



# City of Huntington Beach

**File #:** 19-1011

**MEETING DATE:** 10/22/2019

## PLANNING COMMISSION STAFF REPORT

**TO:** Planning Commission  
**FROM:** Ursula Luna-Reynosa, Community Development Director  
**BY:** Jessica Bui, Associate Planner

**SUBJECT:** **COASTAL DEVELOPMENT PERMIT NO. 19-001/CONDITIONAL USE PERMIT NO. 19-001 (3<sup>RD</sup> STREET COMMERCIAL BUILDING)**

**REQUEST:** To construct a four-story building with approximately 1,660 sq. ft. of retail on the ground floor and 18,000 sq. ft. of office above with an accessible roof top deck on an 8,475 sq. ft. vacant lot. The project includes one level of parking at the ground floor with 34 percent of the required parking in a vertical tandem configuration (car lifts) and one level of subterranean parking accessed by a car elevator and a valet parking service.

**LOCATION:** 321 3<sup>rd</sup> Street, 92648 (north side of 3<sup>rd</sup> St. between Orange Ave. and Olive Ave.)

**APPLICANT:** Jeff Bergsma, 221 Main Street, Suite S, Huntington Beach, CA 92648

**PROPERTY OWNER/BUSINESS OWNER:** Justin Helwig, WBJH Properties, 1112 Park Street, Huntington Beach, CA 92648

### **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 the Downtown Specific Plan)?
2. Does the project satisfy all the findings required for approval of a Coastal Development Permit and Conditional Use Permit?
3. Has the environmental analysis adequately identified all environmental impacts with appropriate mitigation?

**ACTIONS:**

The Planning Commission may take one of the following actions:

A) Find the proposed project exempt from the California Environmental Quality Act pursuant to Section 15182 of the CEQA Guidelines and Government Code 65457 and approve Coastal Development Permit No. 19-001 and Conditional Use Permit No. 19-001 with suggested findings and conditions of approval. (Attachment No. 1).

B) Continue the public hearing for Coastal Development Permit No. 19-001 and Conditional Use Permit No. 19-001 and direct staff to return with findings for denial.

C) Continue the public hearing for Coastal Development Permit No. 19-001 and Conditional Use Permit No. 19-001 and direct staff accordingly.

**PROJECT PROPOSAL:****Background:**

The project site is a vacant .19-acre site located in District 1 of the Downtown Specific Plan (SP 5). The project proposes to construct a four-story building with 1,660 sq. ft. of retail on the ground floor, 18,000 sq. ft. of office on the three floors above and a roof top deck. The project also proposes an alternative parking design, which includes one level of parking at the ground floor with 34 percent of the required parking in a vertical tandem configuration with mechanical car lifts and one level of subterranean parking that is accessed by a car elevator. The proposed building will be the headquarters for a local office business with a small-scale retail use at the ground floor.

Coastal Development Permit: to construct an approximately 19,660 sq. ft. building with 1,660 sq. ft. of retail on the ground floor, 18,000 sq. ft. of office above, and a roof top deck on an 8,475 sq. ft. vacant lot in the Coastal Zone.

Conditional Use Permit: to permit 34 percent of required on-site commercial parking as vertical tandem parking with a parking management plan for valet services.

**Study Session:**

The Planning Commission held a Study Session on October 8, 2019 and discussed many topics including hours of operation, valet service operations, a covenant and agreement regarding maintenance of the parking system, and Design Review Board action. Please see the "Zoning Compliance" section of this staff report for more information.

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

LOCATION	GENERAL PLAN	ZONING	LAND USE
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Subject Property:	M - sp (Mixed Use - Specific Plan Overlay)	SP 5 (Downtown Specific Plan)	Vacant
North, East, and West of Subject Property:	M - sp (Mixed Use - Specific Plan Overlay)	SP 5 (Downtown Specific Plan)	Commercial
South of Subject Property:	M - sp (Mixed Use - Specific Plan Overlay)	SP 5 (Downtown Specific Plan)	Single Family Residential

**General Plan Conformance:**

The General Plan Land Use Map designation on the property is Mixed Use - Specific Plan Overlay. The proposed project is consistent with this designation and the goals and policies of the City's General Plan as follows:

**A. 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-1A: 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-1B: Ensure new development supports the protection and maintenance of environmental and open spaces resources.

