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# CALIFORNIA COASTAL COMMISSION

South Coast Area Office 200 Oceangate, Suite 1000 ong Beach, CA 90802-4302 (562) 590-5071

# RECORD PACKET COPY



July 30, 1997

Filed:

6-30-97

49th Day:

180th Day:

Staff:

JLR/LB

Staff Report:

7-21-97

Hearing Date:

Aug. 12-15,1997

Commission Action:

# STAFF REPORT: REGULAR CALENDAR

**APPLICATION NO.:** 

5-97-066

APPLICANT:

Renatto Basile

PROJECT LOCATION:

1130 - 1132 Hermosa Avenue, Hermosa Beach

PROJECT DESCRIPTION: Expand a 616 sq. ft. restaurant into an adjacent 528 sq. ft. retail store to include eight existing on-site parking spaces.

Lot area:

4,000 sq. ft.

Building coverage:

1,760 sq. ft.

Pavement coverage:

2,240 sq. ft.

Landscape coverage:

N/A

Parking spaces:

Eight

Zoning:

C-2

Plan designation:

**General Commercial** 

Project density:

N/A

Ht abv fin grade:

N/A

LOCAL APPROVALS RECEIVED: Approval in Concept-City of Hermosa Beach

#### SUBSTANTIVE FILE DOCUMENTS:

1. City of Hermosa Beach Amended Certified Land Use Plan (LUP)

2 Coastal Development Permits 5-93-113, 5-94-130, 5-94-217, 5-94-264, 5-94-282, 5-95-049, 5-95-077, 5-96-043, 5-96-075, 5-96-046 and 5-96-152.

#### **SUMMARY OF STAFF RECOMMENDATION:**

Staff is recommending denial because the proposed intensification of use does not provide additional parking consistent with the provisions of the certified Land Use Plan and the public access and development provisions of Sections 30211, 30212.5 and 30252 of the Coastal Act.

#### **STAFF RECOMMENDATION:**

The staff recommends that the Commission adopt the following resolution:

## I. Denial

The Commission hereby <u>denies</u> a permit for the proposed development on the grounds that the development will not be in conformity with the provisions of Chapter 3 of the California Coastal Act of 1976, will prejudice the ability of the local government having jurisdiction over the area to prepare a Local Coastal Program conforming to the provisions of Chapter 3 of the Coastal Act, and will have significant adverse impacts on the environment within the meaning of the California Environmental Quality Act.

## II. Findings and Declarations:

The Commission hereby finds and declares as follows:

# A. <u>Project Description and Location:</u>

The applicant proposes to expand a 616 sq. ft. restaurant into an adjacent 528 sq. ft. retail store. The applicant currently has eight on-site parking spaces. With the proposed expansion, the subject restaurant will have an allowable seating capacity for up to eighteen persons. The lot size is 4000 sq. ft. There is a one story, 1720 sq. ft. building containing three stores. The stores include a 616 sq. ft. restaurant and 528 sq. ft. retail store that is subject to this present application and an 596 sq.ft. coffee store. The remainder of the lot, 2,280 sq. ft. is developed with eight parking spaces shared by all three stores. There is no space available on the lot to develop additional parking. The proposed project is located in the Downtown Commercial District of the City of Hermosa Beach. The subject site is approximately one block inland of The Strand, a public walkway that parallels the adjacent public beach.

The Commission notes that the parking structure approved by the Commission in early 1997 will be completed by mid 1998. At that time, the City will reassess <u>parking</u> supply and demand. There may be additional opportunities for small projects to go forward at that time.

#### B. Public Access/Development:

The following Coastal Act policies are relevant:

Section 30211 of the Coastal Act states:

Development shall not interfere with the public's right of access to the sea where acquired through use or legislative authorization, including, but not limited to, the use of dry sand and rocky coastal beaches to the first line of terrestrial vegetation.

Section 30212.5 of the Coastal Act states:

Wherever appropriate and feasible, public facilities, including parking areas or facilities, shall be distributed throughout an area so as to mitigate against the impacts, social and otherwise, of overcrowding or overuse by the public of any single area.

