



## Staff Report

File #: REPORT 20-0734, Version: 1

### Honorable Chair and Members of the Hermosa Beach Planning Commission

#### Regular Meeting of November 17, 2020

Parking Plan 20-4 request to allow medical clinic/office uses at an existing multi-tenant commercial building (Pacific Plaza Offices) located at 2200 Pacific Coast Highway based on use of up to 40 shared parking spaces with 2420 Pacific Coast Highway (Hope Chapel); and determination that the project is categorically exempt from the California Environmental Quality Act (CEQA).

Applicant/Owner: 2200 Associates LLC  
C/O Raju Shah  
1528 6<sup>th</sup> Street, Suite 100  
Santa Monica, CA 90401

#### **Recommended Action:**

Adopt the attached resolution approving the Parking Plan (PARK 20-4) to allow medical clinic/office uses at an existing multi-tenant commercial building (Pacific Plaza Offices) located at 2200 Pacific Coast Highway based on use of up to 40 shared parking spaces with 2420 Pacific Coast Highway (Hope Chapel); and determination that the project is categorically exempt from the California Environmental Quality Act (CEQA).

#### **BACKGROUND**

ZONING:	Specific Plan Area-8 (SPA-8)
GENERAL PLAN:	Community Commercial
USE EXISTING/PROPOSED:	Multi-tenant commercial building/ conversion to up to 100% medical clinic
LOT SIZE:	27,189 sq. ft.
TOTAL GROSS FLOOR AREA:	
EXISTING:	29,338 sq. ft.
PROPOSED:	No change.
PARKING SPACES:	
PROVIDED ON-SITE:	86 spaces
PROPOSED SHARED:	Up to 40 spaces at 2420 PCH
TOTAL PROPOSED:	Up to 126 combined spaces
ENVIRONMENTAL DETERMINATION:	Categorically Exempt, Section 15301 Class 1 Existing Facilities, as the project involves negligible or no expansion of an existing use.

The subject site at 2200 PCH is located at the northeast corner of the city, on the southeast corner of

PCH and 21st Street and in the Specific Plan Area 8 (SPA-8) zone with a Community Commercial General Plan land use designation. The 27,189 square foot lot houses an approximately 29,338 sq. ft. three-story multi-tenant commercial general office building. The building is three stories with the first story consisting of a subterranean garage while office suites are provided on the second and third floor levels. There are 35 tenant spaces (Attachment 2 pgs. 45-46). The site provides less than required parking (86 spaces) due to changes to the City's parking code requirements over time.

To the immediate south and on the direct street corner of the subject site is an existing commercial office building occupied by Guarantee Escrow (807 21<sup>st</sup> Street) and to the south and across 21<sup>st</sup> Street are single and multi-family residences (zoned R-1 and R-2). To the immediate north of the subject site is a general office building occupied by Lane Design + Build ((2212 PCH) and the Hope Chapel administrative/general office building (2306 PCH). An existing office building (2205 PCH) is located west and across PCH. To the east and across Borden Avenue are single-family residences located in the R-1 zone.

In 1981, the Planning Commission approved a 31 unit commercial office condominium project at 2200 PCH, approving a Conditional Use Permit (CUP) pursuant to Planning Commission (PC) Resolution 81-26 (Attachment 5). The building was conceptually approved and permits were issued in 1981 and construction was completed and finalized in 1985.

At that time, the City zoning code required retail and office uses to provide one (1) parking space for each 300 square feet of gross floor area and did not distinguish between a higher parking requirement for medical clinics. The approved plans for 2200 PCH identify 92 required parking spaces based on the prior City code. The on-site parking supply has since been reduced to 86 on-site parking spaces in order to accommodate ADA required parking spaces.

Since the building was built, the City's parking standards have changed, rendering the building nonconforming to current parking standards (even for general office and retail use). Pursuant to HBMC Section 17.44.030, general office and retail uses now require one (1) parking space for every 250 square feet in gross floor area, whereas medical clinics require one (1) parking space per 200 square feet in gross floor area.

The City has been working with the property management company for 2200 PCH (Vectra Management Group) since April of 2018 to find solutions to resolving the established medical clinic uses which, under current city code, require more parking than general office uses. The City received a letter from the property owner's representative on November 26, 2019, addressing the City's inability to approve various medical clinic business license applications at the general commercial building located at 2200 PCH due to the current on-site parking supply. The City sent a letter responding on January 28, 2020 (Attachment 4) and suggested that the property located at 2200 PCH apply for consideration of a Parking Plan before the Planning Commission.

