



**LOCATION:**

714 Pacific Coast Highway, 92648 (North side of PCH, between 7th and 8<sup>th</sup> St.)

**APPLICANT/  
PROPERTY  
OWNER:**

Thanh Dong, Phat Huong Haanh Holdings, LLC, 18961 Flagstaff Lane,  
Huntington Beach, CA 92646

**APPELLANT:**

Sam Hanna, P.O. Box 519, Tustin, CA 92781

**STATEMENT OF ISSUE:**

1. Is the project proposal consistent with the City of Huntington Beach's adopted land use regulations (i.e. General Plan, Zoning Map and Zoning Code including any specific plans and overlay districts where applicable)?
2. Does the project proposal satisfy all the findings required for approving a Conditional Use Permit, Coastal Development Permit, and Special Permit?
3. Has the appropriate level of environmental analysis been determined?

**RECOMMENDATION:**

That the Planning Commission take the following actions:

- A) Find the proposed project categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15332 - Infill Development Projects; and
- B) Approve Conditional Use Permit No. 20-012, Coastal Development Permit No. 20-013, and Special Permit No. 20-001 with findings and conditions of approval (Attachment No. 1)

**ALTERNATIVE ACTION(S):**

- A) Do not make the suggested findings, which will result in a mandatory denial per Section 241.10 (c) of the Zoning and Subdivision Ordinance.
- B) Continue Conditional Use Permit No. 20-012, Coastal Development Permit No. 20-013, and Special Permit No. 20-001 and direct staff accordingly.

**PROJECT PROPOSAL:**

The proposed project is a request to construct a new three-story 12,713 sq. ft. mixed use building at an overall height of 35 feet. The mixed use building will include a 766 sq. ft. ground floor retail coffee shop, three two-bedroom residential units on the second and third floor, and a 300 sq. ft. rooftop deck. A ground floor fully enclosed parking garage will provide seven total parking spaces, four grade level and three subterranean in a vertical tandem configuration, as well as two alley-loaded commercial parking spaces for a total of nine on-site parking spaces.

Currently, the project site is vacant and undeveloped. A small single family dwelling and oil production facility previously existed on the property, both of which were demolished and removed in 2017.

**Zoning Administrator Action:**

CUP No. 20-012 and CDP No. 20-013 were originally scheduled for a public hearing before the Zoning Administrator on October 7, 2020. At the hearing, the project was continued to the November 4, 2020 hearing date at the applicant's request to address a design issue. On October 15, 2020, the applicant filed a request for a Special Permit pursuant to Section 2.5.6 of the Downtown Specific Plan, to permit an 18 ft. wide garage access drive aisle in lieu of a minimum required 20 ft. wide drive aisle.

The project was then presented at the November 4, 2020 Zoning Administrator hearing, and the owner of the adjacent site (716 Pacific Coast Highway), identified multiple concerns with the design of the project. Following discussion between staff, the applicant, and neighboring property owner, the Zoning Administrator approved the project with suggested findings and conditions of approval.

**Appeal:**

On November 16, 2020, the Zoning Administrator's approval was appealed by Sam Hanna, owner of the property immediately to the north (Attachment No. 3). Mr. Hanna identifies concerns with potential impacts to the safety, privacy, and visibility of his property. The appellant also requests revisions to the proposed project's setbacks to preserve private views of the ocean from his property, and moving the location of the common open space provided on the rooftop deck to preserve privacy between structures. Further, the letter identifies concerns with an existing public utility pole, trash collection, and truck deliveries. Email correspondences from Mr. Hanna prior to the October 5, 2020 and November 4, 2020 Zoning Administrator hearings are attached for reference (Attachment No. 5).

Staff evaluated the project for consistency with development standards of the HBZSO and Downtown Specific Plan and determined that the project furthers the intended development pattern as envisioned by the Specific Plan. There are no provisions within the Specific Plan, HBZSO or Coastal Element that require preservation of private views for properties fronting Pacific Coast Highway. The City does not have a view preservation ordinance and Mr. Hanna has not furnished evidence of a private view easement across the subject property. Conversely, the DTSP requires a 5 ft. maximum build-to front setback along Pacific Coast Highway to establish an inviting street presence and foster appropriate commercial and pedestrian connections. A build-to provision differs from a minimum setback standard as it requires a structure within so many feet of a property line as opposed to establishing a minimum separation from the property line.