Section 30252 of the Coastal Act states:

The location and amount of new development should maintain and enhance public access to the coast ...(4) providing adequate parking facilities...

The above policies protect the public's ability to access the beach and ocean by requiring new development to be accompanied by parking. The downtown beach/pier area is a major visitor destination for recreational purposes. Development in the downtown area must be carefully evaluated so as to protect, preserve and enhance public access to this coastal area. Visitor access to the beach is dependent on public parking. Street parking supplies a significant amount of the spaces to serve the beach.

In 1982, the Commission certified an LUP for the City. The LUP addresses the need for adequate parking to maintain beach access. The LUP acknowledges the need for beach parking and requires that intensification of use be accompanied with adequate parking. The reason adequate parking is required is that any additional demand for street parking spaces will compete with development for beach parking spaces i.e., onstreet spaces or spaces located within the public parking lots. Adequate parking to serve new development is a public access issue because the downtown public parking lots are heavily used at certain times of the year and will not accommodate substantial new development.

Build-out and subdivision patterns make it impossible for existing structures to provide on-site parking when the demand for parking increases. Because it is often infeasible

to provide parking on-site, the City has developed two ways for developers to mitigate the adverse impact of increasing parking demand to provide parking off-site. These are:

- a) Identify and allocate surplus downtown spaces
- b) require payment of an in lieu fee

In 1994, the City studied parking demand for commercial uses. There are currently 347 commercial spaces in three parking lots and 528 on-street parking spaces in the downtown area. In addition, there are 2,630 on-street and remote beach parking spaces outside of the downtown area that have been identified for beach parking. Most of these spaces beach parking are more than five blocks from the beach.

In 1994 the City identified 76 underused spaces in two existing downtown publicly owned parking lots. These are distinguished separately from 2630 spaces identified in the LUP for beach parking. These existing lots were under-utilized for commercial parking. Therefore, in the Commission's 1994 approval of an LUP amendment, the Commission required new commercial development projects to participate in the parking validation program for a minimum of two hours, and also allowed a limited amount of intensification to go forward using the surplus spaces to provide parking for the development.

The 1994 amended LUP allowed development to use existing commercial lot parking in lieu of on-site parking. This exception to parking requirements was permitted within a limited build-out cap (i.e. until the "surplus spaces were used up by needs of new development) and participation within a parking validation program. The amended LUP limited new development taking advantage of this program within the Downtown Commercial District to a total of 96,250 sq. ft. That cap has now been reached because of numerous business improvements and expansions during the past two years. Under the LUP, public parking lots are at capacity, all new projects are now subject to the City's standard parking provisions which also include an in-lieu parking fee program.

The City's current in-lieu program has two components. Payment of the in-lieu fees can either be paid by a private party or paid from a transfer of City "set aside funds" based upon a City Council approval. Following is a background summary of that program as submitted by the City:

In 1985 the City Council established the in-lieu fee program based upon a rate of \$6000 per space with allowance for Consumer Price Index adjustment. The program has undergone several amendments and in 1994 the City Council approved the recommendation of the Downtown Enhancement Commission to set aside incentive funds to pay parking in-lieu fees that would otherwise be required for downtown

projects. In-lieu funds for up to 20 parking spaces were set aside (\$120,000) and criteria for distribution of the in-lieu funds was established by the City Council.

Subsequently, the City changed parking restrictions in the downtown which were approved by the Coastal Commission under Coastal Land Use Plan (LUP) Amendment No. 6. These new parking requirements allowed significant business improvement and expansion to occur with little need to use set aside funds over the last 2 1/2 years. Recent development of the downtown over this period has resulted in the City exceeding the development threshold for reduced parking standards in LUP No. 6 and all new projects are now subject to the City's standard parking requirements. The City has contributed set aside in-lieu funds for the Hennessey Tavern expansion and has received a request for payment of in-lieu fees by the Mix, a restaurant/retail business.