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

Policy LU-1D: Ensure that new development projects are of compatible proportion, scale and character to complement adjoining uses.

Policy LU-2B: Ensure that new renovated structures and building architecture and site design are context-sensitive, creative, complementary to the city's beach culture, and compatible with surrounding development and public spaces.

Policy LU-2E: Intensify the use and strengthen the role of public art, architecture, landscaping, site design, and development patterns to enhance the visual image of Huntington Beach.

Policy LU-7B: Use street trees, signage, landscaping, street furniture, public art, and other aesthetic elements to enhance the appearance and identify the subareas, neighborhoods, corridors, nodes, and public spaces.

Policy LU-8B: Encourage development of underused parcels with a mix of uses and unique architecture.

Policy LU-8D: Reinforce the unique Downtown character and visual distinctions, architecture, and streetscape.

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

Policy LU-11A: Encourage a variety of commercial uses that cater to local and regional demand to create an environment that meets resident needs and increases the capture of sales tax revenues.

Policy LU-11B: Encourage new businesses to locate on existing vacant or underutilized commercial properties where these properties have good locations and accessibility.

Goal LU-13: The city provides opportunities for new businesses and employees to ensure a high quality of life and thriving industry.

Policy LU-13A: Encourage the expansion of the range of goods and services provided to accommodate the needs of all residents and the market area.

#### B. Circulation Element

Goal CIRC-2D: Allow for shared parking and other creative parking arrangements that optimize available parking areas, and support and collaborate with property owners to manage the available parking supply. Identify rideshare service opportunities that could reduce parking demand, where feasible.

The development project is coordinated to ensure the land use pattern is consistent with the overall goals and needs of the community in that the mixed use building complements the surrounding area in terms of land use, building scale and character. The proposed project also enhances the visual image of the Downtown area because a public art component is proposed within the public open space area and the contemporary architectural design aligns with the character of the neighborhood and the distinct Surf City identity because it complements recent developments in the area such as Pacific City. In addition, the proposed project will be constructed on a vacant lot, which will promote infill development and encourage a new office business to locate within the Downtown area which will provide day-time population to patronize local restaurants and retail establishments. Furthermore, the project will provide office and retail commercial uses to provide job opportunities for residents and the regional area. Lastly, the project proposes a parking management plan that includes a valet service to manage the use of mechanical vehicle lifts and a car elevator to transfer vehicles into a subterranean parking area. The parking management plan and the use of mechanical vehicle lifts and a car elevator offers a creative parking arrangement while meeting the Downtown Specific Plan's required number of parking spaces.

#### **Zoning Compliance:**

The proposed project is located within District 1 of the Downtown Specific Plan (SP5) and complies with the development standards within District 1. The intent of District 1 is to promote visitor-serving mixed-use commercial and office uses. The purpose of the district is to establish the area as the downtown core with the highest intensity of development concentrated within the District 1 area emphasizing visitor-serving and coastal-related commercial uses.

#### **Land Use Compatibility**

The project is compatible with the existing and anticipated land uses in the surrounding area. The properties to the north, east, and west are one- and two-story commercial buildings with retail and office uses. To the south of the site are newly constructed, three-story single-family residences approximately 60 ft. away from the project site boundary. SP5 anticipated commercial and offices uses to be established in this area; and therefore, should not significantly impact the residences.

#### *Visitor-Serving Requirements*

District 1 of SP5 requires that visitor-serving uses be provided for all ground floor square footage. Visitor-serving uses are typically commercial uses such as food service, hotels, motels, retail sales, cultural uses, and amusement areas for tourists. The proposed project complies with this requirement and provides approximately 1,660 sq. ft. of retail space. The ground floor retail space creates a connection to the pedestrian environment. Based on the parking provided, the retail space can accommodate an eating and drinking establishment with less than 12 seats or a general retail sales use.

#### *Development Standards*

The proposed project complies with all development standards within District 1 of SP5 such as minimum parcel size, building height, upper story setback; front, side, and rear setbacks, and public open space requirements. The applicant is not requesting any deviations or waivers of development standards.