The appellant also identified concerns with the structural integrity and stability during excavation and shoring of the proposed project. It should be noted that the Zoning Administrator reviews and acts only on conceptual plans to determine that the proposed project meets land use, zoning issues, and minimum development standards. As is typical for all entitlements, if the conceptual plans are approved for land use, the architect and civil engineer then prepare grading, shoring, excavation, mechanical, electrical, plumbing, and structural plans for review and approval through the grading and building permit plan check process.

An enclosed trash collection room centrally located within the ground floor garage ensures refuse from the commercial and residential tenants is managed entirely onsite. Collection procedures by the refuse company would occur in the public alley similar to all other downtown properties. To abate any nuisance concerns related to the collection and disposal of trash for the project, staff suggests a

condition of approval to prohibit disposal of glass and other restaurant or retail refuse between the hours of 10:00 pm and 7:00 am.

Smaller commercial projects, such as this one, do not warrant an on-site delivery bay or loading dock and deliveries are expected to occur within the common shared loading zones located throughout Downtown. Deliveries to the commercial tenant would not be permitted to occur in the alley to ensure sufficient vehicular access is maintained at all times for properties served by the alley. Staff is currently working with the Public Works Department to address the utility pole’s status and location within the alley as it relates to the project and will provide the Planning Commission with an update at the December 8 public hearing.

A complete discussion of compliance with zoning code development standards can be found in the Zoning Compliance section below.

**ISSUES AND ANALYSIS:**

**Subject Property And Surrounding General Plan Designations, Zoning And Land Uses:**

LOCATION	GENERAL PLAN	ZONING	LAND USE
Subject Property:	M-sp (30-50 du/ac) Mixed Use - Specific Plan Overlay (Max. 30-50 dwelling units per acre)	SP5-CZ-O (Downtown Specific Plan District 1 - Coastal Zone Overlay - Oil Overlay)	Vacant
North of Subject Property:	M-sp (30-50 du/ac)	SP5-CZ-O (District 1)	Live/Work Unit
East of Subject Property (Across Alley):	RH-sp (Residential High Density - Specific Plan Overlay)	SP5-CZ-O (District 4)	Single Family Residential
South of Subject Property:	M-sp (30-50 du/ac)	SP5-CZ-O (District 1)	7/11 Service Station and Convenience Market
West of Subject Property (Across PCH):	M-sp (30-50 du/ac)	SP5-CZ (District 7)	City Beach/ Huntington Pacific Condominiums

**General Plan Conformance:**

The General Plan Land Use Map and zoning designation on the subject property is M-sp (Mixed Use - Specific Plan Overlay). The proposed project will implement both the General Plan and zoning designations of the site. The proposed project is consistent with the intent of these designations, and the goals and policies of the City’s General Plan as follows:

Land Use Element

**Goal LU 1:** New commercial, industrial, and residential development is coordinated to ensure that the land use pattern is consistent with the overall goals and needs of the community.

**Policy LU 1 (A):** Ensure that development is consistent with the land use designations presented in the Land Use Map, including density, intensity, and use standards applicable to each land use designation.

Policy LU 1 (C): Support infill development, consolidation of parcels, and adaptive reuse of existing buildings.

Goal LU 4: A range of housing types is available to meet the diverse economic, physical, and social needs of future and existing residents, while neighborhood character and residences are well maintained and protected.

Policy LU 4 (C): Encourage a mix of residential types to accommodate people with diverse housing needs.

Goal LU 11: Commercial land uses provide goods and services to meet regional and local needs.

Goal LU 1 (B): Encourage new businesses to locate on existing vacant or underutilized commercial properties where these properties have good locations and accessibility.

Goal LU 14: Huntington Beach continues to attract visitors and provides a variety of attractions and accommodations during their stay.

Policy LU 14 (B): Encourage both coastal and inland visitor-serving uses to offer a wide spectrum of opportunities for residents and visitors

#### Coastal Element

Goal C 3: Provide a variety of recreational and visitor commercial serving uses for a range of cost and market preferences.