Specifically, the amended LUP states the following:

Program: In order to mitigate the impacts of increased parking demand that is created by new development, but is not compensated for by requiring additional parking spaces, the DBAEDC or its successor agency or the private party, shall provide an in-lieu fund transfer or an in-lieu fee to an improvement fund earmarked specifically for creating parking in an amount determined to be sufficient of off-set the increase in required parking spaces caused by the expansion, intensification, or new construction not provided on-site.

If DBAEDC determines that the private party is responsible for the in-lieu fee, the private party shall pay said fee as requested by the DBAEDC.

Program: The City shall not accept a fee in lieu of providing on site parking unless the Planning Director assures that sufficient parking exists to accommodate the parking demand of new development. The improvement fund to mitigate increased parking demand shall be geared to a threshold limit of increased parking demand. The threshold limit shall be established at 100 parking spaces.

In 1982, the certified LUP provided an in-lieu fee program. The in-lieu fee was established at 1,500 per parking space to be adjusted annually according to the Consumer 1500 Price Index. The fee was based on what the cost would be to build one space in a parking structure. The City established the in-lieu program at 50% of the actual cost of construction. According to the City's certified LUP, the proposed restaurant conversion requires three parking spaces. That calculation is based on the difference between the required parking for the proposed restaurant conversion (1 per 100 square feet: 5 spaces) and the required parking for the previous retail use (1 per 250 square feet: 2 spaces) resulting in a required three additional spaces. Restaurants generate the need for one space per table, about 50 square feet of

customer area, about 50 square feet of preparation area for every square feet of customer area. This generation ratio has been verified in numerous studies including the studies conducted by the Los Angeles City Planning department on which the Commission's guidelines are based. In this case only parking for the addition is required. The City,s standard of one space per 100 sq. ft. of gross floor area is the same as the Commission's standard of one space per 50 sq. ft of customer service area.

The existing restaurant was approved in 1995 under the cap that allowed less restrictive commercial parking requirements were in accordance with the provisions of the Commission's conditionally approved 1994 amendment to the City's certified LUP. However, as stated above, development cannot rely on surplus spaces to provide parking because the City has reached its maximum development cap.

Given that the required 3 parking spaces cannot be physically accommodated on the site, approval of the proposed restaurant expansion is contingent upon either permitting the development without the required parking or by requiring the payment of in-lieu fees. Pursuant to Section 17.44.210 of the City's zoning code the City may approve a reduction in required parking based on a Parking Plan that considers such factors as uniqueness of the use, peak hours of operation and projected bicycle and pedestrian traffic. The City concluded that these factors were relevant and no additional parking was necessary. The restaurant is located 1 1/2 blocks from the beach, so some walk up traffic could occur. However, the City's 1994 study took walk up traffic into account in reducing parking standards in the downtown. The Commission set a cap for calculating relaxedparking due to walk up at 96,250 sq. ft. That cap has now been exceeded. The Commission is concerned that a precedent will be established to allow future development to proceed without adequate parking provisions which, cumulatively, would create adverse impacts for the limited number of public beach parking spaces.

The City's certified LUP allows the City to require in-lieu parking fees if sufficient parking within the downtown area exists to accommodate the parking demand of new development. At this point in time, the City has demonstrated in a 1996 traffic report that there are adequate parking facilities in the surrounding area because a hotel recently approved is not yet constructed. If there are spaces available in the interim, according to the provisions of the amended LUP, the Commission can approve the development if applicant provides three in-lieu fund transfers or in-lieu fees into a City fund for improvements and/or construction of parking facilities within the District and/or for acquisition of property to be utilized for parking. The in lieu fee is based on the cost of constructing a parking space in a garage. Absent such a fee, the Commission cannot find that the project's impacts on beach parking are mitigated.

