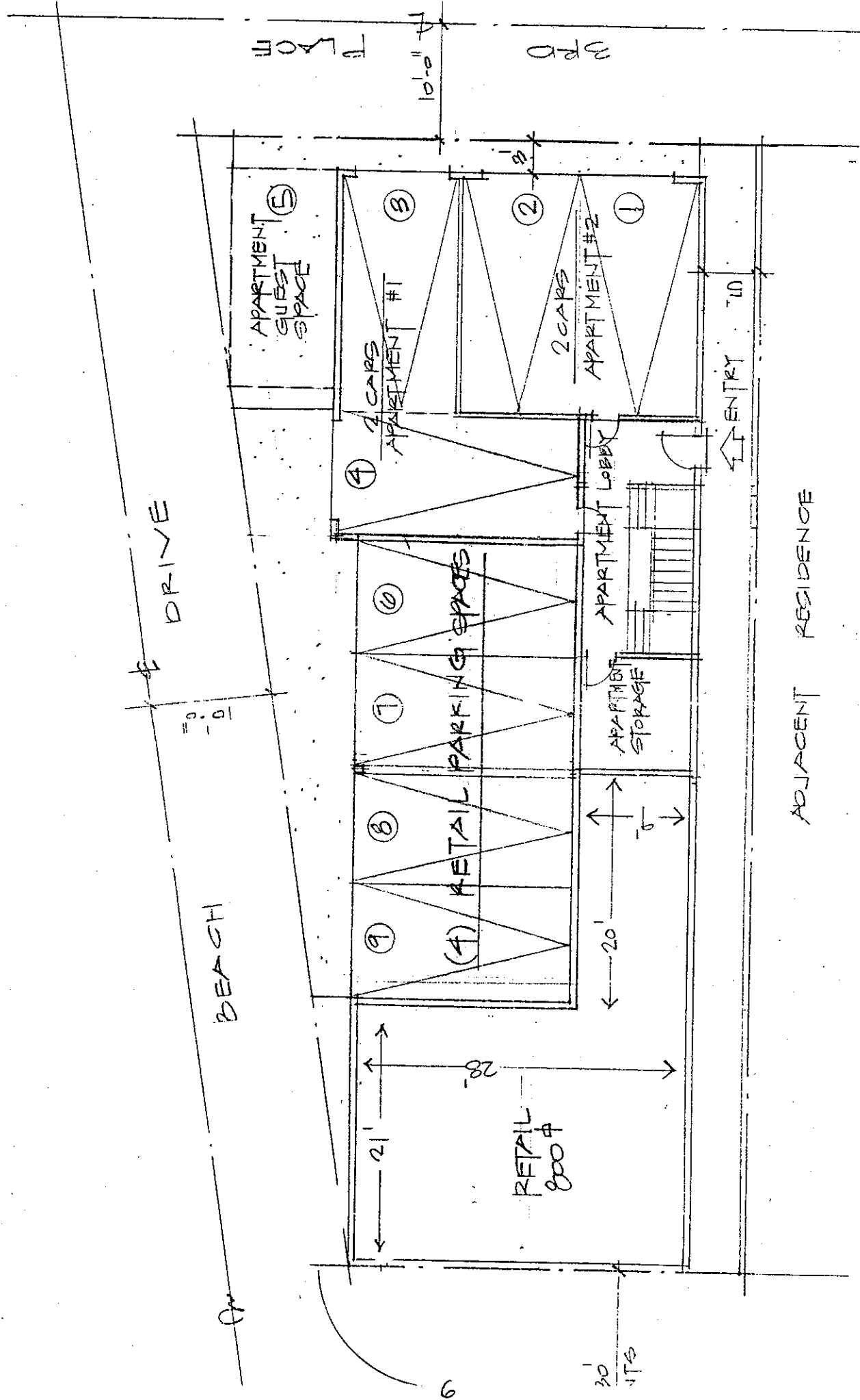
	A	B	C	D	E	F	G	H	I	J	K
38	Parcel #	Address	Exist. Use	Lot	Comm. Area	Comm. Parking	Parking Res. Park Feasible 2 Units	Total Park Req'd.	Total Park Prov'd.	MXD	
39											
40	4188012048	19 2nd	SFR	3864	800	3	10	5	8	10 Yes, Due to Access	
41	4188007013	25 2nd	SFR	2866	900	4	7	5	9	7 No	
42	4188007014	201 Herm.	Blue Pacific Re	2866	900	4	7	5	9	7 No	
43	4188012048	170 Herm.	Le Petite Café	2897	900	4	7	5	9	7 No	
44	4188012049	190 Herm.	Le Petite Café	2897	870	3	7	5	8	7 No	
45	4188012048A	170- 190 Herm	"	5794	1800	7	13	5	12	13 Yes	
46	4188012048A2	170- 190 Herm	"	5794	3000	12	9	5	17	9 No	
47	4188014035	30-44 Herm	Mixed Use	7200	2700	11	15	5	16	15 Yes, Due to Access	
48	4188014036	"	"			0				& Adj. Lot Assembly	
49	4188014037	"	"			0				"	
50	4188014038	48 Herm.	Apts.	2400	900	4	5	5	9	5 No. But 2 Units w/	
51	4188014039	54 Herm.	Lookout Enterp	2400	900	4	5	5	9	5 Adj. Lot Assembly	
52	4188014040	60 Herm.	Vacant	2400	900	4	5	5	9	5 Possible	
53	4188014041	66 Herm.	HBYC	2400	900	4	5	5	9	5 "	
54	4188015037	2 Herm.	Dawn-Dusk Liq	5236	1950	8	11	5	13	11 No. But 2 Units w/	
55	4188015038	16 Herm.	Apts.	2400	900	4	5	5	9	5 Adj. Lot Assem	
56	4188015039	22 Herm.	Apts.	2400	900	4	5	5	9	5 Possible	
57		22 Herm.	Apts.	10028	3750	15	21	5	20	21 Yes	