Policy C 3.2.4: Encourage the provision of a variety of visitor-serving commercial establishments within the Coastal Zone, including, but not limited to, shops, restaurants, hotels and motels, and day spas.

The new mixed-use building is located in an area designated for commercial uses that will serve tourists and visitors. The proposed project will provide a visitor-serving eating and drinking retail use to meet local and visitor demand. The project provides both a visitor serving commercial use and residential uses that will meet the need of future and existing residents on an underutilized parcel consistent with the General Plan. Further, the project will add new housing opportunities and will provide the City with housing in-lieu fees to fund affordable housing opportunities within the City.

#### **Zoning Compliance:**

The three-story 12,713 sq. ft. mixed use building complies with all development requirements of District 1 of the Downtown Specific Plan, with the exception of the Special Permit for a two ft. reduction in drive aisle width. Pursuant to Section 3.3.1.3 Permitted Uses of the DTSP, development projects on properties with less than 100 feet of frontage are subject to a CUP by the Zoning Administrator. Since the subject property is 50 ft. wide and is located within the appealable jurisdiction of the Coastal Zone, the applicant filed a Conditional Use Permit and Coastal Development Permit request for the proposed project. The project complies with front, side, rear, and residential buffer setback requirements, maximum height, minimum parking requirements, and open space development standards.

Provision	Required - District 1	Proposed Project
<b>Required Setbacks</b> SP 5 Sections 3.3.1.9 - 3.3.1.13	Front Yard: 0 - Max. 5 ft. Interior Side Yard: 0 ft. Rear Yard: 3 ft.	Front Yard: 0 ft. Interior Side Yard: 0 ft. Rear Yard: 3 ft.
<b>Maximum Height</b> SP 5 Section 3.3.1.8	Maximum 35 ft. height and 3 stories for developments with less than 8,000 sq. ft. net lot size	Maximum 35 ft. (including parapet walls) and 3 stories + 10 ft. exception for elevator and stairwell
<b>Upper Story Setback</b> SP5 Section 3.3.1.9	10 ft. average setback from ground floor façade for portions of the front façade on the 3 <sup>rd</sup> floor.	Complies
<b>Residential Buffer</b> SP5 Section 3.2.21	• 3 ft. minimum rear setback • 25 ft. maximum height at rear setback line • 45 ft. maximum height at 10 ft. away from rear property line	Complies

*Onsite Parking and Circulation*

Section 3.2.6 Alleys and Vehicular Access Ways requires new development to provide vehicular access to the site when alleys are provided. The subject site fronts Pacific Coast Highway and is served by a public alley right-of-way along the rear property line. As such, the project has been designed to provide all vehicular access to and from the site via the existing alley.

The project will provide a total of nine on-site parking spaces. Three parking spaces are required for the 766 sq. ft. retail commercial tenant space; two spaces for commercial visitors are unenclosed and accessible from the alley and the third commercial visitor parking space is an ADA accessible space and provided within an enclosed parking garage accessible from the alley via an 18 ft. wide driveway. Staff recommends a condition of approval to require the garage to be open and accessible during all business hours.

Each of the three residential units features two bedrooms and will require two parking spaces in accordance with Specific Plan and Coastal Zone requirements, for a total of six residential parking spaces. The project provides six parking spaces in a vertical tandem configuration within the enclosed parking garage. Residents will have private access to and use of mechanical lifts that enable the parking of two vehicles stacked on top of one another. The lifts are operable whether or not a vehicle is already parked on the at-grade space. Although a vertical tandem parking configuration has not yet been constructed in Huntington Beach, the proposed configuration is consistent with the definition of tandem parking as identified in Chapter 203 of the HBZSO. Provision of mechanical lifts for residential parking differs from lifts for commercial spaces, as a parking lot attendant or valet would be not be required to operate the residential spaces.

Each residential unit is also required to provide 0.25 guest spaces. Therefore, one additional parking space is required for residential guests of the project. The Specific Plan permits residential guest parking and commercial parking be shared for mixed-use projects. Therefore, the additional parking space for residential guests is provided for by one of the three commercial parking spaces provided on-site. Shared residential guest and commercial parking for mixed-use projects is permitted due to

the divergence of uses between commercial operating hours and demand for residential guest parking.

