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STATE OF CALIFORNIA - THE RESOURCES AGENCY

PETE WILSON, Governor

CALIFORNIA COASTAL COMMISSION

South Coast Area Office
200 Oceangate, 10th Floor
Long Beach, CA 90802-4302
(562) 590-5071

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Commission Action:

**STAFF REPORT: PERMIT AMENDMENT****APPLICATION NO.:** 5-96-282A1**APPLICANT:** Seaview Development**AGENT:****PROJECT LOCATION:** 1302-1340 The Strand, Hermosa Beach, Los Angeles County

DESCRIPTION OF PROJECT PREVIOUSLY APPROVED: Construction of a 30-foot high, 3-story, 96-unit limited-term occupancy condominium hotel consisting of two separate buildings connected by a pedestrian bridge, with 3,050 square feet of meeting rooms with catering kitchen, workout room, laundry, garden spa, valet guest parking service, and public street improvements. The project will be constructed in two phases: Phase I will include one building with 56 units, 1,482 square feet of meeting rooms and 54 on-site parking spaces; Phase II will include a second building with 40 units, 1,568 square feet of meeting rooms. The project includes the provision of 100 off-site spaces leased from the city within the City's 480 parking space parking structure that the City intends to build adjacent to the project site.

DESCRIPTION OF AMENDMENT: Delete special condition #4.b. to allow the construction of Phase II to commence prior to the commencement of construction of the municipal parking structure on City parking Lot "C".

SUBSTANTIVE FILE DOCUMENTS: Coastal Development Permits No. 5-97-011, 5-96-212, 5-92-177, 5-84-236, 5-82-251A (City of Hermosa Beach); A-3-MAR-96-094

PROCEDURAL NOTE: The Commission's regulations provide for referral of permit amendment requests to the Commission if:

- 1) The Executive Director determines that the proposed amendment is a material change,
- 2) Objection is made to the Executive Director's determination of immateriality, or
- 3) the proposed amendment affects conditions required for the purpose of protecting a coastal resource or coastal access.

The subject permit amendment has been referred to the Commission because the proposed amendment affects conditions required for the purpose of protecting coastal access. If the applicant or objector so requests, the Commission shall make an independent determination as to whether the proposed amendment is material. 14 Cal. Admin. Code 13166.

SUMMARY OF STAFF RECOMMENDATION:

The staff recommends that the Commission determine that the proposed development with the proposed amendment, as conditioned is consistent with the requirements of the Coastal Act.

STAFF RECOMMENDATION:

The staff recommends that the Commission adopt the following resolution:

I. Approval

The Commission hereby grants a permit for the proposed development on the grounds that the development, as conditioned, will be in conformity with the provisions of Chapter 3 of the California Coastal Act of 1976, will not 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 is in conformance with the public access and public recreation policies of Chapter 3 of the Coastal Act, and will not have any significant adverse impacts on the environment within the meaning of the California Environmental Quality Act.

II. Standard Conditions.

1. Notice of Receipt and Acknowledgment. The permit is not valid and development shall not commence until a copy of the permit, signed by the permittee or authorized agent, acknowledging receipt of the permit and acceptance of the terms and conditions, is returned to the Commission office.
2. Expiration. If development has not commenced, the permit will expire two years from the date this permit is reported to the Commission. Development shall be pursued in a diligent manner and completed in a reasonable period of time. Application for extension of the permit must be made prior to the expiration date.
3. Compliance. All development must occur in strict compliance with the proposal as set forth in the application for permit, subject to any special conditions set forth below. Any deviation from the approved plans must be reviewed and approved by the staff and may require Commission approval.
4. Interpretation. Any questions of intent or interpretation of any condition will be resolved by the Executive Director or the Commission.
5. Inspections. The Commission staff shall be allowed to inspect the site and the project during its development, subject to 24-hour advance notice.
6. Assignment. The permit may be assigned to any qualified person, provided assignee files with the Commission an affidavit accepting all terms and conditions of the permit.

III. Special Condition

1. Delete Special Condition #4.b. that reads as follows:

The permittee shall not commence construction of the Phase II building until the City of Hermosa Beach has commenced construction on the municipal parking structure on City parking Lot "C".

2. Modify Special Condition 5.a. as follows (Additions shown in underline, deletions in cross-out):

~~ppp/PPP/PPP/PP~~ Prior to occupancy of the Phase II building, the permittee shall provide a total of 100 parking spaces on a permanent long-term basis for the exclusive use by occupants/guests of the entire project (54 spaces for the building built during Phase I and 46 spaces for the building built during Phase II).