HdL Coren & Cone for 017

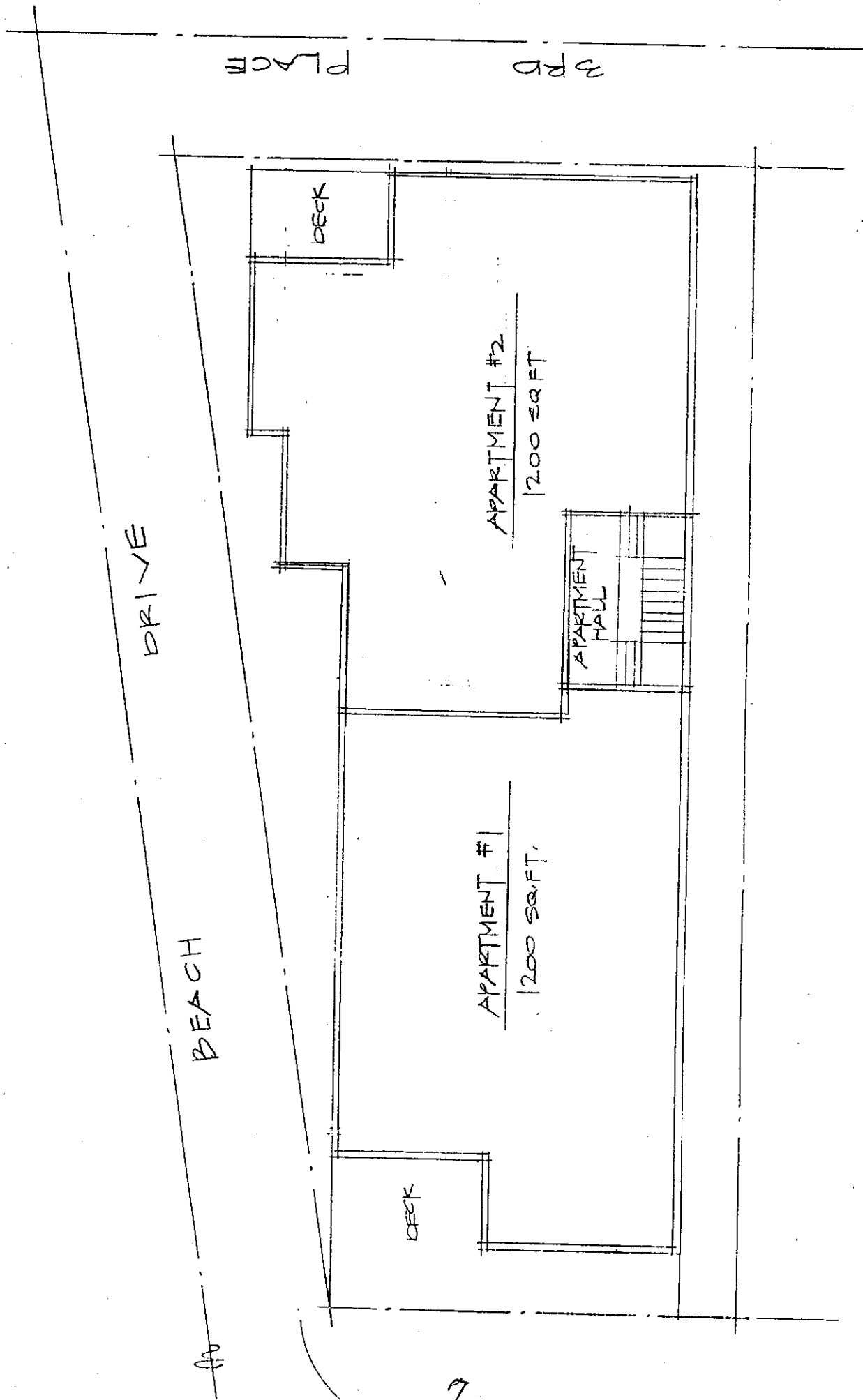
2006/07 Flagged Parcels - in Parcel Order

