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**Sent:** Sunday, February 28, 2021 12:35 PM

**To:** Ann Yang <[anny@hermosabch.org](mailto:anny@hermosabch.org)>; Christy Teague <[cteague@hermosabch.org](mailto:cteague@hermosabch.org)>

**Subject:** Zoning and Housing elements.

To our insightful HB City leadership,

First, thank you for your service to our community and this thought provoking and inspirational conversation.

The following perspective is from a hands-on business owner who has seen and experienced business in Hermosa since 1985, a commercial property owner who is invested in the future of our community and a service provider who talks and listens to our residents, business owners and commercial property owners about their concerns, challenges and opportunities on daily bases.

***Please consider the following:***

Re-zoning Commercial zones for mix-used is a great idea, however that may not be the “end all and be all” we hope, here are three reasons why that may only be just the “first date!”

1- Most commercial property owners have multiple tenants, often long-term leases, commitments and relationships that they cannot just break.

2- Lessons learned from the Hotel project that didn’t happen!  
Intentions are one thing, however commercial property development it’s only about the numbers making sense.... skyrocketing development costs, construction costs and imposed requirements, tip’s the scale to extremely high risk of failure for developers and forces them to abandon thought, ideas and projects.

3- Historically 4-9 years time it takes to complete a project here shows up as a Red-flag and an investments deterrent for most small to medium developers !!! because it means loss of income for years, plus ever increasing Construction costs they may not be able to afford nor get sufficient financing for.

***Housing element’s incentives, tools and controls***

Let’s face it, the land costs and values highly here and for the reasons mentioned above, consideration of a development project may not easily pencil out, however there are some important tools City can implement to inspire the conversation and creating win/win projects:

*No parking requirements for new projects up to 5000 ft.<sup>2</sup>*

A No-Parking requirement by definition has a very unique built-in safety

mechanism! For example, if you were allowed and wanted to build a new mixed-use with no parking, as a developer at the Get go you would have to face a high risk question that... when finished, would I be able to lease or sale units that have no-parking? And some developers may say No and the risk of failure is too high! and think that they should offer sufficient parking for their project...while others may consider Work/live lofts in the context of affordable housing, Living Streets and support to reduce our dependency to cars.

*Height limits increases for projects offering value to our community*

In our city, there are unique zones like the CivicCenter-UpperPier Ave that without sacrificing anyone's ocean-view, an increased height limits for new mixed-use projects can translate into creating higher quality living spaces, upscale entrances and indoor/outdoor spaces fit for quality restaurants and shops.

*Increasing (FAR) as incentive for creating affordable housing .*

If property value is the most expensive part of a new development, then for example developing a 4 stories building project would not be twice as much as a two stories building! Therefore Here, increased FAR would speak to a cost savings, and that can translate into more units and affordable housing! In return City may ask developers to lease or sale, some or all units at special rate to our frontline workers, teachers and City employees.

Thank you for your time in reading and considering these thoughts

Best to you all

Ed Hart  
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