## **APPLICANT REQUEST**

The applicant requests consideration of a Parking Plan to accommodate existing and future medical clinic uses through utilizing up to 40 shared parking spaces located at 2420 PCH (Hope Chapel) at the southernmost end of the parking lot/structure (Attachment 2 pgs. 56-59) to accommodate up to 100 percent medical clinic/office uses at 2200 PCH. The building will remain unaltered as part of this request. No additional square footage will be added, the building envelope (height and mass) will not

be increased and the building design will remain unchanged. The existing parking space configuration and number of spaces will also remain unchanged.

## **ANALYSIS**

Commercial permitted uses in the Specific Plan Area 8 zone shall be the same as those permitted in C-3 general commercial zone and nonconforming uses shall be subject to the provisions of the City's Nonconforming Buildings and Uses ordinance. General office uses and medical clinics are both permitted uses in the C-3 zone and are thus permitted in the SPA-8 zone.

## **Existing Parking Conditions**

Parking for 2200 PCH is provided in the form of a surface parking lot/deck and subterranean parking (Attachment 2 pgs. 60-62). The property provides 86 on-site parking spaces. 62 spaces are standard (4 of which are provided in tandem), 24 spaces are compact and 2 spaces are disabled (ADA compliant) spaces.

There are currently three medical clinic businesses with a combined floor area of 2,756 sq. ft. which occupy 9.3 % of the total gross floor area. The remaining 26,852 sq. ft. in gross floor area (90.7%) is occupied by general office and/or psychologist businesses (non-medical). The remaining 10,238 sq. ft. of gross floor area is used as common access corridors (elevators, stairs, and halls) and balconies and are therefore excluded from the gross floor area for parking calculation purposes pursuant to the definition of "gross floor area provided in HBMC Section 17.44.010.

The building contains 29,338 square feet of gross floor area which includes leasable tenant space, restrooms, storage and mezzanines on the third floor.

## **City Code Definitions**

Provided below are the City commercial land use definitions and general definitions (Hermosa Beach Municipal Code (HBMC) Section 17.04) which include the following related classifications.

"General office" means facilities where, as a primary use, the administrative activities of a business are performed. General office includes but is not limited to:

D. Personal improvement services offices, including but not limited to counseling, tutoring and similar services. Excludes gymnasium/health and fitness center, educational institutions, medical office, beauty shops, massage therapy businesses, and similar uses.

"Medical or dental clinic" means a place that provides patient care services on an outpatient basis.

The City has been able to approve various business licenses for counselors and psychologists offices at 2200 PCH without requiring additional parking. This is because the use is classified as general office (and uses the parking standard for general office, not medical clinic). The City interprets **Psychologists** as general office because Psychologists focus extensively on psychotherapy and treating emotional and mental suffering in patients with counseling and behavioral intervention. Based on the code definition, the distinction is that "counseling" does not involve medical treatment, medical devices, medical testing, presence of nurses, and other aspects of a medical office. As articulated in the code, psychologists providing counseling services is a general office use.

A **Psychiatrists** office, on the other hand, is a medical clinic since psychiatrists are trained medical doctors, they can prescribe medications, and they spend much of their time with patients on medication management as a course of treatment (which also may include scales, blood pressure and other medical tests to properly prescribe medication). Therefore, the city interprets **Psychiatrists** office as a medical clinic and not a general office. The city has also been able to approve various psychiatrists at 2200 PCH if the prior tenant space was occupied by a previously City approved medical clinic.

However, when a space is converted from office or retail to medical clinic, that change requires additional parking as set out in HBMC 7.52.035(E).

### **Non-Conforming Sites- Changes to a More Intense Use with a Higher Parking Requirement**

The following limitations apply to buildings in commercial zones nonconforming as to parking. HBMC Section 17.52.035(E) states, "When the use of an existing commercial, manufacturing or other non-residential building or structure is changed to a more intense use with a higher parking requirement the requirement for additional parking shall be calculated as the difference between the required parking as stated in Section [17.44.030](#) for that particular use as compared to the requirement for the existing or previous use, which shall be met prior to occupying the building unless otherwise specified in Chapter. In order for uses with higher parking requirements to operate on site, the building would need to provide additional parking spaces for the net increase in required parking.