Parcel	Situs Address	Owner	Owner 2
4181-018-001	3216 Manhattan Ave	Carty Richard And Pat	
4181-018-002	3232 Manhattan Ave	D A J Inc	
4181-019-003	200 Longfellow Ave	Krech Douglas K	
4181-023-002	2700 Manhattan Ave	Sohail Llc	
4181-025-005	2641 Manhattan Ave	Singh Rajesh And Arun L	
4181-025-009	2604 Hermosa Ave	Firestone Steven	
4181-025-010	2608 Hermosa Ave	Gordon David And Elsie Trs Et Al Gor	CATALANO C CO TR CATALANO TRUST
4181-025-020	2629 Manhattan Ave	Jalali Mostafa Tr Mostafa Jalali Tru	NASRI SEDIGHEH
4181-025-900		Hermosa Beach City S By S	
4181-030-015	3125 Manhattan Ave	Boccatto Franco Et Al	BOCCATO JOHN V
4181-031-012	139 Longfellow Ave	Icaza Ricardo F And Adele Trs Icaza	
4181-031-014	3201 Manhattan Ave	Icaza Ricardo F And Adele Trs Icaza	
4181-031-015	3217 Manhattan Ave	Bredesen Chris And Virginia Trs C G	
4182-003-014	19 22nd Ct	Volk Robert D Tr Robert Davies Volk	
4182-004-008	20 22nd St	Hicks Robert A Tr R A And F M Hicks	
4182-004-011	26 22nd St	Oswell Investments Llc	
4182-004-012	2147 Hermosa Ave	Green Store Partners	
4187-004-003	1020 The Strand	Sprite Enterprises Associated	
4187-004-004	1028 The Strand	Sprite Enterprises Associated	
4187-004-005	1042 The Strand	Donaldson E D And H E Trs Et Al Dona	BOWMAN HENRY H
4187-004-026	1016 The Strand	Sprite Enterprises Assoc	
4188-003-031	20 2nd St	Jersey Hills Llc And	KILLEN PATRICK J
4188-003-033	133 Hermosa Ave	Herrera Daniel B And Casey T	
4188-003-034		Herrera Daniel And Casey T	
4188-003-035	113 Hermosa Ave	Kwak Chong K And Ok Ja	
4188-003-036	101 Hermosa Ave	Mance Rosalee Tr Mance Trust	
4188-007-012	19 2nd St	Wells Gary And Cindi	
4188-007-013	25 2nd St	McMillen Darwin W And Ann M Trs Mcmi	
4188-007-014	201 Hermosa Ave	Triantis Steve And Christina Trs Tri	
4188-012-048	170 Hermosa Ave	Holliday John	
4188-012-049	190 Hermosa Ave	Holliday John	
4188-014-038	48 Hermosa Ave	Nelson Gary E	
4188-014-039	54 Hermosa Ave	Baron Eric L And	BERNARD YVONNE M
4188-014-040	60 Hermosa Ave	Dimitrius Ralli Tr Ralli Dimitrius T	
4188-014-041	66 Hermosa Ave	Kissel Leonard F Tr Leonard F Kissel	
4188-014-090	30 Hermosa Ave	30 Hermosa Llc	
4188-015-037	2 Hermosa Ave	Wilk Sanford And Marlene Trs L R Sim	
4188-015-038	16 Hermosa Ave	Conroy Brian F Tr Conroy Family Trus	
4188-015-039	22 Hermosa Ave	Libiano Lance E	
39 Parcels			

