

CALIFORNIA COASTAL COMMISSION

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LCP-5-SNM-21-0020-1 (CITY OF SANTA MONICA)

FEBRUARY 24, 2022

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Exhibit 1 – City of Santa Monica Resolution No. 11292

City Council Meeting: September 29, 2020

Santa Monica, California

RESOLUTION NUMBER 11292 (CCS)

(City Council Series)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MONICA ADOPTING AN AMENDMENT TO THE UPDATED LOCAL COASTAL PROGRAM LAND USE PLAN PERTAINING TO NEW DEVELOPMENT LOCATED AT 1133 OCEAN AVENUE AND 1127-1129 SECOND STREET, IN THE CITY OF SANTA MONICA

WHEREAS, the California Coastal Act of 1976 (Public Resources Code sections 30000 *et seq.*) (the “Coastal Act”) provides that each local government lying, in whole or part, within the coastal zone shall prepare a local coastal program (LCP) for that portion of the coastal zone within its jurisdiction; and

WHEREAS, LCPs consist of a Land Use Plan (LUP) and Implementation Plan (IP); and

WHEREAS, an LCP becomes fully certified only after the California Coastal Commission certifies conformity of the LUP and IP with the policies of the Coastal Act; and

WHEREAS, the Final Draft LUP describes the planning area’s land use and environmental conditions, identifies issues, and contains land use policies and maps that complement adopted City policies and satisfy the intent of the Coastal Act; and

WHEREAS, upon certification, the LUP policies will form the standard of review for issuance of coastal development permits (“CDPs”) within the coastal zone; and

WHEREAS, upon certification of the IP, the authority to issue CDPs would be transferred from the Coastal Commission to the City, except within the area of “original jurisdiction” as set forth in the Coastal Act; and

WHEREAS, the City adopted its current LUP in 1992, however, the Coastal Commission only certified the City’s 1992 LUP in part, and never certified a City LCP; and

WHEREAS, because a City LCP has never been certified by the Coastal Commission, all development proposed in Santa Monica’s Coastal Zone still requires Coastal Commission approval of any CDP once all City entitlements are obtained; and

WHEREAS, the City obtained a grant from the State of California to update the City’s LUP for full certification and prepared an updated draft LUP (the “Draft LUP”); and

WHEREAS, the Draft LUP includes a new section of policies that will guide coastal adaptation for anticipated climate change-induced sea level rise that is already measurable along California’s coast; and

WHEREAS, the Planning Commission held a study session on the Draft LUP on March 21, 2018, and the Commissioners and public speakers provided comments on a variety of policy areas; and

WHEREAS, the final public hearing Draft LUP was released on July 3, 2018; and

WHEREAS, the Planning Commission held a public hearing on July 18, 2018, to consider the Draft LUP, and recommended approval of the Draft LUP, as modified by certain changes attached as an addendum to the Commission's resolution; and

WHEREAS, the City Council held a public hearing on October 9, 2018, to consider the Draft LUP, and found that the Draft LUP, as modified by certain changes, is consistent with the General Plan and Coastal Act policies; and

WHEREAS, pursuant to California Government Code Section 65864 et seq., and Chapter 9.60 of the Santa Monica Municipal Code (collectively, the "Development Agreement Statutes"), the City is authorized to enter into binding development agreements with persons or entities having a legal or equitable interest in real property for the development of such real property; and

