

**CITY OF MANHATTAN BEACH  
COMMUNITY DEVELOPMENT DEPARTMENT  
STAFF REPORT**

**TO:** Planning Commission

**FROM:** Marisa Lundstedt, Director of Community Development

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**DATE:** October 26, 2016

**SUBJECT:** Final Draft Downtown Specific Plan Public Hearing

**RECOMMENDATION:**

Staff recommends that the Planning Commission conduct a Public Hearing and Adopt Resolutions recommending to the City Council the following:

1. Adopt the Downtown Specific Plan and conforming amendments to the General Plan, and adopt a Mitigated Negative Declaration (MND) and Mitigation Monitoring and Reporting Program;
2. Approve Zoning Code and Zoning Map Amendments to reflect the Downtown Specific Plan;
3. Approve amending the Local Coastal Program's Land Use Policy and Zoning Maps and Implementing Ordinance Section A.16.030(G) to reconcile designation nomenclature and map and text inconsistencies; and
4. Approve amending the Local Coastal Program's Implementation Plan to incorporate the Downtown Specific Plan, and related text amendments.

**EXECUTIVE SUMMARY:**

This report summarizes the Downtown Specific Plan's progress to-date, which includes the following:

- A summary of community engagement and outreach efforts;
- A review of the City Council and Planning Commission Study Sessions;
- A detailed overview of the Final Draft Downtown Specific Plan's revised key concepts;
- A summary of City documents that requires updating as a result of the adoption of the Plan, and the Resolutions to amend those documents; and
- An overview of the requisite environmental review under the California Environmental Quality Act (CEQA), including an Initial Study and Mitigated Negative Declaration of Environmental Impacts and a Mitigation Monitoring and Reporting Program.

## **BACKGROUND:**

Since June 2014, the community has been engaged in an ongoing discussion of the future of the Downtown. In early 2015, the City collaborated with the Urban Land Institute (ULI) to conduct a week-long visioning charrette to engage community stakeholders and evaluate the Downtown area. In May 2015, the City began pursuing the preparation of the Downtown Specific Plan with Michael Baker International (MBI), which brought together the community with input from various stakeholders including residents, business owners, commercial property owners, community groups and many other interested parties in the City. In addition to all of the community outreach activities during the ULI visioning week, the City held six community workshops and fourteen City Council/Planning Commission meetings and/or study sessions representing over one hundred hours of community engagement.

With the release of the Draft Downtown Specific Plan in early March 2016, Staff held a series of study sessions with the City Council and Planning Commission to discuss and refine the Draft Plan's key concepts. At the April 18<sup>th</sup> City Council study session, the Council provided Staff direction on the following sixteen key concepts (grouped by chapter):

- Chapter 3
  - Vision Statement
  
- Chapter 4
  - Ground Floor Retail Uses
  - Retail Square Footage Cap or Formula Use Regulations
  - Use Permit Process
  
- Chapter 6
  - Building Height / Stories
  - Maximum Tenant Frontage
  - Setbacks and Stepbacks
  - Towers and Turrets at Corners
  - Façade Transparency
  - Land Use Changes
  - Private Dining in the Right-of-Way
  
- Chapters 5 & 7
  - Beach Head Site
  - Pedestrian Plazas
  - Drop-Off Zones
  - Maintain or Increase Parking
  
- Chapter 9
  - Eliminate Chapter 9: Economic Development

Although the City Council came to a consensus and made recommendations on many of these sixteen key concepts, there were several concepts that the Council asked the Planning

Commission to discuss and further refine. Subsequently, Staff held four study sessions with the Planning Commission. Of the sixteen concepts mentioned above, the Commission supported the Council's direction on the following eight concepts, as further described in Attachment 1:

- Vision Statement (Chapter 3)
- Ground Floor Retail Uses (Chapter 4)
- Towers and Turrets at Corners (Chapter 6)
- Beach Head Site (Chapters 5 & 7)
- Pedestrian Plazas (Chapters 5 & 7)
- Drop-Off Zones (Chapters 5 & 7)
- Maintain or Increase Parking (Chapters 5 & 7)
- Eliminate Economic Development Chapter (Chapter 9)

In order to present the Planning Commission with a document in a format that is most reflective of the City Council and Commission's recommended changes, the Final Draft Downtown Specific Plan has been prepared (Attachment 2). This Final Draft Plan is an updated version of the Draft Plan that was released in March 2016, and has been revised to include the City Council and Commission's joint consensus recommendations on the eight key concepts previously mentioned. The Specific Plan has been further refined as a result of input from the Commission and those recommendations have been incorporated in the Final Draft Plan as "redline strike-out", as well as yellow highlighted text, which represents new and revised text within the document. In addition, the draft Implementation Plan (Chapter 9) has been completed to include the implementing actions of the Plan. Attachment 2 has been arranged with the "redline strike-out"-affected Chapters 4, 6, and 9, followed by the complete Final Draft Downtown Specific Plan.