Although the City has demonstrated that the downtown commercial district currently has adequate parking to support the proposed intensification of use, the City has not demonstrated that in the long-term there will also be adequate parking for the proposed development. The only reason adequate parking is currently available is because projects that have been approved by the Commission have not yet been built. These developments were approved based upon the availability of existing parking. Thus new development must contribute their fair and proportionate share to a future solution of the problem, a parking structure. Each space in the structure is estimated to cost at least \$6,000 to construct (the City owns the property). The City will be able to mitigate cumulative impacts of intensification of constructing a new parking structure. The City's application of its policy is to require payment of an in lieu fee as a last resort based on the following:

- 1) The predecessors in interest of the current businesses were assessed and paid their fair share of the cost of acquiring and development of the City's three downtown public commercial lots. The surplus spaces in these lots were then allocated to the district businesses when they expanded (the cap).
- 2) Funds assessed from downtown firms in the past were then allocated on a first come first serve basis at \$6,000 per space to mitigate parking impacts as it represents past contributions to mitigate parking.
- 3) New development past the cap and after expenditures of the downtown fund represents parking impacts that have not been mitigated. These will be assessed at the construction cost of each new space. At the time of the approval the fee was based on an estimate of \$6,000 per space.

In this instance the City determined that because the project was fast food and small in scale that it was not appropriate to assess parking fees.

However, even small impacts must be mitigated. The Commission must find that the parking impacts are mitigated. The only available mitigation is payment to parking fund. Since no City funds are available, the applicant must provide such funds, or the project must be denied. Since this is a City program, the Commission cannot determine the appropriate proportional contribution to the fund.

Therefore, the Commission finds that the proposed project will interfere with public access to shoreline consistent with Sections 30211 and 30212.5 of the Coastal Act. The Commission further finds that the proposed restaurant conversion will not provide adequate parking consistent with Section 30252(4) of the Coastal Act.

C. Consistency with the California Environmental Quality Act (CEQA).

Section 13096 of Title 14 of the California Code of Regulations requires Commission approval of Coastal Development Permits to be supported by a finding showing the application, as conditioned, to be consistent with any applicable requirements of the California Environmental Quality Act (CEQA). Section 21080.5(d)(2)(i) of CEQA prohibits a proposed development from being approved if there are feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse impact which the activity may have on the environment.

The proposed development cannot be found consistent with the public access and development policies of the Coastal Act. An alternative mitigation measure to provide in-lieu parking fees could assure that adequate parking exists within the downtown commercial area to accommodate both new development and public beach parking has not been required. There are feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse impact which the activity may have on the environment. Therefore, the Commission finds that the proposed project cannot be found consistent with the requirements of the Coastal Act to conform to CEQA.

#### D. Local Coastal Program

(a) Prior to certification of the Local Coastal Program, a Coastal Development Permit shall be issued if the issuing agency, or the Commission on appeal, finds that the proposed development is in conformity with the provisions of Chapter 3 (commencing with Section 30200) of this division and that the permitted development will not prejudice the ability of the local government to prepare a Local Coastal Program that is in conformity with the provisions of Chapter 3.

On September 1981, the Commission certified, with suggested modifications, the land use plan portion of the Hermosa Beach Local Coastal Program. The certified LUP contains polices to guide the types, locations and intensity of future development in the Hermosa Beach coastal zone. Among these polices are those specified in the preceding section regarding parking.

The proposed development, as submitted, is not consistent with the policies of the certified LUP. The City has not submitted specific details assuring the viability of an inlieu fee program that will mitigate beach parking impacts. The City has not submitted evidence of the relationship between the in-lieu fee and the mitigation. The Commission has not certified the Implementation Plan detailing exactly what the fee is based on, how it mitigates parking impacts and how the fees are tracked to assure mitigation of the project's parking impacts. Without an implementation program, there is no method of granting an exception. Approving an exception, even for a small project, would prejudice the LCP's ability to limit or discourage development when parking reserves are used up. As proposed, the project, which provides no additional parking

provisions, will adversely impact coastal beach parking. The Commission, therefore, finds that the proposed project will not be consistent with the Chapter 3 policies of the Coastal Act and will prejudice the ability of the City to prepare a Local Coastal Program implementation program consistent with the policies of Chapter 3 of the Coastal Act as required by Section 30604(a).