5



MIXED USE EXAMPLE



3RD PLACE

DRIVE

BEACH

DECK

APARTMENT #2

1200 SQ. FT.

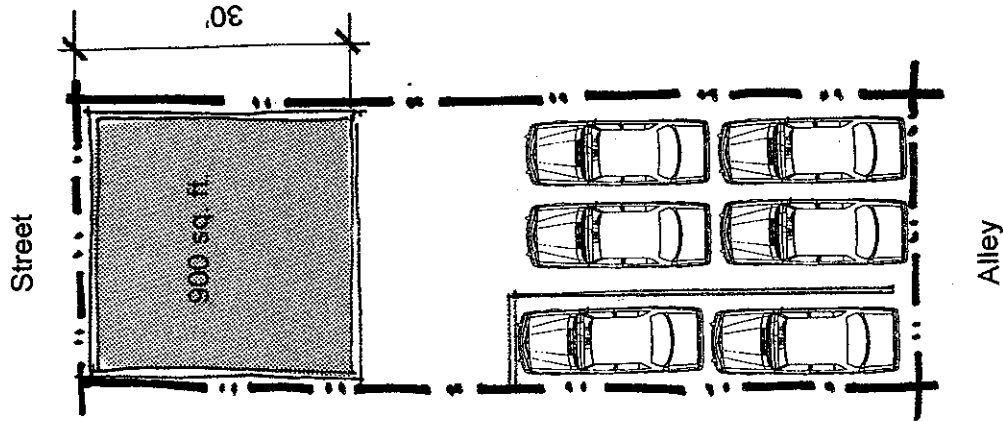
APARTMENT HALL

APARTMENT #1

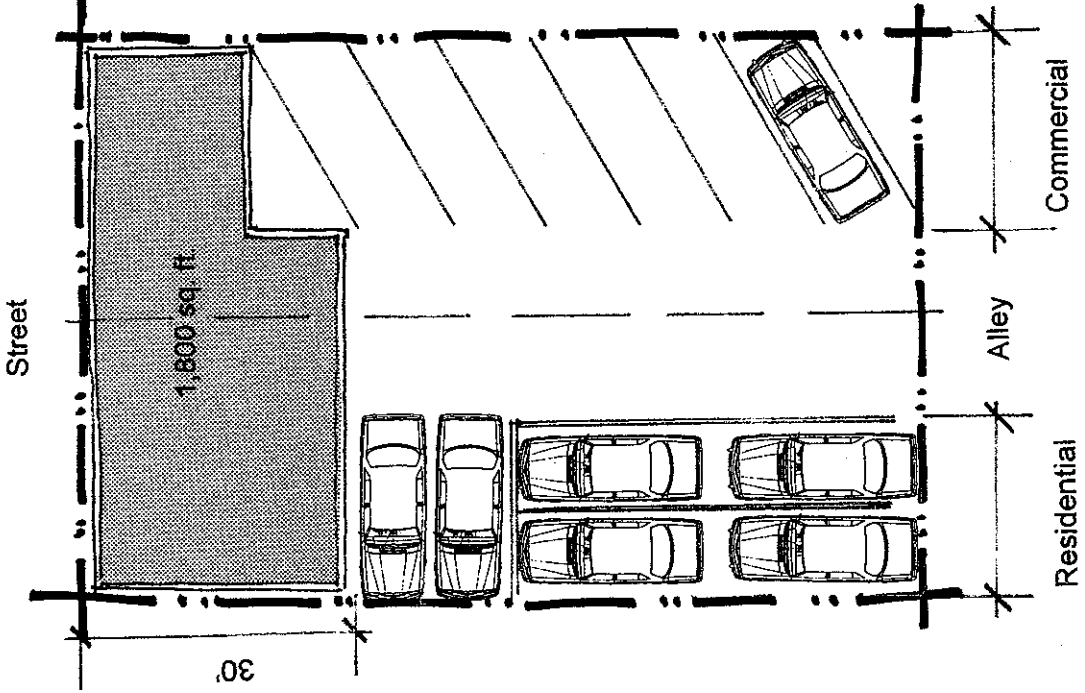
1200 SQ. FT.