### **Report Format**

Through the various Planning Commission study sessions, the Commission has held extensive discussions on the Plan's many key concepts. The following discussion provides an overview of the key concepts as recommended by the Planning Commission and other items further refined by Staff for the Final Draft Downtown Specific Plan. Each of these key concepts are discussed in detail in the Final Draft Plan. In addition, Attachment 3 provides an "At-a-Glance" summary table of these key concepts. The Planning Commission provided clear direction on all concepts, and additional information is provided for four concepts (highlighted in blue in the table in Attachment 3) which are also further explained in greater detail in the "Discussion" portion of this report. To assist the Commission in reviewing the progression of each key concept through the numerous study sessions, each of the four key concepts has been organized in the following manner:

#### Draft Downtown Specific Plan

This section provides a brief description of each key concept as proposed in the March 2016 Draft Downtown Specific Plan.

#### Planning Commission Consensus

Based on the direction from the City Council, this section provides a detailed summary of Staff's follow-up with the Planning Commission, and the Commission's rationale for their final recommendation.

#### Final Draft Plan Recommendation

This section summarizes the final language as proposed in the Final Draft Downtown Specific Plan as shown in "redline strike-out" and highlighted text in Attachment 2.

The Final Draft Downtown Specific Plan changes land use classifications and development standards only in the CD Downtown Commercial Zone. The Final Draft Plan does not change any regulations in the three other zones within the Specific Plan Area (RH Residential High Density, PS Public and Semi-Public, and OS Open Spaces), however the Specific Plan guidelines apply.

#### **Minor Exceptions and Variances**

The Final Draft Plan introduces several new development standards that are not part of the current Code, and some buildings or tenant spaces may become nonconforming with the new proposed development standards. Chapter 6 of the Final Draft Plan has been updated so that these nonconforming property/business owners have the same Minor Exception and Variance options afforded to other property owners outside the Specific Plan area as it relates to addressing nonconformities. The following discussion provides a summary of the proposed process to address Minor Exceptions and Variances.

##### *Minor Exceptions*

Existing businesses that do not meet the maximum tenant frontage or minimum façade transparency requirements in the Final Draft Plan would be allowed to maintain their nonconformities even if the space was vacated and a new tenant took over the space. A business with a nonconforming façade that proposes significant structural alterations to their façade would, however, have to comply with the minimum façade transparency requirement. Likewise, a tenant with a nonconforming tenant frontage that proposed alterations to their space exceeding 50% valuation of the entire structure would have to comply with the maximum tenant frontage requirement.

Although it would be preferable for all properties to be brought into conformance over time, some properties may not be able to meet the minimum façade transparency requirement and/or the maximum tenant frontage requirement when the space is renovated. Those individuals could apply for a Minor Exception. Minor Exception applications require a Staff level review and are approved by the Director of Community Development. Minor Exception applications are analyzed based on the unique scope and scale of the proposed work in each submittal, and a Minor Exception is only granted if the submittal meets all the Minor Exception requirements (Attachment 4). The Final Draft Plan has modified the definition of a nonconforming structure to include structures that do not meet the minimum requirements for façade transparency and tenant frontage so that the Minor Exception procedure may be utilized.

##### *Variance*

A Variance is another option for property owners that can't meet the minimum transparency requirement and/or the maximum tenant frontage requirements. Variances are granted by the Planning Commission, and "are intended to resolve practical difficulties or unnecessary physical hardships that may result from the size, shape, or dimensions of a site or the location of existing structures thereon; from geographic, topographic, or other physical conditions on the site or in the immediate vicinity; or from street locations or traffic conditions in the immediate vicinity of the site" (MBMC Section 10.84.010). Variances are rarely granted, as proposed projects are held to a high standard and must demonstrate that they meet the required findings as described in the Code. Variances are more likely to be applied for by projects that involve new or substantially new structures.

The Final Draft Plan allows properties that do not meet the minimum transparency and maximum tenant frontage requirements to be eligible for a Variance. The Final Draft Plan also adds two new required findings for CD zoned properties seeking Variances from the new requirements as follows:

- A. Granting the application would not result in development that is significantly inconsistent with other development in the surrounding area, and the character of the area will not be significantly adversely changed by the granting of the Variance.
- B. The relief granted would still result in a building with an attractive and pedestrian-friendly design, and consistent with the goals and policies of the Downtown Specific Plan.

The Code already allows Minor Exceptions and Variances for various development standards, including but limited to setbacks, walls, and open space. Without the new language detailed in the Final Draft Plan, CD zoned property owners would technically not be eligible to apply for a Minor Exception or Variance if their proposed project did not meet the minimum façade transparency and/or maximum tenant frontage requirements. Attachment 5 summarizes these changes in a simple flow chart.