This is important for two reasons. First, if a tenant space was occupied by a prior medical clinic, which was issued a valid business license from the City, then a new medical clinic business could be approved for that same tenant space without providing the additional parking spaces. This is because the change in tenant is not an intensification for that space. However, due to the deficient code required parking at 2200 PCH, if the tenant space were previously occupied by a non-medical general commercial use (such as general office or retail) then a business license for a new medical clinic business could not be approved until additional parking could be provided for the higher parking intensive use (or through approval of a Parking Plan), which is the mechanism needed to authorize less than required parking such as through use of common/shared parking facilities.

For these reasons, the current use mixture which includes various medical clinics must be properly permitted through 1) approval of a Parking Plan and then 2) approval of business license applications.

Additionally, the November 2019 letter references a connection between parking at Hope Chapel and parking at 2200 PCH. In recent years, Hope Chapel has come in to the city for various entitlements and changes of use, which change the parking requirement for the site. The Hope Chapel site has received a Parking Plan, which is the mechanism provided in the HBMC for the city to authorize a reduced amount of parking based on the finding that the site is adequately parked.

### **Private Parking Agreement History and City Approved Parking Plan Records**

In 2010 the property owner of 2200 PCH authorized Hope Chapel (2420 PCH) and the prior youth center (2510 PCH) to use parking at 2200 PCH on limited days and during limited hours. In 2010 the Planning Commission approved the shared parking plan through PC Resolution 10-6. The 2010 parking plan authorized Hope Chapel and the previous youth center (now Lazy Acres grocery store) to use shared parking at 2200 PCH. The approved parking plan did not authorize 2200 PCH to use parking at 2420 PCH, 2510 PCH or 950 Artesia Blvd to meet parking requirements at 2200 PCH.

In 2017 the church owned properties received approval of a shared parking plan where all parking was provided on the church owned properties (2420 PCH, 2510 PCH and 950 Artesia Blvd). As such, the church and grocery store parking at 2200 PCH was no longer necessary, and PC Resolution 10-6 was rescinded and no longer in effect. Therefore, none of the 2200 PCH parking spaces are reserved for use by the neighboring church and grocery store properties. The 40 off-site shared parking spaces at 2420 PCH can be accessed from the sidewalk along PCH (Attachment 2 pgs. 63-64) so that people can move from one shared parking lot to another by foot.

The City acknowledged the existence of the private parking agreement (Attachment 2 pgs. 35-44) between 2200 PCH and the Hope Chapel properties within the Parking Plan Resolution (PC Reso 18 -14). The Parking Study was updated accordingly, based on use of up to 40 spaces Monday through Friday from 7am to 6pm at Hope Chapel by the office tenants at 2200 PCH, and the Parking Study concluded that adequate parking will still be provided for the Hope Chapel, Lazy Acres and 950 Artesia Blvd on-site uses. This Parking Plan, however, only regulates the use of the buildings that were part of that application. Essentially the City found that even if tenants from 2200 PCH use up to 40 of the spaces during certain times of the day, the church and grocery store would still be adequately parked. The approved parking plan did not authorize 2200 PCH to use parking at 2420 PCH, 2510 PCH or 950 Artesia Blvd to meet parking requirements at 2200 PCH.

### **Parking Plan**

HBMC Section 17.44.210 provides that a Parking Plan may be approved by the Planning Commission to allow for a reduction in the number of spaces required. The applicant shall provide the information necessary to show that adequate parking will be provided for customers, clients, visitors and employees. Factors such as the following may be taken into consideration: van pools, bicycle and foot traffic, common parking facilities, varied work shifts, valet parking, unique features of the proposed uses, peak hours of the proposed use as compared with other uses sharing the same parking facilities, and other methods of reducing parking demand.

### **Net Increase Parking Methodology for Existing Non-Conforming Buildings:**

29,338 sq. ft. (gross floor area)

2,756 sq. ft. (existing medical) / (1:200 medical ratio) = 14 parking spaces

26,582 sq. ft. (existing non-medical) / (1:250 non-medical ratio) = 106 parking spaces

Total non-conforming code required parking = 120 parking spaces

Request to convert 26,582 sq. ft. (existing non-medical) to medical (1:200) = 133 parking spaces

133 (required for medical conversion) - 106 (existing non-medical parking credit) = Net increase in 27 parking spaces required.

Going from 26,852 sq. ft. of general office uses to 100 percent medical uses would require 27 net additional parking spaces from the 86 parking spaces currently provided on-site at 2200 PCH. Therefore, the net increase in code required parking can be met though use of up to 40 shared spaced at 2420 PCH.