WHEREAS, Ocean Avenue, LLC, a Delaware limited liability company (the "Developer") is the owner of approximately 192,063 square feet of land located in the City of Santa Monica, State of California, commonly known as 1133 Ocean Avenue (the "Property"), which is currently improved with a 301-room hotel comprised of the following: (1) the six-story City-designated Landmark Palisades Building, constructed in 1924, which runs along the northern portion of Second Street and the eastern portion of California Avenue (the "Palisades Building"), (2) the ten-story Ocean Tower that lies in the middle portion of the Property, with an elevator tower rising to approximately twelve stories (the "Existing Ocean Tower"), (3) the two-story Administration Building that includes meeting and back of house space and is located on the southern portion of the Property near Second Street (the "Existing Administration Building"), (4) a one-story

building that houses The Bungalow lounge/bar located between the parking lot on Wilshire Boulevard and Ocean Avenue and the Ocean Tower, (5) several single-story and two-story buildings on the northwestern portion of the Property along Ocean Avenue and California Avenue (the “Existing Bungalows”), (6) 103 parking spaces in two surface parking lots located adjacent to Wilshire Boulevard, (7) and extensive perimeter walls that limit pedestrian and visual access to/from the Property; and

WHEREAS, the Moreton Bay Fig Tree, planted in 1879 and landmarked by the City on August 17, 1976 (the “Moreton Bay Fig Tree”), is also located on the Property; and

WHEREAS, Developer is also the owner of approximately 15,000 square feet of land located in the City of Santa Monica, State of California, commonly known as 1127-1129 Second Street (the “Second Street Property”), which is currently improved with a surface parking lot with 64 parking spaces that is utilized by the Hotel’s valet parking operation; and

WHEREAS, the City has included the Property within the Downtown Core land use designation under the City’s 2010 Land Use and Circulation Element of its General Plan (the “LUCE”) and LUCE Policy D1.5 designates the Property as one of seven sites in the Downtown District to focus new investment given its accessibility to transit and ability to accommodate mixed-use development, contribute to the pedestrian-oriented environment, and support substantial community benefits; and

WHEREAS, the LUCE did not establish maximum building height limits, floor area ratios (“FAR”), or other specific development standards (e.g., setbacks and step backs)

for new buildings within the Downtown Core designation; instead, the LUCE deferred such standards to a future Downtown specific plan; and

WHEREAS, on April 27, 2011, Developer filed an application for a Development Agreement, pursuant to Santa Monica Municipal Code (“SMMC”) Section 9.60.020 (the “Development Application”), which was designated by the City as Application No. 011DEV-003 and which proposes a mixed-use hotel/residential project with ground floor retail and subterranean parking; the originally-filed plans (the “2011 Plans”) proposed, among other things, 265 hotel rooms, 120 residential condominiums units, a maximum height of 135 feet and a 2.9 FAR; and

WHEREAS, as further described below, the Development Application was revised and refined since the initial filing but has always included hotel and pedestrian-oriented retail/restaurant uses, residential uses, and subterranean parking, as is more fully described in the development agreement pertaining to the Property (the “Development Agreement”); and

WHEREAS, the Property is located in the California Coastal Zone. The City’s 1992 LUP is partially certified by the California Coastal Commission. In October 2018, the City adopted the Local Coastal Program Update, Land Use Plan, Final Draft, October 2018 (“2018 Draft LUP”) to replace the 1992 LUP. The 2018 Draft LUP has been submitted to the California Coastal Commission for certification but has not been certified as of this date; and

WHEREAS, on April 27, 2011, Developer filed an application seeking an amendment to the 1992 LUP (the “1992 LUP Amendment”) and on September 27, 2019

modified the application to be consistent with the Downtown Community Plan (“DCP”) and 2018 Draft LUP policies. The 1992 LUP Amendment, as modified, would:

- 1) Revise 1992 LUP Policy #67 to allow a maximum height of 130 feet and FAR of 2.6 for the Property;
- 2) Revise 1992 LUP Policy #68 to clarify the allowed uses at the Second Street Property include a 100% Affordable Housing Project developed at the maximum development standards in 1992 LUP Policy #69; and
- 3) Revise 1992 LUP Policy #69 to allow a maximum height of 60 feet, 2.75 FAR on the Second Street Property and confirm that the development standards for medium-density multiple family residential areas do not apply to the Second Street Property; and

WHEREAS, on February 8, 2012, the Planning Commission held a public hearing to preliminarily review and provide feedback on the 2011 Plans; and