**DISCUSSION:**

The Planning Commission studied and deliberated the Draft Plan's proposed changes to the existing land use classifications (Chapter 4) and development standards (Chapter 6) and after careful consideration, recommended some modifications. On several occasions, various Planning Commissioners explained that their goal was to create and encourage clean, simple regulations. The Commission indicated they did not want to create burdensome and complicated rules and that this point-of-view informed their recommended modifications.

As shown in the Final Draft Plan, redline strike-out and yellow highlighted text within Chapters 4 and 6 indicate a change from the Draft Plan. In addition, the Plan includes references within the development standards in Chapter 6, as well as the Implementation Plan in Chapter 9, to the Mitigation Monitoring and Reporting Program to ensure that the mitigation measures are considered and complied with.

The Planning Commission reached consensus and made recommendations on the following twelve concepts, as further described in Attachment 2.

1. *Non-Pedestrian Oriented Ground Floor Uses on Alleys – Chapter 4*  
Allow for ground-floor non-pedestrian oriented uses (office, banks, etc.) located exclusively on alleys without a Use Permit.
2. *Land Use Changes (Animal: Veterinary Services) - Chapter 4*  
Create new permitted land use classification that allows veterinary services for small animals with limited overnight boarding.
3. *Land Use Changes (Optometrist) - Chapter 4*  
Create new permitted land use classification that allows optometrists that function primary as a retail use to be located on the ground-floor without a Use Permit.
4. *Optional Second-Story Stepbacks - Chapter 6*  
Remove optional second-story setback requirement.
5. *Building Height / Stories - Chapter 6*  
Only allow elevator shafts meeting certain conditions to exceed the height limit by two feet in Area B. Mechanical equipment and sloped roofs are not allowed to exceed the height limit.
6. *Historic Preservation - Chapter 6*  
Revise language in Plan to be consistent with adopted Historic Preservation regulations.
7. *Maximum Ground Floor Setbacks - Chapter 6*  
Language changed from “maximum setback” to “maximum ground floor setback”.
8. *Maximum Ground Floor Front Setback - Chapter 6*  
Change the maximum ground floor front setback from ten feet to twelve feet.
9. *Minimum Rear Yard Setback - Chapter 6*  
Revise minimum rear yard setback to zero, ten, or 20 feet provided required paved parking, landscaping, or combination of the two, depending on the dimensions between the rear alley property line and building.
10. *Façade Transparency - Chapter 6*  
Require minimum 70 percent façade transparency on primary street corridors. Corner properties need a minimum 70 percent façade transparency on primary frontage and minimum 60 percent of non-primary frontage, where feasible.
11. *Maximum Tenant Frontage - Chapter 6*  
Lots 35 feet or more in depth can have a maximum tenant frontage of 35 feet. Lots with less than 35 feet in depth can have a maximum tenant frontage of 50 feet. The Director of Community Development would determine on a case-by-case basis which frontage on a corner lot would be subject to the maximum tenant frontage of 35 feet or 50 feet.

## 12. *Private Dining in the Public Right-of-Way - Chapter 6*

No changes to current standard. Minimum four feet of sidewalk clearance for private dining in the right-of-way.

At the request of the Commission, Staff has provided information and recommendations on the remaining four key concepts: live/work regulations, the Use Permit process, a retail sales floor area square footage cap, and second-floor outdoor dining. Staff's analysis and recommendations can be found below.

### **1. Live/Work Land Use Classification - Chapter 4**

#### Draft Downtown Specific Plan

The Draft Plan proposed a new land use classification called "live/work" with very limited criteria which would be allowed in the CD zone with a Use Permit.

#### Planning Commission Consensus

Staff reassessed the Draft Plan's live/work language and felt a more robust and refined definition of live/work was needed in order to adequately regulate any potential live/work use. Planning Commission agreed with Staff for the live/work land use classification after reviewing information on how other cities in California regulate live/work uses. The Planning Commission directed Staff to craft simple, easy-to-understand live/work regulations that also limit negative potential impacts to neighbors and businesses.

#### Final Draft Plan Recommendation

The Final Draft Plan's live/work regulations crafted by Staff defines the live/work use, outlines which commercial uses are allowed as the "work" portion of the live/work unit, and sets performance standards that any potential live/work project must meet in order to be approved during the Use Permit process (Attachment 6). Offices are explicitly prohibited as an allowed "work" use in a live/work unit, as Staff is sensitive to allowing more office uses in pedestrian adjacent ground floor spaces within the Downtown. Staff has also classified the live/work use as a Commercial Use instead of a Residential Use in the Final Draft Plan, which allows live/work uses to enjoy the benefits of commercial development standards for maximum height, setbacks, parking requirements, FAR, and other regulations. The Plan does require open space to be provided equal to 10% of the residential portion of the live/work unit, with a minimum 48 square feet of open space per live/work unit. Staff believes these regulations reflect the Planning Commission's direction.

### **2. Use Permit Process - Chapter 4**

#### Draft Downtown Specific Plan

The Draft Plan recommended specific required findings for Use Permits that closely mirror the existing required Use Permit findings found in MBMC 10.84.060 and LCP A.84.060.

