

CALIFORNIA COASTAL COMMISSION

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W18a

ADDENDUM

DATE: December 11, 2023

TO: Coastal Commissioners and Interested Parties

FROM: South Coast District Staff

SUBJECT: **ADDENDUM TO ITEM W18A, LUP AMENDMENT APPLICATION NO. LCP-5-SNM-22-0041-1 FOR THE COMMISSION MEETING ON WEDNESDAY, DECEMBER 13, 2023.**

This addendum is designed to achieve the following objectives. In Section I, Commission staff updates the record by supplementing it with correspondence that was received after publication of the staff report. In response to the correspondence received, Section II provides modifications to the staff report to incorporate additional changes and findings in response to concerns raised by representatives of the City of Santa Monica.

I. CORRESPONDENCE FROM APPLICANTS, CITY, AND COMMUNITY.

Since publication of the staff report on November 30, 2023, the Commission has received comment letters for this agenda item (20b) and a related but separate agenda item (18a). These comment letters are included under the “Correspondence” tab of both agenda items. Of the comment letters, the majority expressed support for the Ocean Avenue Mixed-Use Development Project (Item 20b). Letters of support were received from neighboring business owners, local non-profit organizations, government entities/representatives, and residents of Downtown Santa Monica. The primary project aspects discussed in these letters include: 1) the project’s community benefits, including affordable housing and visitor-serving recreational uses; 2) the length of the project’s local review process prior to CDP application; and 3) the potential for any project revisions to further delay or halt the project.

After publication of the staff report, representatives of the City of Santa Monica contacted Commission staff to express concerns with the two suggested modifications outlined in the report. The City requests elimination of Suggested Modification 1 because they assert the proposed language could result in an “open-ended policy” with no limitation on the number of stories, height, or floor-to-area ratio (FAR) onsite. But, as described throughout the staff

report, the intent of Suggested Modification 1 is to enable approval of a project with affordable lodging onsite, consistent with Coastal Act sections 30210 and 30213.

Suggested Modification 1 is necessary to ensure the Commission's approval of the related Coastal Development Permit (CDP) 5-22-0799 is consistent with the development standards of the City's certified Land Use Plan in the event that Option A of Special Condition 1 is selected. Without Suggested Modification 1, the applicant and the City would be required to obtain a new, separate amendment to the certified Land Use Plan to accommodate this option. Specifically, under Option A of Special Condition 1 of the related CDP, the applicants may revise the project plans to provide lower-cost overnight accommodations onsite in an amount equal to at least 25% of all proposed market-rate accommodations. As explained in more detail on page 16 of the staff report, the City's LUP amendment, as proposed, would not allow for the provision of any additional hotel units for affordable lodging onsite unless they are located within the currently proposed floor areas (thus requiring a corresponding reduction in the area proposed for other uses on site, such as market rate rooms, some portion of the museum, etc.). . Suggested Modification 1 allows for a potential increase in the floor area ratio (FAR) of new development onsite only by the minimum necessary to provide 30 affordable visitor-serving lodging units. Thus, the modification is necessary to streamline the process if the applicants select Option A of Special Condition 1 and ensure that the CDP approved by the Commission is consistent with the certified LUP.

However, in order to address the City's concern that Suggested Modification could potentially allow for an open-ended increase in the maximum height for structures on the subject site, Suggested Modification 1 is revised to eliminate any allowable increase in height above the maximum allowed height for the subject site as proposed in the City's submitted LUP amendment. As discussed in more detail on page 15 of the staff report, although allowing for a potential increase in height would provide the developer some additional flexibility in alternatives to satisfy the requirements of Option A of Special Condition 1 of the CDP, it is feasible to accommodate the additional affordable lodging units onsite by only allowing for a potential increase in floor area of one or more of the proposed structures, rather than by increasing the maximum allowable height for the subject site itself.

The City also requests elimination of Suggested Modification 2. City staff recognize that the height limits shown for new development on Map No. 15 of the certified LUP are not consistent with the new height limits proposed by the City for the subject site. But City staff do not believe this inconsistency to be a concern, as they assert Policy 82 should be considered the appropriate standard for new development on the subject site, rather than the standards depicted on Map No. 15 of the certified LUP.