WHEREAS, in March 2012, Developer filed a Landmark application to augment the 1976 Landmark designation of the Moreton Bay Fig Tree. The Landmarks Commission held public hearings on the proposed amendment application (12LM-002) and on January 14, 2013 designated the Palisades Building as a City Landmark and the Property as a Landmark Parcel. In addition, the Landmarks Commission issued a Statement of Official Action documenting the following: (i) the Moreton Bay Fig Tree remains a City Landmark; (ii) the Palisades Building is a City Landmark under Landmarks Ordinance Criteria 1 and 4; (iii) the Property was described as a Landmark Parcel for its

long-standing association with tourism and leisure, as well as with historic persons including one of Santa Monica's founding fathers; (iv) the other existing buildings on the Main Property were expressly excluded from the Landmark designation given their significant past alterations; and (v) no individual elements of the Property's landscape (other than the Moreton Bay Fig Tree) are historically significant, however the verdant landscape character was identified as significant under Criterion 6; and

WHEREAS, on April 24, 2012, the City Council held a public hearing to preliminarily review and provide feedback on the 2011 Plans; and

WHEREAS, in 2013, the 2011 Plans were revised in response to feedback from the Planning Commission, City Council and members of the public. The revised 2013 plans (the "2013 Plans"), as compared with the 2011 Plans, included, among other things, reduced density (2.8 FAR), increased height (maximum height of 262 feet), increased hotel rooms (280 rooms), and the same maximum number of residential condominiums (120 units); and

WHEREAS, in August 2017, the City adopted the DCP, a specific plan governing the Downtown including the Property. The Property is located within both the DCP's Ocean Transition District and the Established Large Site ("ELS") Overlay designations. The ELS Overlay is provided for three sites in the Downtown that the DCP indicated have the potential to accommodate significant new development and provide significant community benefits. The ELS Overlay designation allows any project on the Property to request approval for development up to 130 feet in height and a 3.0 FAR subject to the project being processed through a development agreement, as well as compliance with

other specified requirements. Table 2A.4 of the DCP lists three “preferred” community benefits for a project on the Property: affordable housing, public open space, and historic preservation, all of which are components of the current proposed project; and

WHEREAS, after adoption of the DCP, the 2013 Plans were revised to conform with the DCP. Revised plans filed in 2018 (the “2018 Plans”), as compared with the 2011 and 2013 Plans, included, among other things, reduced density (2.6 FAR), reduced height (maximum height of 130 feet), reduced number of condominium units (up to 60 units) and an increased number of hotel rooms (312 rooms); and

WHEREAS, on March 11, 2019, the Landmarks Commission held a public hearing to preliminarily review and provide feedback on the 2018 Plans; and

WHEREAS, on April 15, 2019, the Architectural Review Board held a public hearing to preliminarily review and provide feedback on the 2018 Plans; and

WHEREAS, the current proposed project (the “Project”) now includes, among other things, (1) retention and celebration of the Moreton Bay Fig Tree, (2) preservation and adaptive reuse of the Palisades Building for hotel uses, (3) a new terraced two to ten-story building designed around the Moreton Bay Fig Tree with hotel, residential and ground floor retail/café uses and an above-grade six-floor physical connection to the six-floor Palisades Building (the “Ocean Building”), (4) a new seven-story building with hotel uses near the corner of Ocean Avenue and California Avenue with an above-grade six-floor physical connection to the Palisades Building (the “California Building”), (5) substantial open space, including publicly-accessible open space, (6) subterranean

space including for parking, and (7) substantial other project features and community benefits; and

WHEREAS, the Property is located within Subarea 3B (Ocean Avenue North of the Pier) in the 1992 LUP. The 2018 Draft LUP reflects the LUCE and DCP policies with respect to the Property's development standards. The Property is located within Subarea 5, Downtown District of the 2018 Draft LUP; and