#### Planning Commission Consensus

Planning Commission agreed with the City Council's direction to ask Staff to create additional Use Permit findings in order to implement the vision and goals of the Specific Plan.

### Final Draft Plan Recommendation

Staff has crafted the following Use Permit findings, in addition to the current Use Permit findings, that have been added to the Final Draft Plan:

- A. The proposed use is consistent with the goals, purpose, vision, and guidelines of the Specific Plan, Local Coastal Program, and the City's General Plan.
- B. The proposed use will maintain a balanced mix of uses which serves the needs of both local and nonlocal populations.
- C. The proposed use would preserve and enhance the safe, attractive, pedestrian-friendly, small town atmosphere and a sound economy.
- D. The proposed use will maintain and enhance the residential quality of life for the Manhattan Beach community.

### **3. Retail Sales Floor Area Square Footage Cap - Chapter 4**

#### Draft Downtown Specific Plan

The Draft Plan did not include a maximum square footage for any particular use. After the Draft's release, several stakeholders and the Downtown Residents' Group in particular, called for a cap on the square footage of retail spaces. A Use Permit for retail uses that are over a certain size would be required. This would require further review and a public hearing process for larger retail uses, as formula retail uses tend to seek out spaces that are significantly larger in size when compared to "mom and pop" run retail stores.

#### Planning Commission Consensus

After discussion with the Planning Commission, Staff recommended that the retail square footage cap be based on the sales floor area of a retailer. The sales floor area, in combination with the other Specific Plan regulations and guidelines would provide consistency with existing uses while providing flexibility for retailers that may have larger storage or other back of house areas. Staff recommended that sales floor area be defined as the area of a tenant space, measured from the inside walls, excluding rooms that are permanently inaccessible to the public, including but not limited to storage rooms, offices associated with the retail tenant, mechanical rooms, bathrooms, and common areas shared with other tenants in the building.

Planning Commission agreed with Staff and recommended including a retail sales floor area square footage cap of 1,600 square feet in the Final Draft Plan.

#### Final Draft Plan Recommendation

The Final Draft Plan requires a Use Permit for any new retail space over 1,600 square feet of sales floor area.

Since meeting with Planning Commission, Staff has measured the sales floor area square footages of the nine retailers who were previously identified as having tenant spaces over 1,600 square feet of buildable floor area (Attachment 7). Staff used a measuring wheel and a tape measure to measure the retail spaces, and the measurements are fairly accurate. Of the nine retailers who had buildable floor areas over the 1,600 square feet, only two of those nine retailers have sales floor areas over 1,600 square feet. One of these two retailers, American Apparel, is covered by the Metlox Master Use Permit. The new retail sales floor area square footage cap



would not apply to any use regulated by a Use Permit that allows larger square footages. This new data on the existing retail sales floor square footages provides the Commission further context in understanding the Final Draft Plan's retail sales floor area square footage cap recommendation.

#### **4. Second-Floor Outdoor Dining - Chapter 4**

##### Draft Downtown Specific Plan

The Draft Plan did not directly address or regulate second-floor outdoor dining in the CD zone. The Draft Plan did, however, require a Use Permit for establishing or expanding a restaurant use. Any new restaurant that would want to have second-floor outdoor dining would need to go through the Use Permit process, as would an existing ground-floor restaurant that wanted to add second-floor outdoor dining.

##### Planning Commission Consensus

Planning Commission voiced support for appropriately-scaled second-floor outdoor dining if located on the main Downtown commercial corridors. Planning Commission specifically directed Staff to create regulations that would limit second-floor outdoor dining to only Manhattan Beach Boulevard, Highland Avenue, and Manhattan Avenue; and that any second-floor outdoor dining be located at least one block away from a residentially-zoned use.

##### Final Draft Plan Recommendation

Staff crafted new regulations for second-floor outdoor dining that have been incorporated into the Final Draft Plan. First, Staff has provided a map (Attachment 8) indicating where second-floor outdoor dining would be permitted with a Use Permit. Attachment 8 depicts areas in blue along Manhattan Beach Boulevard, Highland Avenue, and Manhattan Avenue that are at least one block away from residentially zoned properties, per Planning Commission's direction. Staff also added a green outline and layer onto Attachment 8 that adds more area along the three main Downtown commercial corridors that could potentially also allow second-floor outdoor dining. Staff is requesting Planning Commission's direction to whether the combination of the blue and green areas more accurately align with the intent of the Commission. The map of the proposed permitted locations of second-floor outdoor dining used in the Final Draft Plan reflects both the blue and green shaded blocks, as shown in Attachment 9. A new Use Permit finding for second-floor outdoor dining has been added to require all second-floor outdoor dining areas be located within the map shown in the Final Draft Plan.