### **Parking Study and Parking Analysis Methodology:**

### Existing Parking Demands and Surpluses

The applicant submitted a Parking Analysis prepared by Linscott Law & Greenspan, dated October 19, 2018 (Attachment 2 pgs. 22-32). Planning Staff reviewed the Parking Analysis and concurs with the conclusion of the Parking Analysis which, taking into account the empirical parking needs for 2200 PCH (based on actual parking counts conducted in July 2018), and a future scenario of 100% medical office use, the conversion to 100 percent medical office use would be adequately served by the 126-space supply for the 2200 PCH Building.

Parking demand surveys were conducted on Wednesday, July 25, 2018, and Saturday, July 27, 2018, to determine the existing parking needs of the existing tenants at the 2200 PCH Building. The Building was at 100% tenancy (i.e., fully occupied) when the parking demand counts were performed. As indicated on *Table 2*, the weekday peak demand observed for 2200 PCH was 41 spaces (at 3:00 PM). Comparing this 41-space demand against the on-site supply of 85 spaces for 2200 PCH results in an existing, actual/operational surplus of 44 spaces. Based on this, the current parking needs of the 2200 PCH building are fully met by spaces on site, without having to rely on the use of off-site parking spaces (i.e., up to 40 spaces at 2420 PCH).

Under weekday conditions presented on *Table 2*, the total weekday peak demand for 2200 PCH and the Hope Chapel structure is 127 spaces (at 11:00 AM). Comparing against the total supply of 210 spaces, the 127-space peak demand results in a surplus 83 spaces. *Table 3* indicates an actual surplus of 182 spaces at the minimum.

### Future/ Proposed Parking Demand and Surpluses

*The applicant is interested in implementing development Scenario 2 (100 percent medical). Table 5* indicates that the weekday peak demand under development Scenario 2 would be 86 spaces (at 5:00 PM). Comparing this 86-space demand against the 125-space supply available for use by 2200 PCH yields in a future surplus of 39 spaces.

The 39-space surplus under Scenario 2 is a conservative estimate because it was derived from the application of City Code ratios. The actual parking requirements for medical offices have been found to be less than the City Code requirement of 5 spaces per 1,000 SF. This aspect is illustrated by actual parking demand compilations from other sources, and detailed study of the actual parking demands of similar sites. *Parking Generation*, published by the Institute of Transportation Engineers (ITE)<sup>1</sup> as well as articles published in *ITE Journal* provide additional sources for parking ratio information.

In addition, other jurisdictions in Los Angeles County and that are near the City of Hermosa Beach all have code parking ratios for medical office buildings that are less, as follows:

- Redondo Beach (for chiropractic, physical therapy, psychotherapy): 3.33
- spaces per 1,000 SF
- Rancho Palos Verdes: 4 spaces per 1,000 SF
- Santa Monica: 4 spaces per 1,000 SF
- Hawthorne: 3.33 spaces per 1,000 SF
- Culver City: 2.86 spaces per 1,000 SF

### **Environmental Determination:**

Staff finds the project to be categorically exempt from the California Environmental Quality Act defined in CEQA Section 15301 Class 1 Existing Facilities, as the project involves negligible or no expansion of an existing use.

The 27,189 square foot lot houses an approximately 29,338 sq. ft. three-story multi-tenant commercial general office building. The applicant requests consideration of a Parking Plan to accommodate existing and future medical clinic uses through utilizing up to 40 shared parking spaces located at 2420 PCH (Hope Chapel) at the southernmost end of the parking lot/structure to accommodate up to 100 percent medical clinic/office uses at 2200 PCH. The building will remain unaltered as part of this request. No additional square footage will be added, the building envelope (height and mass) will not be increased and the building design will remain unchanged. The existing parking space configuration and number of spaces will also remain unchanged.

### **General Plan Consistency:**

The subject property is located within the Community Commercial General Plan land use area. This land use area should provide for locally-oriented uses including retail stores, restaurants, professional and medical offices, and personal services. This designation provides opportunities and locations for uses designed to serve the shopping, dining, and employment desires of the entire community. The Community Commercial designation is a major generator of local economic activity with a mix of locally-owned businesses and regional or national retailers present within this designation. This designation is found in many centralized locations throughout the community primarily along the city's major corridors and in Downtown. Community Commercial land uses primarily serve the local market, though they may also serve the needs of visitors and residents of nearby jurisdictions. This designation provides space for locally oriented commercial uses including retail stores, restaurants, professional and medical offices, and personal services. Uses on the ground floor are reserved for retail, restaurant, and other sales-tax revenue generating uses, while offices and personal service uses are encouraged on upper floors.