JLR:bll

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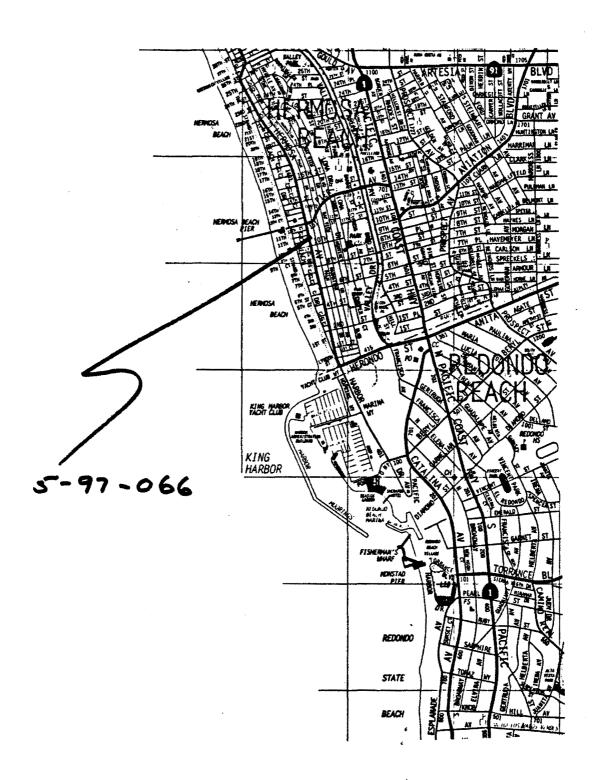
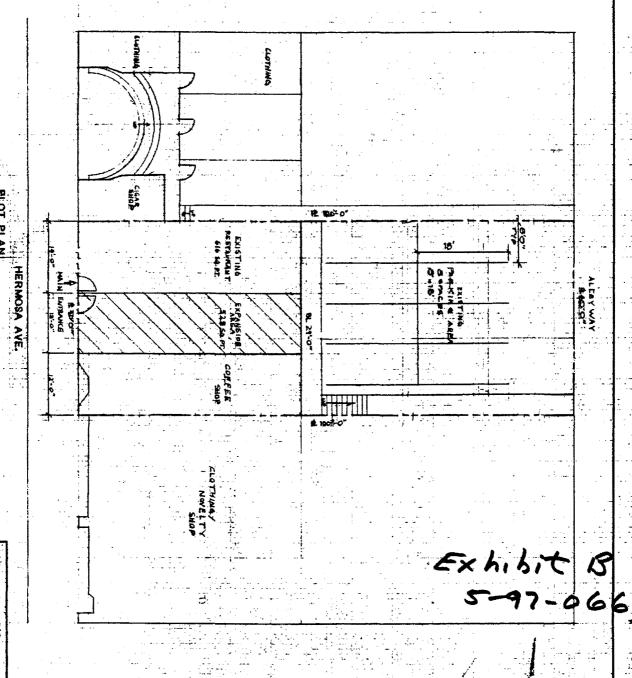


Exhibit A 5-97-066

MAY 1 9 1997

CAUFORNIA
COASTAL COMMISSION



HERMOSA BEACH

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ECE 1 9 1997 CALIFORNIA COASTAL COMMISSION A. ALL WORK SHALL COMPLY WITH 1511 UBC, LMC, UPC. (1390 NEC. B. FLUSH O METER VALUES NOT BEING USED FLOOR PLAN NEW WALLS EXISTING WALLS 1/4"=1" HERMOSA BEACH 1132 HERMOSA AVE. AL SXIL 5/5 HODD SYSTEM WHILE EXTENSION EXHAUST CEMS SEVO MAKE OF CEMS 5500 DUCT-SIZE, 29"X22", SHAFT SUE BO'LZE" PERMIST BLOWER, 2201, 10-1, 1588, II., 0.75 EP, 55 BD CEM, CONTROSE 2010 PAISANO'S EXISTING HOOD NOTES