The Final Draft Plan also has other Use Permit submittal requirements for second-floor outdoor dining located in the CD zone. Any second-floor outdoor dining area is not allowed to face residential properties, with Attachment 10 showing a cross-section of Manhattan Avenue and illustrating how second-floor outdoor dining should be oriented. A proposed second-floor outdoor dining area that faces a residential use will not be eligible to apply for a Use Permit. Furthermore, special submittal requirements have been written for second-floor outdoor dining uses that have more intensive and potentially impactful affects, as follows:

“For any second-floor outdoor dining use proposed to serve full alcohol with hours of operation past 10:00 PM, a noise study shall be submitted. The study shall evaluate the existing and anticipated dba levels, conformance with the MBMC Noise standards and

the potential adverse impacts of the proposed use. The study shall identify physical and operational modifications, improvements and conditions to minimize any adverse impacts from the proposed project. The study shall provide for post construction and operation monitoring to verify conformance with the conditions of the Use Permit, and additional modifications, improvements and conditions as needed to ensure conformance with the Use Permit approval as determined to be necessary by the Director of Community Development.”

Taken together, the Final Draft Plan creates a strong regulatory framework for second-floor outdoor dining in the CD zone that does not exist in either the Code or the Draft Plan. These regulations are much more restrictive than what is currently in the Code, and serve to balance the concerns of Downtown residents with the potential needs of Downtown’s restaurateurs.

### **Chapter 9: Implementation Plan**

One last follow-up item that was briefly discussed in the initial study sessions was the Specific Plan’s Implementation Plan, found in Chapter 9. In the Draft Plan (March 2016), Chapter 9 was a work in progress, with several placeholders. The intention was that this Chapter would be modified and completed following discussion and direction from the City Council on the Plan’s key concepts. Through the numerous study sessions, these concepts have been further refined with clear direction given, therefore, a draft Implementation Plan has been completed.

In reviewing the Implementation Plan, Staff worked with the Consultant team to organize each of the implementing actions (i.e. LU-1, LU-2, LU-3, etc.) to align under the larger topic areas (i.e. Land Use Regulations or Policy – Chapters 4 and 6, Public Realm – Chapters 5 and 7, etc.). As an example, within the Land Use Regulation or Policy topic area, implementing action items such as updating the City’s General Plan, Zoning Code, and Local Coastal Program for consistency with the Downtown Specific Plan have been identified. Each implementation action item also identifies the lead and/or support department(s) responsible for seeing that action to completion. Implementation actions have been organized into four timeframe categories shown in the following columns: Ongoing, Short-Term (0-5 years), Mid-Term (6-10 years), and Long-Term (11-15 years). Each action item is assigned to one of the four timeframe categories based on the item’s value and the needed time and resources to execute the action item. Within each timeframe category, the implementing actions are not arranged in any particular order, allowing decision makers the flexibility to prioritize action items based on the needs and financial resources at the time of implementation.

In addition, a brief summary of various funding and financing strategies have been identified as potential funding solutions for the improvements recommended in the Plan. Because this information has not been previously presented, staff welcomes input from the Commission.

### **Updating Other City Documents**

Adoption of the Specific Plan necessitates various revisions to the Local Coastal Program, including the Coastal Zone Land Use Policy Map and Zoning Map, as well as other Maps and Text Amendments for consistency with the City’s adopted Municipal Code Zoning designations and Map.

The revisions will reconcile the historic designation nomenclatures between the Municipal Code and Coastal Program and Plan. Additionally, the residential area around 10<sup>th</sup> and 11<sup>th</sup> Street and Highland Avenue, will be revised to be High Density Residential instead of Commercial. This revision was included as the Downtown Rezoning Program, one of the Housing Programs in the 2003 Certified Housing Element, to protect this residential area. The area north of 13<sup>th</sup> Street at Morningside Drive, on the Civic Center site, will also be revised to be Public use instead of Commercial, consistent with the actual land use, the Public Safety Facility which was completed in 2006. The following discussion provides a brief summary of the revisions to various City documents and plans and their associated amendments.

#### Local Coastal Program (LCP) Revisions

In addition to the implementing actions of the Downtown Specific Plan, the General Plan, and Municipal Code Zoning Map and text, revisions are necessary in the following documents:

- LCP Land Use Plan Amendment
- Local Implementation Program (LIP), Zoning Ordinance
- Land Use Policy Map
- LCP- Coastal Zone Zoning Map
- Coastal Zone Access Map
- Downtown Commercial Height Limit Diagram

These proposed revisions reflect the new Downtown Specific Plan, as well as reconciliation items so that the LCP is consistent with the General Plan and Zoning Map, Zoning text, and the historic and current designation nomenclature and land uses within the project area, as well as formalize prior LCP Amendments.

#### Land Use Policy Map, Zoning Map and other Reconciliation

The discussion below describes changes to the Local Coastal Program for consistency with the Zoning Code and General Plan, as requested by the Coastal Commission from 1992 to 1994 as well as from 2003 and 2004.