### *Open Space*

Pursuant to Section 3.2.16 Open Space for Multi-Family Residential Development, the project is required to provide a minimum total of 450 sq. ft. of open space (private and common). The structure will provide 896 sq. ft. of private open space between the three units, and a 300 sq. ft. rooftop deck for resident common open space. Refer to the open space breakdown below:

#### Open Space Required:

- a. 150 sq. ft. minimum total per unit (common and private)
  - $150 \times 3 = 450$  sq. ft. minimum total (common and private)
- b. 60 sq. ft. of private open space per unit for two bedroom units
  - $60 \times 3$  units = 180 sq. ft. private open space
- c. Remaining common open space minimum = 270 sq. ft.

#### Open Space Provided:

##### Common Open Space:

Rooftop Deck - 300 sq. ft.

##### Unit 1 (2<sup>nd</sup> Floor) Private Open Space:

Balcony 1 - 140 sq. ft.

##### Unit 2 (2<sup>nd</sup> Floor) Private Open Space:

Balcony 1 - 159 sq. ft.

Balcony 2 - 54 sq. ft.

Total = 213 sq. ft.

##### Unit 3 (3<sup>rd</sup> Floor) Private Open Space:

Balcony 1 - 285 sq. ft.

Balcony 2 - 312 sq. ft.

Total = 597 sq. ft.

TOTAL PROVIDED - 1,250 sq. ft.

#### Public Open Space

Nonresidential development in SP5 is required to provide a minimum of 5% of net site area as private open space. However, mixed-use developments that include residential units may reduce the public open space to 3% of the net site area as private open space, so long as all private open space minimums are met. The subject property's net site area is 5,175 sq. ft., 3% of which is 155.25 sq. ft. The project will provide 172 sq. ft. of public open space accessible from the public right-of-way along Pacific Coast Highway in accordance with this requirement, since the propose project is providing more than the required private open space. A minimum of 30% of the public open space area is required to contain landscaping, including shade or accent trees, other soft landscaping, and hard surfaced or specialty paving is required to be incorporated into the public open space design.

### *Affordable Housing*

Projects that propose three or more units are subject to provide affordable housing per Section 230.26 of the HBZSO. A minimum of 10 percent of new residential construction are required to be affordable housing units. This obligation can be provided on-site, off-site or, for projects with 30 or fewer units, through payment of in-lieu fees. The project applicant is proposing to pay in-lieu fees to satisfy the affordable housing requirement. The current in-lieu fee for a three-unit project is \$58,080, however, the applicant will be required to pay the fee in effect at the time building permits are issued for the residential units. A condition of approval is recommended to require payment of in-lieu fees in accordance with Section 230.26.

### *Special Permit*

The applicant requests Special Permit No. 20-001, to permit an 18 ft. wide garage access driveway in lieu of the minimum required 20 ft. wide driveway. Downtown Specific Plan Section 3.2.7 Private Access Ways identifies that private access ways shall be developed pursuant to Chapter 231 of the HBZSO. The HBZSO currently identifies minimum development standards for driveway width in Section 231.18 Design Standards for single- and multi-family development. The most appropriate development standard for the subject project is to apply the multi-family minimum driveway width requirement of 20 ft. There is no standard in either the Downtown Specific Plan or HBZSO that is applicable to mixed-use developments.

The Traffic Engineering Division of the Public Works Department supports the request finding that the proposed driveway at 18 ft. wide will function properly for the project. Staff supports the request for a Special Permit, finding that an 18 ft. wide garage access can accommodate ingress and egress of two vehicles, and with the proposed garage door, will be compatible with the architectural character of the surrounding neighborhood. Additionally, the low volume of vehicles accessing the project's residential spaces and single interior commercial space results in a low likelihood of multiple vehicles trying to enter or exit the garage at the same time. Residents of the project will be the most familiar with each other's vehicles and the conditions of the space, as they will utilize the garage on a daily basis, further reducing the frequency of congestion or incidents. The Zoning Administrator's November 4, 2020 action included approval of the Special Permit request consistent with staff's recommendation.