WHEREAS, to aid in the redevelopment of the Property, the City and Developer desire to allow Developer to demolish the existing improvements except for the Palisades Building and the Moreton Bay Fig Tree and construct a new mixed-use hotel and residential project with ground floor retail and subterranean parking; and

WHEREAS, the City prepared and circulated for public review and comment a Draft Environmental Impact Report (the "DEIR") pursuant to the California Environmental Quality Act ("CEQA") and designated SCH No. 2013047091 to evaluate the Project's potential environmental impacts. Following close of the comment period, the City prepared a Final Environmental Impact Report pursuant to CEQA (the "EIR"); and

WHEREAS, the primary purpose of the Project is to redevelop the Property, which has been in hotel use for over 100 years, with a new mixed-use hotel/residential project that preserves and features the Palisades Building and Moreton Bay Fig Tree, is pedestrian-friendly, includes sufficient on-site parking, retains and creates union jobs, and includes substantial open space, affordable housing and other benefits to the community consistent with the LUCE, DCP and 2018 Draft LUP; and

WHEREAS, the City Council has determined that a development agreement is appropriate for the proposed development of the Project on the Property; and

WHEREAS, the Development Agreement will (1) eliminate uncertainty in planning for the Project and result in the orderly development of the Project, (2) assure installation of necessary improvements on the Property, (3) provide for public infrastructure and services appropriate to development of the Project, (4) preserve substantial City discretion in reviewing the Project's design in accordance with Article 6 of the Development Agreement, (5) secure for the City improvements that benefit the public, (6) ensure the provision of community benefits as envisioned in the LUCE and DCP, and (7) otherwise achieve the goals and purposes for which the Development Agreement Statutes were enacted; and

WHEREAS, the Development Agreement is consistent with the public health, safety, and welfare needs of the residents of the City and the surrounding region. The City has specifically considered and approved the impact and benefits of the development of the Project on the Property in accordance with the Development Agreement. Consistent with the DCP, the Project will provide a number of significant project features and community benefits as set forth in Sections 2.7 and 2.8 of the Development Agreement; and

WHEREAS, the City Council has found that the provisions of the Development Agreement are consistent with the relevant provisions of the City's General Plan, including the LUCE, the DCP, the 1992 LUP as amended by the 1992 LUP Amendment, and the 2018 Draft LUP; and

WHEREAS, on June 9, 2020, Developer filed a vesting tentative tract map application for the Project (Application No. 20ENT-0153) for airspace and condominium purposes, to among other things, create a subdivision consisting of Lot 1 for the hotel ("Lot 1") and Lot 2 for the residential condominiums ("Lot 2"). The subdivision application will both (a) allow the residential and commercial components of the Project to be separately leased, financed and/or sold (potentially in bulk) and (b) allow the residential condominiums to be separately sold. The tract map submitted with the application (the "Tract Map") was designated as VTTM No. 82906; and

WHEREAS, on September 2 and 9, 2020 the City's Planning Commission held a duly noticed public hearing on the Development Application (as it has been modified), the EIR, the 1992 LUP Amendment, the Tract Map, and the Development Agreement, and at such hearing, subject to certain modifications, the Planning Commission recommended that the City Council certify the EIR and approve the 1992 LUP Amendment, the Project including the Development Agreement, and the Tract Map; and

WHEREAS, on September 29, 2020, the City Council held a duly noticed public hearing on the Development Application (as it has been modified), the EIR, the 1992 LUP Amendment, the Tract Map, and the Development Agreement, and at such hearing the City certified the EIR and adopted a Statement of Overriding Considerations and Mitigation Monitoring Plan, and considered this Resolution approving the 1992 LUP Amendment; and

WHEREAS, the proposed 1992 LUP Amendment is consistent in principle with the goals, objectives, policies, land uses, and programs specified in the adopted LUCE, DCP,