#### *Access and Parking*

Access to the parking area is taken from the public alley from either Orange Avenue or Olive Avenue. The proposed project requires 41 parking spaces and provides for 41 spaces within two levels of parking. The retail component requires one parking space per 1,000 sq. ft. and the office use requires two spaces per 1,000 sq. ft. as shown in the breakdown below:

Retail =  $1,660 \text{ sq. ft.} / 1,000 * 3 = 4.98$

Office =  $18,000 \text{ sq. ft.} / 1000 * 2 = 361$

TOTAL SPACES REQUIRED = 41 SPACES

TOTAL SPACES PROVIDED = 41 SPACES (With vertical lifts and vehicle elevator)

The Downtown Specific Plan (SP 5) allows for a maximum of 40 percent of required parking for commercial uses to be provided as tandem parking with the approval of a conditional use permit. Additionally, in developments where 100 percent of the required parking is provided onsite, the Planning Commission may still impose parking strategies, such as valet service, to avoid impacts to public access and parking. In this case, the applicant submitted a parking management plan (Attachment No. 4) to demonstrate how valet attendants will provide retail customers and office tenants with access to parking through the vehicle lifts and car elevator.

The parking design includes parking at the ground floor with seven standard stalls and 14 spaces in a vertical tandem configuration (34 percent of required parking). The vertical tandem spaces are operated with a mechanical lift where the lift is lowered to the ground and a vehicle is driven onto the lift and raised to allow another vehicle to park below. The parking layout also includes a subterranean level that is accessed by a car elevator located within the ground floor parking lot. The car elevator allows for one car to be lowered into the subterranean level at a time. The subterranean level has 20 standard stalls and bicycle storage.

The applicant proposes a valet service that will be available during all office and retail operating hours. The valet service includes two attendants on the ground floor and two attendants on the subterranean level. Each attendant will be equipped with radios to communicate to each other to operate the service. Upon entering the parking lot, an attendant will park a vehicle on one of the mechanical lifts and then raise the lift to expose the lower space for another vehicle to park. Once all ground floor parking spaces are filled, vehicles will be placed on the car elevator and lowered to the subterranean floor where the two attendants will park them in available spaces. During a peak arrival time, one attendant from the subterranean level will come up to the ground floor and bring any queuing vehicles into the car elevator to send them to the subterranean level to provide relief for the upper level operation and to minimize queuing into the alley. The parking management plan states it takes approximately three minutes and 20 seconds to utilize the car elevator method and approximately one minute and 45 seconds for the mechanical lifts. The retrieval of vehicles is similar in time. If a vehicle is within the subterranean parking level, an attendant on the ground floor will radio an attendant below to retrieve the vehicle and send it up the car elevator. When a vehicle is on a lift, one attendant will move the vehicle parked below while another attendant will lower the claimed vehicle. In addition, as spaces open up at the end of the day, vehicles will be moved into easily accessible spaces to ensure vehicle retrieval is expedited.

A survey of other cities that allow for alternative parking designs similar to the proposed project also require a covenant and agreement regarding maintenance of the mechanical parking system to ensure the parking system is maintained in operable condition at all times. Furthermore, the covenant requires the automated parking systems be equipped with an onsite generator with sufficient capacity to store and retrieve cars when the power is down. Mechanical lifts must provide manual override capability to access or remove cars from the parking lift in the event of a power outage; and if the facility is inoperable for more than three days, what the operator's plan would be to accommodate the parking of vehicles until the system is fully operational.

To ensure availability of code required parking at all times, staff recommends a condition of approval for a recorded covenant to permanently implement and maintain the parking management plan and mechanical parking system as described. The covenant as well as the conditions of approval will also include specific instructions such as requiring the operator to notify the Community Development Department within 24-hours of any failure of the mechanical system in order for the Department to monitor the situation and enforce an alternative parking plan as necessary. The covenant and the conditions of approval shall state the parking system shall not be inoperable for more than five days. However, in the event the issues cannot be resolved within five days, the operator must submit evidence that the parking issues are being actively addressed for resolution and the operator shall continue to work with the Department to employ alternative parking strategies until the parking system is operable.

#### *Queueing and Loading*

Queueing of vehicles cannot occur within the adjacent public alley right-of-way. The Huntington Beach Zoning and Subdivision Ordinance (HBZSO) addresses queueing for uses such as drive through services and specifies a number of spaces for the stacking of vehicles in a manner that would not impede traffic in the adjacent area. For instance, a drive through restaurant requires queue space for five cars per service window to ensure that vehicles do not spill over onto an adjacent property or within the public right-of-way. In addition, when barriers or gates are proposed at property entrances, the HBZSO requires a minimum 20 ft. setback so that vehicles waiting to enter a site do not block or impede traffic flow on the adjacent street system.