Note: Unless specifically altered by this amendment, all conditions imposed on the previously approved permit remain in effect (See Exhibit #1, original permit Special Conditions).

FINDINGS FOR EXECUTIVE DIRECTOR'S DETERMINATION:

A. Project and Area Description

The applicant is requesting an amendment to delete special condition #4.b to allow the construction of the hotel/condominium's Phase II development to commence prior to the commencement of construction of the municipal parking structure on City parking Lot "C" that was to provide the hotel/condominium's 100 support parking spaces.

In March 1997 the Commission approved the construction of a 96-unit limited-term occupancy resort condominium consisting of two separate buildings (Phase I and Phase II). The 100 support parking spaces required for the hotel/condominium were approved by the Commission to be provided within a 480 space parking structure that the City intends to build adjacent to the project site [CDP #5-97-011 (City of Hermosa Beach)]. The developer entered into a lease agreement with the City to lease 100 parking space for the exclusive use of the hotel/condominium once the City parking structure is built. The applicant is requesting the amendment due to delays the City has experienced with commencing construction on the City parking structure.

The applicant was allowed to commence construction on Phase I once evidence was submitted by the applicant showing that adequate interim parking spaces (54) were provided either on-site (Phase II site) or off-site to support Phase I. Because the hotel/condominium project was relying on the future parking structure to provide the hotel's permanent parking, Phase II of the hotel/condominium project was not to commence construction until the City commenced construction on the parking structure to ensure that the project would be guaranteed to have permanent parking. If Phase II was completed prior to the completion of the parking structure the applicant was required to provide 100 interim parking spaces at another location for the exclusive use of the hotel until the parking structure was completed.

The hotel project site is located on two separate vacant parcels totalling .72 acres in area with one parcel fronting along The Strand and the other directly behind the first parcel and across Beach Drive, in the City of Hermosa Beach. The City parking structure site (parking Lot "C") will be located adjacent to the second parcel and Beach Drive.

B. Parking

Section 30252 of the Coastal Act states in part:

The location and amount of new development should maintain and enhance public access to the coast by... (4) providing adequate parking facilities or providing substitute means of serving the development with public transportation....

In addition, the Parking policy C.1. of the City's certified Land Use Plan states:

That the City should not allow the elimination of existing on-street parking or elimination of existing on-street parking or off-street parking spaces within the coastal zone. Future residential and commercial construction should provide the actual parking necessary to meet the demand generated.

As proposed the hotel/condominium was to be constructed in two phases. Phase I consisted of 56 units and required 54 support parking spaces. Phase II consisted of 40 units and required an additional 46 parking spaces for a total of 100 support spaces.

Once Phase I was completed and operational the required 54 parking spaces were to be located on the undeveloped Phase II site or within a suitable off-site location until the City completed the parking structure.

The applicant is nearing completion of construction on Phase I and is prepared to commence construction on Phase II. The applicant has designated an off-site lot and submitted a lease agreement for the 54 parking spaces to support Phase I, as required by the permit's special conditions.

As originally scheduled by the City and hotel developer construction of the City's parking structure was planned to begin approximately three months after the start of Phase I construction and overlap with the construction of Phase I and Phase II of the hotel/condominium project. The parking structure was planned to be completed prior to the completion of Phase II. However, due to delays involving the parking structure the City will not be prepared to commence construction until September 1998.

Because the hotel/condominium was planned to rely on permanent off-site parking that was yet to be constructed by the City, the Commission found that there was a potential that the construction and completion of the parking structure would not stay on schedule. Allowing the construction of Phase II to commence and to be completed prior to securing an alternate parking with limited or no parking to support the hotel/condominium development would create significant adverse impacts on beach access. Hermosa Beach is an older Community and most of the area is built-out; and securing adequate support parking off-site for the hotel/condominium in the event the parking structure

is not constructed would be problematic.

Therefore, as conditions of the permit, to ensure that the hotel would have adequate parking once Phase I and II were ready for occupancy and that the development would not significantly impact public beach parking, the Commission required interim parking to support Phase I and II of the hotel until the parking structure was completed. Furthermore, to ensure that the hotel would have permanent parking the Commission required that Phase II could not commence construction until construction on the parking structure commenced (special condition #4.b.).

According to the City's Planning Director the City is committed to going forward with the parking structure and will start construction in September 1988. The City has indicated that they have received Proposition A funds (\$3,850,150) from the County and budgeted City funds (\$350,000) for the construction of the parking structure; entered into a contract agreement with the County for the operation of the parking structure; entered into a Professional Services Agreement for construction management services (\$275,570) with a private construction consulting firm; and have entered into a Parking Structure Agreement with the hotel/condominium owner for exclusive use of 100 parking spaces within the parking structure.