1992 LUP, and 2018 Draft LUP. Specifically, the proposed mixed-use hotel project includes lodging, retail, spa/fitness, and food and beverage uses along with market-rate and 100% deed restricted affordable residential units in a manner that protects water quality and does not adversely impact public access to the shoreline and along the coast, and provides visitor-serving uses on the east side of Ocean Avenue as outlined by the 1992 LUP and 2018 Draft LUP. Specifically, per New Development Policy 64, the subject property is located on the east side of Ocean Avenue in subarea 3b and shall accommodate new visitor-serving uses including hotels, restaurants, commercial recreational uses, and visitor serving retail uses. Residential uses are permitted on upper floors. Further, the proposed project includes a range of community benefits and also incorporates a wide range of sustainable design features and commitments into its design and operations. These include energy and water usage reductions, implementation of a TDM Program, inclusion of an on-site system for rainwater and greywater capture and use for project landscaping, and EV vehicle charging infrastructure. The project will provide a minimum of 42 new deed-restricted affordable housing units and up to 60 market-rate residential units in order to provide more housing opportunities in non-sensitive Coastal Zone areas. The project includes a significant work of art in the publicly-accessible open space area on the parcel. The proposed project would redevelop an existing hotel and surface parking lots and provide a hotel project with total of 312 hotel rooms, which would be a net increase of 11 additional hotel rooms compared to the current operating hotel. This project therefore provides more lodging opportunities and new subterranean parking in the City's Coastal Zone. The project also provides an affordable lodging contribution to the City to support the development of more affordable

lodging in the City's Coastal Zone. The project also preserves historic features on the property, and provides lodging that will feature retail, spa/fitness, and food and beverage uses in different areas of the hotel that would be open to the public. Moreover, the project will provide community benefits including new affordable housing, publicly-accessible open space on the parcel, and monetary contributions that would support mobility, construction of affordable housing, parks and recreation, early childhood initiatives, historic preservation, and water infrastructure programs in the City. As such, the proposed project is consistent with the policies applicable to the site as set forth in the both the 1992 LUP and the 2018 Draft LUP; and

WHEREAS, the public health, safety, and general welfare require the adoption of the proposed 1992 LUP Amendment in that the general welfare of the City is enhanced when the development of a mixed use hotel project includes both market-rate and 100% deed restricted affordable housing that will serve a variety of family sizes and income levels. The proposed project will also increase transient occupancy taxes paid to the City which will in turn support the general welfare by allowing the City to provided needed services and programs to the community.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA MONICA DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The above referenced recitals are true and correct and incorporated herein by reference.

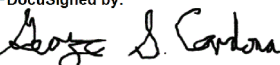
SECTION 2. The City Council has reviewed, considered, and hereby adopts the 1992 LUP Amendment as shown in Exhibit A.

SECTION 3. The City Council hereby certifies that the 1992 LUP, as amended by the 1992 LUP Amendment, is intended to be carried out in a manner fully consistent with the California Coastal Act.

SECTION 4. The City Manager is directed to submit the 1992 LUP Amendment to the Coastal Commission for certification in accordance with the Coastal Act.

SECTION 5. This resolution shall take effect automatically upon Coastal Commission approval of the 1992 LUP Amendment in whole and without any proposed modifications; alternatively, this resolution shall take effect upon adoption by the City Council upon Coastal Commission approval of the 1992 LUP Amendment in part or with proposed modifications.