In other cities that allow for this type of alternative, space-efficient parking design, a queueing area is also required. For example, the City of Santa Monica requires that off-street queueing space at the entrance of the parking garage be provided at a minimum rate of five percent of the total parking spaces. A challenge is that the HBZSO does not explicitly address this alternative parking system and therefore does not specify a specific queueing area requirement for this design. The applicant has not proposed any queueing areas onsite; and instead, is proposing to stagger the start time of the office employees. Because the office use is a headquarters for one business, staggering of the start times is feasible. Based on the applicant's narrative (Attachment No. 3), the proposed hours of operation of the retail and office use is 7:00am to 7:00pm and a condition of approval is recommended to require the valet service during all hours of operation and until the last vehicle is retrieved from the parking garage. However, in the event the building is sold to a new property owner and/or leased out to multiple tenants, staff recommends a condition of approval requiring the property owner to submit an updated parking management plan for review and approval by the Community Development Director prior to the issuance of a Certificate of Occupancy to another occupant. In addition, to ensure the proposed parking design is easy to use for a mix of uses, i.e., long-term users such as office employees and short-term retail customers with a higher turnover rate, the retail customers will be kept off the lifts and parked in the standard ground floor stalls to expedite their departure.

Lastly, to address potential impacts from truck deliveries or loading and unloading, a condition of approval is recommended to require that truck deliveries, or loading and unloading shall occur offsite in the designated loading areas on public streets, and will occur outside of peak arrival and departure times to ensure traffic impacts within the alley are minimized.

### *Public Open Space*

Public open space is required for this project and must provide a minimum of five percent of the gross site area. Based on the size of the lot, the project must provide 424 sq. ft. of public open space. Twenty-five percent of the required public open space may be provided above the street level; however, the above street level public open space must be readily visible and obviously accessible to the general public with adequate public access signage. Public open space areas must provide for landscaping, seating amenities, decorative lighting, planters, fountains or water features, distinctive paving, decorative tiles, public art, or bicycle racks.

The project provides for approximately 406 sq. ft. of public open space with landscaping amenities at the ground floor, adjacent to the entry of the building and 108 sq. ft. above the street level, located at the landing of the staircase on the second floor. The applicant is proposing a public art component at the second floor public open space area with some seating amenities. In order to comply with the intent of the public open space requirement, staff recommends a condition of approval that the public art component is relocated to the street level with seating amenities and decorative lighting in order to meet the intent of District 1, which is to create an active pedestrian environment. The second floor public open space area should provide seating amenities and landscaping that could serve as additional viewing area for the public art component.

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

The Downtown Specific Plan Design Guidelines provide the minimum qualitative design expectations for the downtown area. All development is required to comply with the spirit and intent of the design guidelines. Building forms and facades influence cohesiveness, comfort, and aesthetic pride and at

the same time promote general pedestrian activity, encourage shopping, and an increased sense of security. Where commercial buildings are neighbors to residential buildings or where infill buildings are being constructed, consideration of scale, detail, and materials is very important. The massing and scale of structures should remain in harmony with the surrounding natural setting and existing structures.

The proposed building creates a contrast with the surrounding buildings by providing a more contemporary architectural theme that includes a flat roof, a tower element with the elevator shaft along the street front, large window glazing systems, and metal awnings. The building incorporates architectural design principles such as orienting the building to the pedestrian environment with primarily glass storefronts to provide the human scale element that separates the first floor of retail with the office space above. Building volumes are articulated with the elevator shaft which provides variation in wall planes to reduce the massing. The building complies with the requirement of a minimum of an average of 10 ft. for an upper story setback from the front façade at the third and fourth floors, which further reduces the mass, and bulk of the building along the street front. The building façade also incorporates a variety of building materials to provide visual interest, especially along the street front and includes smooth stucco, brick material, metal awning elements, and metal railings. The street front also includes a public open space area that will be landscaped; and as conditioned, will provide a public art component, and will enhance the aesthetics at the pedestrian level and activate a space for public use. Overall, the building form, height, materials, and architectural design is consistent with the SP5 Design Guidelines and the vision of the Specific Plan.