The subject property is also located within the Pacific Coast Highway Character Area. The PCH corridor serves as the primary entry point into Hermosa Beach, as well as a pass-through corridor between Manhattan Beach and the Palos Verdes Peninsula. There should be a variety of commercial retail, office, residential, and auto-oriented uses along the corridor. The future vision for the corridor specifically identifies that consolidated parking facilities are added at key locations along the corridor. A mix of office and commercial uses along the corridor should be organized around key activity nodes, with limited residential uses. Larger scale professional office spaces, hotels and visitor serving uses, and commercial retail space are provided to serve both local residents and the region. The desired form and character for the corridor specifies that parking should be arranged along sides or underneath buildings, with gateway commercial uses providing parking structures.

The existing multi-tenant commercial general office building with general office, psychologist, and medical clinic uses are considered appropriate uses within this area, and with use of shared parking, compatibility with adjacent uses, and its location along a transit-supported arterial, the request is consistent with the goals and the following policies of the General Plan: Land Use policies 1.1 (diverse and distributed land use pattern), 1.3 (access to daily activities), 1.4 (diverse commercial areas), 1.5 (balance resident and visitor needs), 1.7 (compatibility of uses), 3.1 (unique districts), 3.4 (emerging employment sectors), 4.3 (diverse range of uses), 13.2 (social and health needs), and 13.4 (private health uses) in addition to Mobility policies 4.1 (shared parking), 4.3 (reduce impacts),

4.8 (ensure commercial parking), 4.11 (consolidated parking facilities).

Although Land Use Goal 3.3 speaks to the creation and preservation of diverse retail and office centers through, “providing incentives to transform existing single-use commercial properties that are accessible into retail destinations by adding a diversity of uses,” in 1981 the commercial office building was designed and laid out in a way to facilitate and accommodate office uses. Therefore, introducing retail uses into the existing commercial office building format would not be appropriate. The building has limited street presence required for retail uses and lacks a pedestrian focused frontage. The existing office building separates tenants with access halls and corridors which works well for office uses and their employees and clients but would not lend to a thriving retail center format where a customer needs to be able to move easily from one retailer (side-by-side) to the next.

Perfect consistency is not required with all general plan policies. Consistency means that the project does not impede the City’s ability to meet its general plan goals. The project should be generally in line with the City’s long term vision set out in the PLAN and the project should allow the city to meet its goals.

### **Summary**

In 1981 the City zoning code required retail and office uses to provide one parking space for each 300 square feet of gross floor area and did not distinguish between a higher parking requirement for medical clinics. Since the building was built, the City’s parking standards have changed, rendering the building nonconforming to current parking standards.

The proposed Parking Plan (PARK 20-4) to allow medical clinic/office uses at an existing multi-tenant commercial building (Pacific Plaza Offices) located at 2200 Pacific Coast Highway based on use of up to 40 shared parking spaces with 2420 Pacific Coast Highway (Hope Chapel); as conditioned, is consistent with the zoning code and PLAN Hermosa through:

- 1) Applying the City’s non-conforming parking methodology which concludes that converting to 100 percent medical uses would require 27 net additional parking spaces which can be met through use of up to 40 shared spaces at 2420 PCH and with
- 2) Technical evidence provided through the parking analysis/study which concludes that the conversion to 100 percent medical office use would be adequately served by the 125-space supply due to the actual demand being 86-spaces yielding a future surplus of 39 spaces.

Staff recommends the Planning Commission adopt the attached resolution approving the Parking Plan; determining that the project is categorically exempt from the California Environmental Quality Act (CEQA).

### **Attachments:**

1. Draft Parking Plan Resolution of Approval
2. Applicant Submittal- Request Letter, Plans, Parking Study, Shared Parking Easement, Tenant Roster, & Photos
3. Applicant Supplemental Memo Clarifying Parking Space Adjustments Over Time
4. 2200 PCH City Response Letter Re Medical Clinics and Parking
5. Planning Commission Resolution 81-26 (Current CUP)
6. Public Notice Poster Verification



## 7. Radius Map

Respectfully Submitted by: Nicole Ellis, Associate Planner  
Approved: Ken Robertson, Community Development Director  
Legal Review: Patrick Donegan, City Attorney