APPROVED AS TO FORM:

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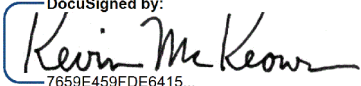
GEORGE S. CARDONA
Interim City Attorney

EXHIBIT A

PROPOSED AMENDMENTS TO PARTIALLY CERTIFIED 1992 LAND USE PLAN

- Policy 67. Development standards shall not exceed 3 stories 45 feet, 2.0 F.A.R. on Ocean Avenue except between Wilshire Boulevard and California Avenue east to Second Street where the development standards shall not exceed 130 feet and 2.6 F.A.R, well within the maximum 3.0 FAR for this site in the City's Downtown Community Plan and Local Coastal Program Update Land Use Plan, Final Draft, October 2018.
- Policy 68. The residential area north of Wilshire Boulevard to the north side of Montana Avenue shall contain medium density residential except that the property located at 1127-1129 Second Street may include a 100% Affordable Housing project developed at the maximum development standards included in Policy #69. East of Ocean Avenue between the north side of Montana and the Northern City limits, the area shall consist of single family residential, and along San Vicente up to the coastal zone boundary low density residential.
- Policy 69. Development in the single-family residential areas shall not exceed two stories, 28 feet in height and one dwelling unit per parcel. Development in the low-density multiple-family residential areas shall not exceed two stories, 30 feet in height and a unit density of one dwelling unit per 1,500 square feet of parcel area. Development in the medium-density multiple-family residential areas shall not exceed three stories, 35 feet with a flat roof, 40 feet with a pitched roof and a unit density of one dwelling unit per 1,250 square feet of parcel area. Notwithstanding the foregoing, development of a 100% Affordable Housing Project at 1127-1129 Second Street shall not exceed 60 feet, 2.75 FAR (and the development standards for medium-density multiple family residential areas shall not apply). Development in the high-density multiple-family residential areas shall not exceed four stories, 45 feet in height with a unit density of one dwelling units per 900 square feet of parcel area.

Adopted and approved this 29th day of September 2020.

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Kevin McKeown, Mayor

I, Denise Anderson-Warren, City Clerk of the City of Santa Monica, do hereby certify that Resolution No. 11292 (CCS) was duly adopted at a meeting of the Santa Monica City Council held on the 29th day of September 2020, by the following vote:

AYES: Councilmembers Jara, McCowan, Winterer
Mayor Pro Tem O'Day, Mayor McKeown

NOES: Councilmember Himmelrich

ABSENT: Councilmember Davis

ATTEST:

DocuSigned by:

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Denise Anderson-Warren, City Clerk

Exhibit 2 – Strike-Out/Underline of LUP Policies 67-69

EXHIBIT A

PROPOSED AMENDMENTS TO PARTIALLY CERTIFIED 1992 LAND USE PLAN

- Policy 67. Development standards shall not exceed 3 stories 45 feet, 2.0 F.A.R. on Ocean Avenue except between Wilshire Boulevard and California Avenue east to Second Street where the development standards shall not exceed 130 feet and 2.6 F.A.R, well within the maximum 3.0 FAR for this site in the City's Downtown Community Plan and Local Coastal Program Update Land Use Plan, Final Draft, October 2018.
- Policy 68. The residential area north of Wilshire Boulevard to the north side of Montana Avenue shall contain medium density residential except that the property located at 1127-1129 Second Street may include a 100% Affordable Housing project developed at the maximum development standards included in Policy #69. East of Ocean Avenue between the north side of Montana and the Northern City limits, the area shall consist of single family residential, and along San Vicente up to the coastal zone boundary low density residential.
- Policy 69. Development in the single-family residential areas shall not exceed two stories, 28 feet in height and one dwelling unit per parcel. Development in the low-density multiple-family residential areas shall not exceed two stories, 30 feet in height and a unit density of one dwelling unit per 1,500 square feet of parcel area. Development in the medium-density multiple-family residential areas shall not exceed three stories, 35 feet with a flat roof, 40 feet with a pitched roof and a unit density of one dwelling unit per 1,250 square feet of parcel area. Notwithstanding the foregoing, development of a 100% Affordable Housing Project at 1127-1129 Second Street shall not exceed 60 feet, 2.75 FAR (and the development standards for medium-density multiple family residential areas shall not apply). Development in the high-density multiple-family residential areas shall not exceed four stories, 45 feet in height with a unit density of one dwelling units per 900 square feet of parcel area.