However, Map No. 15 shows maximum development standards for the subject five parcels and would restrict new development onsite to a maximum of six stories, 84 ft. in height, and a FAR of 3.5. These standards would clearly conflict with the standards allowed by the City's proposed new Policy 82, which allows for a maximum of 12 stories, 130 ft. in height, and a cumulative 2.95 FAR. height for structures on the subject site of 130 ft. The discrepancy could lead to potential confusion in the development standards for the subject site and internal inconsistency within the certified LUP relating to the development standards for the site.

Thus, Commission staff continue to recommend Suggested Modification 2 be required to ensure internal consistency in the certified LUP. Commission staff have coordinated closely with City staff to clarify the intent of the modification and ensure the suggested modification to Map No. 15 are only applicable to the subject five parcels. To reflect this change, Suggested Modification 2 is also revised below.

The staff report dated November 30, 2023 is revised to incorporate these responses under the 'Approval of LUP Amendment if Modified as Suggested' subsection of the staff report, so that adoption of the staff recommendation will include adoption of these findings.

II. REVISIONS TO THE STAFF REPORT

The following modifications and corrections are made to the staff report dated November 30, 2023. Language to be added is shown in underlined text, and language to be deleted is identified by ~~strikethrough~~.

a) Modify Suggested Modification 1 on page 7 as follows:

If the properties located on the north side of Santa Monica Boulevard between Ocean Avenue and Second Street commonly referred to as 129 Santa Monica Boulevard, 101 Santa Monica Boulevard, 1327 Ocean Avenue, 1333 Ocean Avenue, 1337 Ocean Avenue (the "Established Large Site") are redeveloped as a comprehensive project pursuant to a development agreement, then the development standards in Policies 67 and 71 and the corresponding development intensities shown on Map 15 shall not apply to such new project on the Established Large Site, and the project shall instead not exceed 130 feet, with no limitation on the number of stories, and a cumulative maximum 2.95 F.A.R. across the Established Large Site. If lower-cost visitor-serving overnight accommodations are proposed on-site, then ~~The maximum height and cumulative maximum F.A.R. may be increased by the minimum height and FAR~~ necessary to accommodate lower-cost visitor-serving overnight accommodations onsite equaling at least 25% of the market-rate overnight accommodations.

b) Modify Suggested Modification 2 on pages 7 and 8 as follows:

The development standards of Map No. 15 shall not apply to the ~~properties~~ projects processed through a development agreement on the Established Large Site located on the north side of Santa Monica Boulevard between Ocean Avenue and Second Street and commonly referred to as 129 Santa Monica Boulevard, 101 Santa Monica Boulevard, 1327 Ocean Avenue, 1333 Ocean Avenue, 1337 Ocean Avenue.

c) Modify the first incomplete paragraph on page 15 as follows:

One example could be locating the 30 lower-cost rooms within the rear portion of the proposed 34,000 sq. ft. museum structure, which would still leave the two historic landmark structures and two subterranean levels for museum uses. Another option may be adding floors to one or more of the proposed five- and three-story residential structures. The project could be revised to increase floor area onsite without increasing the maximum 12-story, 130-ft. height allowed by the proposed LUP amendment, since only the hotel structure meets that limitation as currently proposed.

d) Modify the second sentence of the fourth complete paragraph on page 16 as follows:

Thus, for the proposed LUP amendment to conform with the public access and recreation policies of the Coastal Act, Suggested Modification 1 allows development on the subject five parcels to exceed a ~~130-ft. height and~~ a cumulative FAR of 2.95 by the minimum amount necessary to provide lower-cost rooms in the amount of at least 25% of all market-rate overnight accommodations onsite.

- e) Modify the first complete paragraph on page 17 as follows:

This modification will allow the applicants to add additional height and floors to the proposed structures as necessary to build new affordable lodging onsite (without increasing the maximum of 12-stories and 130 ft. height). In the event of a future project onsite with a greater number of proposed market-rate and/or lower-cost rooms, the future applicants would be able to exceed ~~the 130-ft. maximum height and~~ the cumulative FAR of 2.95 to provide lower-cost rooms equivalent to at least 25% of all market-rate accommodations proposed onsite.

- f) Modify the first sentence of the third complete paragraph on page 17 as follows:

Thus, Suggested Modification 2 modifies Map No. 15 to include a note excluding projects processed through a development agreement on the Established Large Site constituting the five parcels located on Santa Monica Boulevard between Ocean Avenue and Second Street from the development standards otherwise specified on the map, commonly referred to as 129 Santa Monica Boulevard, 101 Santa Monica Boulevard, 1327 Ocean Avenue, 1333 Ocean Avenue, 1337 Ocean Avenue.