#### **Environmental Status:**

The proposed project is covered by the Downtown Specific Plan Final Environmental Impact Report No. 08-1, which was adopted by the City of Huntington Beach on January 19, 2010. The request to construct approximately 19,660 sq. ft. building with 1,660 sq. ft. of retail on the ground floor, 18,000 sq. ft. of office above, and a roof top deck on a 8,475 sq. ft. vacant lot is subject to compliance with the adopted mitigation measures contained in the Final Environmental Impact Report No. 08-1. The project is exempt under the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15182 of the CEQA Guidelines, which states that when an Environmental Impact Report (EIR) has been prepared for a specific plan, there is no need to prepare an EIR or Mitigated Negative Declaration (MND) for projects in conformity with that specific plan. The project is consistent with the Downtown Specific Plan. Furthermore, implementation of the project would not result in any new or more severe potentially adverse environmental impacts that were not considered in the previously certified Program EIR for the Downtown Specific Plan project (EIR No. 08-1) and the project is conditioned to comply with all applicable EIR No. 08-1 mitigation measures. In light of the whole record, none of the circumstances described under Section 15162 of CEQA Guidelines are present; and therefore, no EIR or MND is required.

#### **Coastal Status:**

The project is located within the non-appealable portion of the Coastal Zone. CDP 19-001 is being processed pursuant to Chapter 245 of the HBZSO. The proposed project complies with the zoning code and Coastal Zone requirements and will implement the Coastal Element objective and policies as outlined in the General Plan Conformance section of this report.

#### **Design Review Board:**

The Design Review Board (DRB) reviewed the proposed design, colors, and materials for the project on September 12, 2019 and recommended approval with conditions to the Planning Commission



(Attachment No. 6). The conditions include 1) provide brick on the elevator shaft with a less varied color; 2) provide brick from the ground floor to the second floor windowsill; and 3) provide a lighter shade of stucco on the third and fourth floors that matches the grout in the brick element. In addition, an updated color and materials board must be submitted for review and approval by the Community Development Department. The applicant has already implemented all three of the Design Review Board's recommendations. Along with the DRB's recommended revisions, the applicant added a new horizontal steel element that spans across the elevator shaft in one location. Staff is recommending removal of the horizontal steel because it breaks up the vertical element of the elevator feature. The elevator shaft should be one, continuous vertical element for cohesiveness, to create variation in the wall planes, and to provide visual interest along the street front.

**Subdivision Committee:**

Not applicable.

**Other Departments Concerns and Requirements:**

The Building Division, the Departments of Public Works, Fire and Police, and the Office of Business Development, have reviewed the proposed development project. Recommended conditions are incorporated into the suggested conditions of approval and code requirements have also been identified (Attachment No. 7).

**Public Notification:**

Legal notice was published in the Huntington Beach Wave on October 10, 2019, and notices were sent to property owners and record of occupants within a 500 ft. radius of the subject property, individuals/organizations requesting notification (Community Development Department's Notification Matrix), and applicant. Written communications received prior to the October 22, 2019 Planning Commission meeting will be forwarded to the Planning Commission for consideration.

**Application Processing Dates:**

DATE OF COMPLETE APPLICATION:	MANDATORY PROCESSING DATE(S):
August 28, 2019	November 26, 2019

**SUMMARY:**

- Consistent with the M-sp (Mixed Use - Specific Plan Overlay) Land Use Designation of the General Plan and the SP5 - Downtown Specific Plan zoning designation.
- Implements the objectives of SP5 to create an economically vibrant, pedestrian oriented destination.
- Consistent with SP5 development standards and compatible with the surrounding and anticipated land uses.
- Creates an environment that supports pedestrian and bicycle activity and increases visitor-serving uses.
- The project meets the requirements of the Local Coastal Program.
- The project will enhance the local economy, provide additional revenue to the City, create jobs, and provide an additional visitor-serving use in District 1 of SP5.

**ATTACHMENTS:**

1. Suggested Findings and Conditions of Approval
2. Vicinity Map

3. Project Narrative Received and Dated April 3, 2019
4. Site Plans, Floor Plans, and Elevations Received October 14, 2019
5. Parking Management Plan Received and Dated August 2, 2019
6. Design Review Board Notice of Action Dated September 12, 2019
7. Code Requirements Letter Dated October 9, 2019