### **Urban Design Guidelines Conformance:**

Chapter 4.5 Special Design Considerations of the Downtown Specific Plan contains guidelines specific to mixed-use development. Generally, mixed-use projects should follow the relevant guidelines for each element of the project; commercial storefronts should be consistent with the commercial sections and residential portions should be designed in accordance with the residential sections of the Huntington Beach Design Guidelines. The proposed mixed-use project conforms to the relevant objectives and standards contained in the Guidelines. The project provides high quality architectural design in massing and scale with existing developments surrounding the project site and improves the urban streetscape along Pacific Coast Highway, one of the most visually attractive streets in the City.

There is no particular architectural style requirement for mixed-use or multi-family residential developments; however, the focus is on developing a high quality residential environment. The project meets that Design Guideline intent by creating visual interest and an identity that enhances the existing neighborhood with its contemporary architectural design while maintaining a sense of

harmony with the surrounding buildings. The building also provides visual interest with varied wall planes, and a mix of colors and materials such as smooth plaster, metal guardrails and canopy accents, and hardie panel exterior finishes. Security for residents has been incorporated into all aspects of ingress and egress for the site. Lastly, the project exceeds the minimum allowable setback along the shared northern property line to increase light and ventilation between the neighboring live/work development.

**Environmental Status:**

The project will not have any significant effect on the environment and is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to section 15332 of the CEQA Guidelines, because the project is characterized as in-fill development that meets the following criteria:

- a. The project is consistent with the applicable General Plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.
- b. The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.
- c. The project site has no value as habitat for endangered, rare or threatened species.
- d. Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.
- e. The site can be adequately served by all required utilities and public services.

**Coastal Status:**

The project involves development of a new three-story mixed-use structure on a property that is located within the appealable area of the Coastal Zone. The project provides minimum parking for all uses onsite, is located within an urban area with sufficient utilities and infrastructure to support the new development, and will not impede public coastal access. The proposed project, with exception to the request for a Special Permit, complies with the requirements of the Downtown Specific Plan.

**Design Review Board:**

On August 13, 2020, the Design Review Board reviewed the proposed project and recommends approval with a condition that there be no pilasters located on the second floor to provide a cohesive modern design from the PCH streetscape. There were no other design related issues raised by the Board. Staff concurs with this recommended condition of approval.

**Other Departments Concerns and Requirements:**

The Departments of Community Development, Public Works, and Fire have reviewed the project and identified a list of applicable code requirements (Attachment No. 4).

**Public Notification:**

Legal notice was published in the Orange County Register on November 26, 2020, and notices were sent to property owners of record and occupants within a 500 ft. radius of the subject property, individuals/organizations requesting notification (Community Development Department's Notification Matrix), applicant, and appellant. Written communications received prior to the December 8, 2020 Planning Commission meeting will be forwarded to the Planning Commission.

**Application Processing Dates:**

DATE OF COMPLETE APPLICATION:	MANDATORY PROCESSING DATE(S):
July 27, 2020	*September 27, 2020 - Suspended

\*CA Governor Gavin Newsom issued Executive Order N-52-20 on March 4, 2020 announcing that, in response to the proclamation of a State of Emergency, the time limits set forth in the Permit Streamlining Act were temporarily suspended. In any event, the first Zoning Administrator meeting was held October 7, 2020, and subsequently continued to November 4, 2020.

**SUMMARY:**

Staff recommends approval of Conditional Use Permit No. 20-012, Coastal Development Permit No. 20-013, and Special Permit No. 20-001 based on the following:

- Consistent with the M - sp (Mixed Use - Specific Plan Overlay) Land Use Designation of the General Plan and the SP 5 - CZ (Downtown Specific Plan - Coastal Zone Overlay) zoning designation;
- Project proposal satisfies all the findings required for approving a Conditional Use Permit, Coastal Development Permit, and Special Permit;
- Compatibility with the surrounding uses; and
- Provides expanded services and housing to meet local and regional community needs.

**ATTACHMENTS:**

1. Suggested Findings and Conditions of Approval
2. Conceptual Site Plan, Floor Plans, and Elevations received and dated October 23, 2020
3. Appeal Letter from Sam Hanna received and dated November 13, 2020
4. Code Requirements Letter dated July 8, 2020 (for informational purposes only)
5. Sam Hanna Email Correspondences