#### *1992-94 California Coastal Commission Reconciliation*

The City LCP Land Use Plan (LUP) was certified by the California Coastal Commission in 1981, and amended in 1992-94 (LUP 1-92) together with establishment of a Local Implementation Program (LIP), or Zoning Ordinance. During the 1992-94 LUP Amendments, the Land Use Plan and Coastal Zoning Maps were not formally revised and reformatted, and therefore were not incorporated into the City's final certified LCP. Coastal Commission staff has requested that these maps and text be revised with the modifications they requested in 1993. This will reconcile designation nomenclature and provide consistency with the General Plan and Zoning Maps, text, and the actual land uses. The draft 1993 Land Use Map nomenclature reconciliation includes the following:

- Showing the beach and the Veterans Parkway (former Santa Fe railroad right-of-way) as Park/Open space;
- Showing the correct boundaries of the residential and commercial areas in El Porto;

- Indicating Metlox as Downtown Commercial instead of manufacturing; and
- Providing designations consistent with the General Plan in the Grandview Avenue area near the City of El Segundo.

The Coastal Zone Access Map, as well as text that reflects the limits of the Local Coastal Permit jurisdiction as the mean high tide line, are also included consistent with the Coastal Commission request. Other revisions identified by the Coastal Commission in 1993 (Attachment 11, Appendix C) were already completed.

#### *2003-2004 General Plan and Housing Element Updates*

In 1995, Zoning Code provisions pertaining to residential and mixed-use development in commercial zones were reviewed, and then adopted in January 1996. Some of these provisions were translated into the LCP Coastal Zoning Code, however several of the revisions were not, and those are now included in the LCP Amendment for consistency with the Zoning Code. Additionally, during these 1995 mixed-use Zoning Code revisions, the Planning Commission and City Council became aware of 28 lots in the Downtown Commercial Zone, in the 200 and 300 blocks of 10<sup>th</sup> and 11<sup>th</sup> Streets next to Highland Avenue, that were developed exclusively as residential. The community expressed a desire to protect the residential character of this historically residential neighborhood, developed with single-family homes, apartments and condominiums since the 1930's. A number of the older units from the 1930'-1950's still remain and there are no commercial uses within this residential area.

The community requested that the Council redesignate/rezone the area to high density residential, and the Council directed that it be evaluated through the 2003 General Plan Housing Element public hearing process. With the adoption of a 2003 Housing Element, a Downtown Rezoning Program for the area was approved by the City Council to protect this residential area. Without the designation as High Density Residential, these residential uses are nonconforming uses, which severely limits their ability to expand.

In 2004 the City Council approved Amendments to the Local Coastal Program (LCP) for changes to the Coastal Zone Zoning Map and the associated boundary change to the Commercial Downtown Heights Limit Diagram in the LIP. This was done for consistency with the 2003 General Plan and Zoning Code/Map changes. However, the Amendments were never certified by the Coastal Commission as the requisite parallel revisions to the Coastal Zone Land Use Policy Map and associated documents were not included in the revisions. The Specific Plan and associated documents will reconcile these inconsistencies.

#### *Summary of Land Use Amendments*

The following revisions for consistency with historic and actual land uses are provided and are shown in the Initial Study (Attachment 11). These changes are reflected throughout the Specific Plan document.

##### 1. Downtown Residential-

A small defined area of Downtown along 10<sup>th</sup> and 11<sup>th</sup> Streets and Highland Avenue with 28 properties will be redesignated/rezoned from *Downtown Commercial* to *High Density Residential* to reflect historic and actual land uses, current development trends and for consistency with the Housing Element. This area has been residential since at least the 1930's, and is entirely residential.

2. Public Safety Facility-

With the construction of the Public Safety Facility and the extension of 13<sup>th</sup> Street in 2006, a small narrow portion of land designated *Downtown Commercial*, just north of 13<sup>th</sup> Street became part of the Public Safety Facility. This small area will be redesignated/rezoned *Public Facilities* to reflect the actual land use.

3. Downtown Commercial District Height Limit Diagram-

The Specific Plan will amend the diagram to reflect changes to the boundaries of the "CD" (Downtown Commercial) zoning designation. The proposed changes pose no impacts to the existing height limitations in the Downtown area; it is only reflecting the changes to the geographic boundary of the "CD" zone described in the two preceding zone changes.

### Specific Plan Updates

The adoption of the Specific Plan will require a number of revisions to the Local Coastal Program (LCP), including the Land Use Policy Map, Zoning Map and Zoning Text, and Local Implementation Plan (LIP), to reflect the Downtown Specific Plan. These changes will include:

- Amending the Coastal Zone Land Use Plan
- Replacing the Land Use Policy Map
- Replacing the Coastal Zone Zoning Map in the LIP Zoning regulations Chapter A.01
- Adding the Downtown Specific Plan Area (D8) Design Review Overlay to the Coastal Zone Zoning Map
- Amending required text to reference the Specific Plan including:
  - Chapter A.01 (General Provisions)
  - Chapter A.12 (Residential Districts)
  - Chapter A.16 (C Commercial Districts)
  - Chapter A.24 (OS Open Space)
  - Chapter A.28 (Public and Semi-Public District)
  - Chapter A.44 (D Design Overlay District)
  - Chapter A.68 (Nonconforming Uses and Structures), and
  - Chapter A.84 (Use Permits, Variances and Minor Exceptions).