DECK

EXAMPLE OF MIXED USE DEVELOPMENT – MINIMUM 30' COMMERCIAL DEPTH



Single Lot
 Required Parking:
 4 Commercial @ 4: 1000
 5 Residential @ 2 Per Unit
 & 1 Guest
 9 Total Required
 6 Provided
 Parking Short by 3 Spaces
 Not Permitted



Double Lot
 Required Parking:
 7 Commercial @ 4: 1000
 10 Residential @ 2 per Unit
 & 2 Guest
 17 Total Required
 12 Provided
 Parking Short by 5 Spaces
 Not Permitted

Attachment

C-1, C-2 and C-3 ZONES, LAND USE REGULATIONS

P = Permitted

- = Not Permitted

U = C.U.P. Required (See Chapter 17.40)

USE	C-1	C-2	C-3	See Section
Adult businesses	-	-	U	17.40.050
Adult paraphernalia, X-Rated uses and materials, limited to no more than 20% of stock-in-trade	U	U	U	17.40.060
Alcohol beverage establishments, on-sale	-	U	U	17.40.080
Alcohol beverage establishment, off-sale -- (closing at 11:00 p.m. or earlier)	P	P	P	
Alcohol beverage establishment, off-sale -- (open between 11:01 p.m. and 2:00 a.m.)	U	U	U	17.40.090
Animal hospitals	-	-	P	
Aquariums, sales and supplies of marine life	P	P	P	
Art/antiques/curios gallery or shop	P	P	P	
Audio/video equipment and supplies, sales and repair	P	P	P	
Bakery	P	P	P	
Banks and financial institutions	-	P	P	
Barber/beauty shop	P	P	P	
Billiard or pool halls	-	P	P	
Books/news/magazines, sales	P	P	P	
Bowling alley	-	-	P	
Brick and stone (ornamental)	-	-	P	
Bus station, not including terminal facilities	-	-	P	
Business schools	-	-	P	
Catering business	-	-	P	
Clinic, dental and/or medical	P	P	P	
Clothing and wearing apparel sales and service	P	P	P	
Clubs, private	-	P	P	
Computer and Internet Access Center	-	-	U	17.40.020
Convention hall	-	-	U	17.40.020
Copying and printing services and supplies	P	P	P	
Dancing, customer	-	P	P	
Day nursery, preschool	U	U	U	17.40.110
Department stores	-	-	P	
Detective agency	P	P	P	
Drugstore	P	P	P	
Entertainment, live	-	U	U	17.40.020
Equipment (household tools and lawn/garden equipment including small engines) rental, and repair, other than street vehicles	-	-	P	
Florist or plant shop	P	P	P	
Food and beverage market (maximum 4,000 square feet floor area)	P	P	P	
Fortune tellers, psychics and astrologers	-	-	P	
Funeral homes, including mortuaries	-	P	P	
Furniture/furnishings, sales and display	-	P	P	
Game arcade, if five (5) or more machines	-	-	U	17.40.020
Garden equipment, small, hand-operated, sales and rentals	-	P	P	
Gun shop	-	-	P	

Gymnasium/health and fitness center	-	P	P	
Hardware/home improvement store	-	P	P	
Hobby and craft supplies and service	P	P	P	
Hospitals, general, psychiatric out-patient only	-	-	U	17.40.020
Hotels, motels	-	P	P	
Household appliances/office equipment, sales and repair	-	P	P	
Instruments (professional and/or scientific), sales	P	P	P	
Interior decorating studio, store or shop	P	P	P	
Laboratories	-	P	P	
Laundry business and dry-cleaning (including self-service)	P	P	P	
Locksmith business	P	P	P	
Lumberyard, retail	-	-	P	
Massage therapy business	-	U	U	17.40.160
Messenger service	P	P	P	
Miniature golf course	-	-	P	
Monuments	-	-	P	
Motor vehicles and equipment, sales and service (including motorcycles, boats, non-tractor trucks, RV's)				
.....Sales/rental, new or used	-	-	U	17.40.020
.....General repair, service, installation of parts andaccessories	-	-	U	17.40.020
.....Body repair and painting	-	-	U	17.40.020
.....Service station	-	-	U	17.40.030
.....Parts and accessories, retail sales	-	P	P	
.....Car washes or (self-service car wash)	-	-	U	17.40.030
.....Vehicle storage	-	-	U	17.40.020
Movie theaters	-	U	U	17.40.020
Museums	-	P	P	
Music academy	-	U	U	17.40.020
Musical instruments, retail and repair	-	P	P	
Nurseries	-	-	U	17.40.020
Offices, general	P	P	P	
Parcel delivery terminal	-	-	P	
Parking lots and /or structures	P	P	P	
Pet grooming, no overnight kennels	-	P	P	
Pet stores, including sale of pets	-	-	P	
Photo engraving business	-	-	P	
Photography (equipment sales and service, film processing, studio)	P	P	P	
Printing and or publishing business, commercial	-	P	P	
Radio and television stations	-	-	U	17.40.020
Recycling, large or small collection facility	-	-	U	17.40.130, 17.40.140
Residence: Residential uses above ground floor commercial use(s), including condominium developments.	U	-	-	17.40.020
Restaurant, with drive-in, or drive-thru window, or with outdoor walk-up window on public right of way	-	U	U	17.40.020
Restaurant/cafe	P	P	P	
Restaurant/cafe with beer and wine or (on-sale alcohol beverage establishment)	U	U	U	17.40.080
Reverse vending machine(s)	U	U	U	17.40.120
Secondhand merchandise, retail sales	-	P	P	
Skating rink, ice or roller	-	-	P	
Snack bar/snack shop	P	P	P	
Sound score production facility	-	-	U	17.40.020
Sporting/recreational equipment sales, service, and rental	P	P	P	