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Exhibite -77-066

#### P.C. RESOLUTION NO. 97-25

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF HERMOS
BEACH, CALIFORNIA, APPROVING A CONDITIONAL USE PERMIT TO ALLOW
ON-SALE BEER AND WINE, AND A PARKING PLAN FOR EXPANSION OF AN
EXISTING RESTAURANT WITH LESS THAN REQUIRED PARKING AT 1132
HERMOSA AVENUE, AND LEGALLY DESCRIBED AS LOT 10, BLOCK 35, FIRST
ADDITION TO HERMOSA BEACH TRACT

WHEREAS, the Planning Commission held a public hearing on March 18, 1997, to receive oral and written testimony regarding this matter and made the following findings:

- The applicant proposes to expand the subject restaurant into the existing adjoining retail A. space, formerly a nail salon;
- B. The project is consistent with the General Plan;
- C. The site is zoned C-2 and is suitable for the type and intensity of the proposed use;
- The proposed use, as conditioned below, is compatible with surrounding commercial uses; D.
- E. The small amount of seating area in the restaurant (18 persons), combined with the standard imposition of conditions for on-sale establishments pursuant to Section 17.40.080 of the Zoning Ordinance, will be adequate mitigation to any potential negative impacts relating to the on-sale beer and wine;
- F. Though the proposed expansion will intensify the use and increase the parking requirement by three spaces, the parking requirement may be reduced pursuant to Section 17.44.210 of the Zoning Ordinace based on the following factors that reduce parking demand:
  - a significant number of customers will walk or bike to the restaurant; and i.
  - ii. the small size and limited number of tables relative to the total square footage; and
  - iii. the peak hours of the proposed use will slightly differ from the adjacent coffee house/sandwich shop.

NOW, THEREFORE, BE IT RESOLVED THAT THE PLANNING COMMISSION OF THE CITY OF HERMOSA BEACH DOES HEREBY APPROVE A CONDITIONAL USE PERMIT AND PARKING PLAN, SUBJECT TO THE FOLLOWING CONDITIONS:

SECTION I Specific Conditions of Approval

Exhibit D 5-97-066

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time period of Government Code Section 65907. The City shall promptly notify the permittee of

Permittee shall defend, indemnify and hold harmless the City, it agents, officers, and employees

from any claim, action, or proceeding against the City or its agents, officers, or employee to attack, set aside, void or annul this permit approval, which action is brought within the applicable

any claim, action, or proceeding and the City shall cooperate fully in the defense. If the City fails to promptly notify the permittee of any claim, action or proceeding, or if the City fails to cooperate fully in the defense, the permittee shall no thereafter be responsible to defend, 2 indemnify, or hold harmless the City. 3 The permittee shall reimburse the City for any court and attorney's fees which the City may be 4 required to pay as a result of any claim or action brought against the City because of this grant. 5 Although the permittee is the real party in interest in an action, the City may, at its sole discretion, participate at its own expense in the defense of the action, but such participation shall not relieve 6 the permittee of any obligation under this condition. 7 The subject property shall be developed, maintained and operated in full compliance with the 8 conditions of this grant and any law, statute, ordinance or other regulation applicable to any development or activity on the subject property. Failure of the permittee to cease any 9 development or activity not in full compliance shall be a violation of these conditions 10 11 VOTE: AYES: Comms. Perrotti, Pizer, Schwartz, Chmn. Tucker 12 NOES: None ABSTAIN: Comm. Merl 13 ABSENT: None 14 CERTIFICATION 15 I hereby certify that the foregoing Resolution P.C. 97-25 is a true and complete record of the 16 action taken by the Planning Commission of the City of Hermosa Beach, California at their 17 regular meeting of Maron 18, 1997. 18 Peter Tucker, Chairman 19 Sol Blumenfeld, Secretary 20 4-15-97 21 cur97-01 22 23 24 25 26

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March 11, 1997

Honorable Chairman and Members of the Hermosa Beach Planning Commission

Regular Meeting of March 18, 1997

SUBJECT:

**CONDITIONAL USE PERMIT 97-1** 

PARKING PLAN 97-1

LOCATION:

1132 HERMOSA AVENUE

APPLICANT:

RENATTO BASILE

PAISANO'S PIZZA

**REQUEST:** 

TO ALLOW ON-SALE BEER AND WINE, AND PARKING PLAN FOR

EXPANSION OF AN EXISTING RESTAURANT WITH LESS THAN

REQUIRED PARKING.