These revisions will ensure consistency with the Local Coastal Program and the Downtown Specific Plan.

### Resolutions

The attached Resolutions reflect the Planning Commission recommendation to the City Council on the Specific Plan, General Plan Amendments, Zoning Map and Zoning Code (text) Amendments and Local Coastal Program (LCP) Amendments, as well as environmental review under the California Environmental Quality Act (CEQA), including an Initial Study and

Mitigated Negative Declaration of Environmental Impacts and a Mitigation Monitoring and Reporting Program. The LCP Resolutions include findings that CEQA does not apply to the preparation and adoption of LCP Amendments in accordance with State regulations, although the Initial Study evaluated the LCP Amendments. Approval of the project includes a number of actions through the adoption of Resolutions as outlined below. Revisions are shown highlighted in yellow, with existing text to be deleted as ~~strikeout~~ and new text to be added as underline.

1. Resolution No. PC 16-06- (Attachment 12) -Adoption of the Downtown Specific Plan, related General Plan Amendments (GPA), and CEQA determination. This Resolution includes the following:
  - a. Downtown Specific Plan
  - b. Rescinding the existing Downtown Design Guidelines
  - c. General Plan Land Use Policy Map- Designating the Downtown Specific Plan area
  - d. Text and Policy references in the Land Use Element of the General Plan related to the Specific Plan
  - e. Adoption of the Final Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program
  
2. Resolution No. PC 16-07- (Attachment 13) -Adoption of revisions to the Zoning Map and Zoning Code Text to reflect the Downtown Specific Plan. This Resolution includes the following:
  - a. Adding the Downtown Specific Plan Area (D8) Design Review Overlay to the Zoning Map
  - b. Zoning Code Text Amendments in Chapter 10.12 (Residential) to reflect and reference the Specific Plan
  - c. Zoning Code Text Amendments in Chapter 10.16 (Commercial) to reflect and reference the Specific Plan
  - d. Zoning Code Text Amendments in Chapter 10.24 (Open Space) to reflect and reference the Specific Plan
  - e. Zoning Code Text Amendments in Chapter 10.28 (Public and Semi-Public) to reflect and reference the Specific Plan
  - f. Zoning Code Text Amendments in Chapter 10.44 (Design Overlay District) to reflect and reference the Specific Plan
  - g. Zoning Code Text Amendments in Chapter 10.68 (Non-conformities) to reflect and reference the Specific Plan
  - h. Zoning Code Text Amendments in Chapter 10.84 (Use Permits, Variances, Minor Exceptions, Precise Development Plans and Site Development Permits) to reflect and reference the Specific Plan
  - i. A CEQA finding
  
3. Resolution No. PC 16-08- (Attachment 14) -Adoption of revisions to the Local Coastal Program (LCP), including the Land Use Policy Map, Zoning Map, Local Implemental Plan (LIP), and reconciliation of designation nomenclature and map inconsistencies from 1992-1994 and 2004, as directed by the California Coastal Commission. This Resolution includes the following:
  - a. Replace Coastal Zone Land Use Plan, Land Use Policy Map

- b. Replace Coastal Zone Zoning Map in the LIP Zoning regulations Chapter A.01
  - c. Coastal Zone Access Map
  - d. LIP Zoning Code Chapter A.16- Downtown Commercial District Height Limits Diagram
  - e. Text to indicate the City’s LCP jurisdiction extends to the mean high tide line
4. Resolution No. PC 16-09- (Attachment 15) -Adoption of revisions to the Local Coastal Program (LCP), including the Land Use Policy Map, Zoning Map and Zoning Text, Local Implemental Plan (LIP), to reflect the Downtown Specific Plan, and mixed-use standards. This Resolution includes the following:
- a. Replace Coastal Zone Land Use Plan, Land Use Policy Map
  - b. Replace Coastal Zone Zoning Map and add related text to incorporate the Specific Plan in the LIP Zoning regulations Chapter A.01
  - c. Adding the Downtown Specific Plan Area (D8) Design Review Overlay to the Coastal Zone Zoning Map
  - d. Zoning Code Text Amendments in Chapter A.12 (Residential) to incorporate the Specific Plan
  - e. Zoning Code Text Amendments in Chapter A.16 (Commercial) to incorporate the Specific Plan and mixed use standards
  - f. Zoning Code Text Amendments in Chapter A.24 (Open Space) to incorporate the Specific Plan
  - g. Zoning Code Text Amendments in Chapter A.28 (Public and Semi-Public) to incorporate the Specific Plan
  - h. Zoning Code Text Amendments in Chapter A.44 (Design Overlay District) to incorporate the Specific Plan
  - i. Zoning Code Text Amendments in Chapter A.68 (Non-conformities) to incorporate the Specific Plan
  - j. Zoning Code Text Amendments in Chapter A.84 (Use Permits, Variance and Minor Exceptions) to incorporate the Specific Plan)