Although the City has indicated that they are still going forward with the parking structure, without construction commencing concurrently with the hotel/condominium development, there remains a possibility that the parking structure may not be built and the hotel/condominium would not be able to find adequate alternative off-site permanent parking.

To allow the second phase of the development to go forward prior to the commencement of the parking structure could result in a project with inadequate parking and create adverse impacts to beach access. In order to allow Phase II to commence prior to commencement of the construction of the parking structure the Commission must ensure that the hotel/condominium will have a minimum of 100 permanent long-term parking spaces prior to occupancy of Phase II. The long-term parking shall be provided for the economic life of the hotel/condominium development.

To ensure that the project will have adequate parking before Phase II is occupied the Commission requires Special Condition 5.a. as modified by this permit amendment.

The amendment, as conditioned, along with the special conditions of the original permit, will ensure that the hotel, once completed, will have permanent long-term parking before it is occupied in the event that the City parking structure is not completed. Therefore, the Commission finds that, only as conditioned, will the amendment be consistent with Section 30252 of the Coastal Act.

C. 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 policies to guide the types, locations and intensity of future development in the Hermosa Beach coastal zone. Among these policies are those specified in the preceding section regarding public access. The proposed amendment is consistent with the policies of the certified LUP. As proposed the project will not impact coastal access. The Commission, therefore, finds that the proposed amendment, as conditioned will be consistent with the Chapter 3 policies of the Coastal Act and will not 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).

D. CEQA

Section 13096 of the Commission's administrative regulations requires Commission approval of Coastal Development Permit applications to be supported by a finding showing the application, as conditioned by any conditions of approval, to be consistent with any applicable requirements of the California Environmental Quality Act (CEQA). Section 21080.5(d)(2)(A) 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 effects which the activity may have on the environment.

There are no feasible alternatives or mitigation measures available which would substantially lessen any significant adverse impact which the activity may have on the environment. Therefore, the proposed project is found consistent with CEQA and the policies of the Coastal Act.

COASTAL DEVELOPMENT PERMIT

No. 5-96-282

EXHIBIT NO. 1
Application Number 5-96-282 A1
<i>Special Conditions</i> <i>of Original Permit</i>
California Coastal Commission

SPECIAL CONDITIONS:

1. Occupancy Restriction

The permitted development shall be operated as a limited occupancy resort condominium. Owners shall not occupy their units for more than 29 consecutive days and no more than 90 days per year. The project shall have an on-site rental agency to manage rental of units. All units shall be available for rental to the general public when not occupied by the unit owner. No portion of the project may be converted to time-share, full-time occupancy condominium, apartment, or other type of project that differs from the approved limited occupancy project without an approved amendment to this coastal development permit.

2. Owner Occupancy/CC&Rs

Prior to recordation of the final subdivision map the permittee shall submit two copies of the proposed covenants, conditions and restrictions (CC&Rs) for the condominium subdivision to the Executive Director for review and approval. The CC&Rs must be in substantial conformance with the draft CC&Rs submitted to the Coastal Commission on January 27, 1997. The CC&Rs as approved by the Executive Director must be recorded against all individual property titles. The approved CC&Rs shall not be revised or amended without first obtaining an amendment to this Coastal Development Permit.

3. Transient Occupancy Tax Audit

Three months after the date on which occupancy of all or part of the Phase I building begins, and continuing on a quarterly basis thereafter, the permittee shall submit an audit report indicating that the project is in conformance with the City's room occupancy requirements and the owner occupancy restrictions (i.e. 90 days per year, no more than 29 consecutive days). The report shall include the Phase II building three months after occupancy of that building commences. The report shall include a statement as to whether the City is in agreement with the report.

4. Parking for Occupants/Guests Before and During Construction of Phase II

- a. The permittee shall insure that 54 parking spaces are available to occupants/guests of the Phase I building before and during construction of the Phase II building. Prior to construction of the Phase II building, those parking spaces shall be provided on-site in accordance with the project description. During construction of the Phase II building, the 54 parking spaces must be either within walking distance of the Phase I building or made available through a free shuttle or valet service. The parking spaces shall not include any

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No. 5-96-282

spaces that are currently designated for public beach parking or required parking for another use.