Supermarkets	-	P	P	
Surfboard manufacturing	-	-	U	17.40.020
Ticket broker/sales	-	P	P	
Tobacco store	P	P	P	
Toy store	P	P	P	
Upholstering shop	-	-	P	
Wedding chapel, commercial	-	-	P	
Wireless communication facility	U	U	U	
Youth Hostel	-	U	U	17.40.150
Entertainment, special performances	-	U*	U*	
Outdoor merchandise display, temporary outside dining, in conjunction with special event	U*	U*	U*	17.26.050(D)
Parade, circus or carnival	-	U*	U*	

17.40.180 Mixed-Use Development (C-1 Zone)

For uses allowed in the C-1 Zone as part of a mixed-use development, the following conditions and standards of development, in addition to any other deemed necessary or appropriate to ensure compatibility with existing or permitted uses in the vicinity, shall be required:

- A. Residential Development Standards. The residential portion of a mixed-use development shall be subject to the development standards of the R-3 zone as set forth in Chapter 17.16 with the exception of the following:
 1. If the residential portion of a mixed-use development is a condominium development, then the development shall be subject to the condominium development standards as set forth in Chapter 17.22.
 2. Residential use is limited to 25% of the first floor area for the purposes of providing entry-exit areas or lobbies, stairs and corridors, and shall not include primary living areas or sleeping rooms.
 3. Front setbacks shall be a minimum of five feet.
 4. The front setback area may be used for required open space if the area is a deck above the commercial level and otherwise complies with the open space requirements of the R-3 zone.
 5. No lot coverage maximum shall be applied.
 6. No 36" box tree per dwelling unit shall be placed as a street tree to the satisfaction of the Public Works Director.
- B. Commercial Development Standards. In addition to the requirements of the commercial zone, the following standards shall apply to the mixed-use development.
 1. The ground floor shall be primarily commercial with a minimum average depth of 30-feet, and living and sleeping areas of residential units shall be located above the ground floor.
 2. Building frontage shall be used for commercial purposes with the exception of entry-exit corridors and stairs for accessing the residential units and/or for driveways to access parking.
- C. General Development Standards for noise, security, lighting.
 1. Noise: Residential uses shall be separate from commercial uses by sound proofed floors and walls with minimum sound transmission rating as required for condominiums as set forth in Chapter 17.22. Commercial uses hours of operations shall be limited where appropriate so that residents are not exposed to offensive noise or activity.
 2. Security: Separate and secured entrances for residences directly accessible to sidewalk and parking areas.
 3. Lighting: Outdoor lighting and lighting for signs associated with commercial uses designed so as not to adversely impact residences. No flashing, blinking or high intensity lighting. Adequate lighting to illuminate parking areas and corridors to access

parking and public sidewalk. Lighting for signs may only be illuminated during business hours.

- D. Signs. Signs shall be limited to the commercial building frontage pursuant to the requirements of Chapter 17.50.
- E. Limitation on allowed Commercial Uses. Permitted commercial uses within a mixed use development shall be as permitted in the underlying commercial zone with the following exceptions which shall not be permitted:
 - 1. Restaurants and bars
 - 2. Laundry and dry-cleaning businesses
 - 3. Parking lots and/or structures.
- F. Limitations on hours of operation. The hours of operation for any commercial use shall be limited to 8 a.m. to 10 p.m.

Owner shall disclose separately and in writing upon sale or rental of the subject property that it is mixed use and permits commercial and residential uses within the building.