**California Environmental Quality Act (CEQA)**

The Downtown Specific Plan is subject to the California Environmental Quality Act (CEQA). The City prepared an Initial Study to determine whether the proposed project may have a significant adverse impact on the environment. Although the proposed project could have a significant effect on the environment, revisions and mitigation measures have been incorporated into the project and there are no significant impacts. Therefore, the City prepared a Mitigated Negative Declaration, also referred to as an MND (Attachment 11). A Mitigation Monitoring and Reporting Program (MMRP) has also been prepared to ensure compliance with the requisite mitigation measures (Attachment 16). The public review draft of the Downtown Specific Plan Draft MND was posted for public review and comment from August 25, 2016 to September 23, 2016. The City received five written comments and has responded to all of them accordingly (Attachment 17). Although the MND evaluated the project’s environmental effects, CEQA does not apply to activities and approvals necessary for the preparation and adoption of LCP Amendments in accordance with State regulations.

**Public Notice**

Community engagement and outreach has been instrumental throughout the entire Downtown Specific Plan project. Staff continues to use various methods to reach as many stakeholders as well as others throughout the community as possible. Tonight's public hearing notice was published in the October 13th and 20th, 2016 circulation of The Beach Reporter, with a quarter page color display ad in the Manhattan Beach section that ran on October 20, 2016. In addition, information was posted on the Downtown page on the City's website at [www.citymb.info/downtownmbdefined](http://www.citymb.info/downtownmbdefined); information was posted on various social media sites; public notices were displayed outside of City Hall and at other public facilities, and email notifications were sent to various stakeholders such as the Downtown Business and Professional Association (DBPA), the Downtown Specific Plan Project Advisory Committee, the Downtown Residents' Group (DRG), the Manhattan Beach Commercial Property Owners Association (MBCPOA), the South Bay Association of Realtors (SBAOR), and other interested parties that have participated in various Downtown meetings (Attachment 18). Additionally, notices were mailed to all property owners and residents within the Specific Plan area, as well as a separate notice to the property owners and residents of the 28 properties directly affected by the LCP change from Downtown Commercial (CD) to Residential High Density (RH). (Attachment 19)

### **Next Steps and Conclusion**

At this time, Staff recommends that the Planning Commission conduct a Public Hearing and adopt Resolutions recommending to the City Council the following:

1. Adopt the Downtown Specific Plan and conforming amendments to the General Plan, and adopt a Mitigated Negative Declaration (MND) and Mitigation Monitoring and Reporting Program ;
2. Approve Zoning Code and Zoning Map Amendments to reflect the Downtown Specific Plan;
3. Approve amending the Local Coastal Program's Land Use Policy and Zoning Maps and Implementing Ordinance Section A.16.030(G) to reconcile designation nomenclature and map and text inconsistencies; and
4. Approve amending the Local Coastal Program's Implementation Plan to incorporate the Downtown Specific Plan, and related text amendments.

Following tonight's Public Hearing, Staff will take forward the Planning Commission's recommendations to a City Council Public Hearing tentatively scheduled for December 6, 2016. After City Council action, the Local Coastal Program changes will be forwarded to the California Coastal Commission for final review and action

### **ATTACHMENTS**

1. Planning Commission Consensus Items Consistent with Council Direction (August 10, 2016)
2. "Redline Strike-Out" Chapters & Final Draft Downtown Specific Plan (October 2016)
3. Summary Table of Key Concepts
4. MBMC 10.84.120 Minor Exceptions
5. Addressing New Nonconformities Created with the Adoption of the Specific Plan
6. Live/Work Regulations
7. Retail Sales Floor Area Square Footage Data



8. Potential Second-Floor Outdoor Dining Map
9. Proposed Second-Floor Outdoor Dining Map
10. Second-Floor Outdoor Dining Cross-Section
11. Draft Initial Study – Mitigated Negative Declaration (IS/MND)
12. Draft Resolution No. 16- 06 (Specific Plan, General Plan and CEQA)
13. Draft Resolution No. 16-07 (Zoning Map and Text, MND)
14. Draft Resolution No. 16-08 (LCP Reconciliation-1994 and 2004)
15. Draft Resolution No. 16-09 (LCP/LIP revisions for DTSP)
16. Mitigation Monitoring and Reporting Program (MMRP)
17. Initial Study/Mitigated Negative Declaration – Response to Comments
18. The Beach Reporter Public Hearing Notice and Display Ad
19. Public Notice to 28 properties in the Downtown- Change from CD to RH

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