- b. The permittee shall not commence construction of the Phase II building until the City of Hermosa Beach has commenced construction on the municipal parking structure on City parking Lot "C".
- c. Prior to issuance of this permit the applicant shall submit, for review and approval by the Executive Director, a draft plan for providing parking to occupants/guests of the project during construction of the Phase II building. The draft plan shall identify all parking lots/spaces that could potentially be used to provide the 54 parking spaces required by condition 4.a. above.
- d. Prior to commencement of construction of Phase II the permittee shall submit, for review and approval by the Executive Director, a final plan for provision of 54 occupant/guest parking spaces during the construction of Phase II. The final plan shall indicate which of the potential parking lots/spaces identified in the approved draft parking plan have been leased, purchased or otherwise acquired for exclusive use of the occupants/guests of the Phase I building. The final plan shall also demonstrate that the 54 spaces will be available for the entire duration of the construction of the Phase II building. The final plan shall demonstrate that the 54 parking spaces are accessible to occupants/guests and employees of the hotel by walking or, if not within walking distance, a free shuttle or valet service. The plan must be reviewed and approved by the City of Hermosa Beach.

5. Parking for Occupants/Guests Upon Completion of Both Phases

- a. Upon completion of the Phase II building, the permittee shall provide a total of 100 parking spaces for exclusive use by occupants/guests of the entire project (54 spaces for the building built during Phase I and 46 spaces for the building built during Phase II).
- b. Within 90 days after the issuance of the permit the applicant shall submit, for review and approval by the Executive Director, a long term parking agreement signed by the applicant and the City for the leasing of no less than 100 spaces for the exclusive use of the hotel within the City's planned parking structure located on the City owned parking lot (Lot "C") adjacent to the project site. Said agreement shall run for the life of the hotel.

Additional time to comply with this condition may be granted by the Executive Director for good cause, but in no event shall construction

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No. 5-96-282

commence on Phase II of the hotel until the applicant/landowner has satisfied this condition.

- c. Prior to commencement of construction of the Phase II building, the permittee shall submit either (1) evidence that the City of Hermosa Beach parking structure at Lot "C" is complete and available for use by the project's occupants/guests, or (2) a plan to provide 100 alternative parking spaces until the City's parking structure becomes available. The parking plan shall be subject to review and approval of the Executive Director. The parking plan shall demonstrate that 100 spaces are available for exclusive use of the project. The 100 parking spaces shall be either within walking distance of the project or accessible by a free shuttle or valet service. The plan shall also include evidence that the City has approved the parking plan.

6. Encroachment Permit for Fourteenth Court Right-of-Way

Prior to issuance of the permit the applicant shall submit, for review and approval of the Executive Director, an encroachment permit or other legal document indicating that the applicant has a legal right to temporarily use Fourteenth Court Right-of-Way as part of Phase I parking.

7. Air Right Encroachment Permit for Ocean Drive

Prior to issuance of the permit the applicant shall submit, for review and approval of the Executive Director, an air right encroachment permit or other legal document, that has been reviewed and approved by the City, for the pedestrian bridge to be constructed over Ocean Drive to connect the two separate buildings.

8. Signage Plan

Prior to issuance of the permit the applicant shall submit a signage plan, for review and approval by the Executive Director, showing the wording, size and location of signs to be posted. The signs to be posted shall indicate that the terminus of Fourteenth Street and Thirteenth Street are public beach access and designate the turn-out area as a public beach drop-off. The signs shall be located in conspicuous locations. The plans shall conform to the City's signage program and ordinance and shall be reviewed and approved by the City.

9. Street Treatment Plans

Prior to the issuance of the permit the applicant shall submit, for review and approval by the Executive Director, street treatment plans for Fourteenth Street and Beach Drive. The plans shall ensure that the street treatment will appear visually separate and distinct from the hotel and clearly indicate the street's availability as a public street. Furthermore, the plans shall indicate that parking along the turn-out

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No. 5-96-282

at the terminus of Fourteenth Street is prohibited. Parking shall be prohibited by red curbing and/or by appropriate City approved signage.

10. Notice of Construction Phase II

The applicant/landowner shall notify the Commission in writing of the construction start date for Phase II. Such notice shall be submitted at least 30 days prior to the construction start date of Phase II.

AJP:bll

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Project
Location

RECEIVED

AUG 27 1996

CALIFORNIA
COASTAL COMMISSION
SOUTH COAST DISTRICT

EXHIBIT NO. 2

Application Number

5-96-282A1

Vicinity Map

California Coastal Commission

VICINITY MAP

1302 - 1340 The Strand
Hermosa Beach California

S. ANGEL
CO.

SEE
763
MAP



EXHIBIT NO. 3

Application Number

5-96-282A1

S: f. 1 Plan