Recommendation

To approve the proposed C.U.P. and Parking Plan to allow less than required parking subject to the conditions in the attached resolution.

**ALTERNATIVE** 

Require the payment of parking in-lieu fees for the 3 required spaces. (\$18,000)

Background

PROJECT INFORMATION:

ZONING:

C-2

GENERAL PLAN:

General Commercial

LOT AREA:

4000 Square Feet

**EXISTING FLOOR AREA:** 

616 Square Feet

**EXPANSION FLOOR AREA:** 

528 Square Feet

**EXISTING PARKING:** 

8 Spaces (in tandem)

REQUIRED ADDITIONAL PARKING:

3 Spaces

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5-97-066

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The subject restaurant is part of a multi-tenant building with thirty eight (38) feet of frontage on Hermosa Avenue and containing a total of 1144 square feet.

The applicant proposes to expand the subject restaurant into the existing adjoining retail space. formerly a nail salon. A Conditional Use Permit is required for on-sale beer and wine in conjunction with a restaurant use. A Parking Plan is required to allow the change of use of the retail space to the more intense restaurant use, which results in a requirement for three additional spaces.

#### **Analysis**

#### CONDITIONAL USE PERMIT

With the proposed expansion, the subject restaurant will only have allowable seating for up to eighteen (18) persons. The small amount of seating area in the restaurant, combined with the standard imposition of conditions for on-sale establishments, pursuant to Section 17.40,080 of the Zoning Ordinance, will be adequate mitigation to any potential negative impacts relating to the on-sale alcohol.

#### PARKING PLAN

The restaurant was originally established in 1995 in accordance with the relaxed parking standards for the downtown area, pursuant to Section 17.44.040 of the Zoning Ordinance. The exceptions to standard parking requirements allowed by this section, however, are no longer applicable since the City has reached its development cap as set forth by the Coastal Commission in L.U.P. Amendment #6. Therefore, pursuant to Section 17.44.140(E) the required parking for the proposed intensification of 528 square feet from retail to restaurant is calculated as the difference between the required parking for a restaurant (1 per 100 square feet: 5 spaces) and the required parking for retail use (1 per 250 square feet: 2 spaces) resulting in a required 3 additional spaces.

Given that the 3 added parking spaces cannot be easily provided on site, the expansion is contingent upon either reducing the requirement for the entire site to 8 spaces, or payment of parking in-lieu fees. The Planning Commission may approve a reduction in the required parking, pursuant to Section 17.44.210 based on such factors as bicycle and foot traffic, the uniqueness of the proposed use and the anticipated peak hours of the proposed use as compared with other uses sharing the same parking. Staff believes that all these factors contribute to less than required parking being necessary, and that the existing 8 spaces are adequate, for the following reasons:

- A significant number of customers will walk or bike to the restaurant reducing the impact on parking demand.
- The small size and limited number of tables relative to the total square footage reduce the impact on parking demand.
- The peak hours of the proposed use will sligntly differ from the house/sandwich shop thereby reducing the impact on parking demand. The peak hours of the proposed use will slightly differ from the adjacent coffee

5-97-066

Staff further believes that these factors should be sufficient for the Coastal Commission to also support a reduced parking requirement for this particular case.

Scott Lunceford Planning Intern

CONCUR:

Ken Robertson Associate Planner

Sol Blumenfeld, Director

Community Development Department

# **Attachments**

- 1. Proposed Resolution
- 2. Site and floor plans

cup97-01

Exh.b;tE 30f3 5-97-066