



## Staff Report

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File #: REPORT 20-0034, Version: 1

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

#### Regular Meeting of January 21, 2020

TA 19-1 - Consideration of a Text Amendment that would add a Limited Events Permit option as an accessory use to businesses located in the City's Cypress District M-1 zone through a simple permitting process, including standards and limitations; adopt definitions of "Artist Studio," "Architect Studio," and "Events, Limited;" amend the M-1 Light Manufacturing zone matrix to allow "Architect Studio" and "Events, Limited" as permitted uses; and determination that the project is categorically exempt from the California Environmental Quality Act.

#### **Recommended Action:**

Conduct public hearing and adopt the attached resolution recommending the City Council approve Text Amendment 19-1 to the Hermosa Beach Municipal Code, Chapter 17, to add a Limited Events permit option as an accessory use to businesses located in the City's Cypress District M-1 zone, including standards and limitations; adopt proposed definitions of "Artist Studio," "Architect Studio," and "Events, Limited;" amend the M-1 Light Manufacturing zone matrix to allow "Architect Studio" and "Events, Limited" as permitted uses, and determination that the project is categorically exempt from the California Environmental Quality Act.

#### **Background:**

At its meeting on July 9, 2019, the City Council reviewed a request letter and heard public comments from Mike Collins, business owner of ShockBoxx, requesting initiation of a Municipal Code amendment to the M-1 Light Manufacturing Zone in the Cypress District. The letter, which represented six businesses and property owners, asked for consideration to update the M-1 Light Manufacturing zone to allow for "current and emerging, businesses, shop owners, and tenants, to conduct business in a more creative way," particularly regarding special event limitations. At that meeting, the City Council directed staff to consider this matter at a future City Council meeting.

At its meeting on July 23, 2019, the City Council considered initiation of a Municipal Code amendment to the M-1 Light Manufacturing Zone and the appropriate permitting process to allow Cypress District businesses to host openings or events with limited retail sales. After discussion, the City Council directed the Planning Commission to consider a Zoning Code Text Amendment for the M-1 Zone in the Cypress District and recommend changes to the City Council for potential adoption.

At its meeting on August 20, 2019, the Planning Commission discussed the M-1 Light Manufacturing Zone and the City Council direction to consider potential Municipal Code text amendments to allow businesses to host openings or events with limited retail sales. The Commission discussed the proposal, requested more information such as an inventory of existing uses, parking, and potential fiscal impacts.

At a Study Session meeting on November 7, 2019, following a walking tour of the Cypress District, the Planning Commission considered minor modifications to the Municipal Code to the M-1 Light Manufacturing zone and gave direction for consideration of text amendments.

At its meeting on December 9, 2019, the Planning Commission discussed the Cypress District M-1 Light Manufacturing Zone potential text amendments. At the conclusion of the meeting, the Planning Commission directed staff to set a public hearing date to consider recommending the City Council approve Text Amendment 19-1 to the Hermosa Beach Municipal Code that would add a Limited Events permit option as an accessory use to businesses through a simple permitting process, including standards and limitations; adopt proposed definitions of "Artist Studio," "Architect Studio," and "Events, Limited;" and amend the M-1 Light Manufacturing zone matrix to allow "Architect Studio" and "Events, Limited" as permitted uses.

## **Analysis:**

### **Text Amendment**

A new permit known as a Limited Events Permit is proposed through the Administrative Permit process under Chapter 17.42 General Provisions, Conditions and Exceptional Use. The new Limited Events Permit would necessitate Zoning Code text amendments under Chapter 17.04 Definitions, Chapter 17.28.020 Land Use Regulations Matrix, and Chapter 17.42 General Provisions, Conditions and Exceptional Uses.

### **Section 1.**

An Administrative Permit for Limited Events is proposed for low impact events that meet certain standards and limitations to minimize impacts to surrounding businesses and neighborhoods. The intention of the Limited Events Permit is to be an inexpensive, simple process for businesses seeking approval for smaller events not subject to Temporary Minor Special Events Permits. The new Limited Events Permit is an alternative to the Temporary Minor Special Event Permit, which is limited to 12 events per year.

Section 17.04.050 of Chapter 17.04 of Title 17 of the Hermosa Beach Municipal Code is amended by adding definition for "Limited Events."

### **Definition for Limited Events:**

Events, Limited. "Limited events" means the provision of events as defined herein, but only as accessory to an established on-site use for limited periods of time such as openings for the purpose of showcasing art or other goods produced or manufactured in the M-1 Zone, such as

for Artist Studios or manufacturers, and also allowing accessory retail that does not typically generate off-site impacts or contribute to impacts within the M-1 Light Manufacturing zone or adjacent residential districts in accordance with standards and limitations.

The Limited Events Permit is proposed in the Cypress District M-1 Light Industrial zone; it would not apply to other M-1 Light Industrial zone areas of the City or the non-industrial zones, including the C-1, C-2, and C-3 zones. The Cypress District is defined in PLAN HERMOSA as Creative Light Industrial (CI), which is a unique district of small businesses that rely on manufacturing, warehousing, or production on Cypress Avenue, 6<sup>th</sup> Street or Valley Drive.

Limited Events is proposed as an accessory use to the main business use as defined in Chapter 17.04 of the Zoning Code as the following:

*"Accessory" means a building, part of a building or structure or use which is subordinate to, and the use of which is incidental to that of the main building, structure or use on the same lot.*

An application for a Limited Events Permit will be required as an Administrative Permit described in Chapter 17.55.030 of the Zoning Code, including the requirement for a floor plan and other plans to demonstrate compliance with the approved standards.

It is anticipated that the staff time needed to process an application for a Limited Events Permit would be approximately the same as that of a Limited Live Entertainment Permit. Based on the amount of staff time anticipated to process the application, a fee of \$520 would be needed in order to cover the City's processing costs. The City Council will need to adopt a resolution establishing the fee for the Limited Events Permit, and at that time the Council may opt to approve a lower subsidized fee, as was done with the Limited Live Entertainment Permit. For example, the current fee for a Limited Live Entertainment Permit is \$257.

Rather than a permit which must be renewed annually, the proposal is for one-time issuance for a two-year Limited Events Permit with revocation ability. This is recommended as a business friendly, simplified process. Annual permit renewal requirements are time-consuming and may result in expired permits continuing operation requiring Code Enforcement activity. It should be noted that, according to Code described below, the permit will expire if it is not exercised in any 12-month period or if the permitted business ceases to exist. In such case a new permit application would be required. The revocation procedures proposed are described in Chapter 17.55.070 of the Zoning Code relating to Administrative Permits as the following:

*Any administrative permit may be revoked by the Director or the decision-making body for any of the following causes:*

- A. That any term or condition has not been complied with;*
- B. That the property for administrative permit has been granted is used or maintained in violation of any statute, law, regulation or condition of approval;*
- C. That the use for which the administrative permit was granted has not been exercised for at least twelve (12) consecutive months, or has ceased to exist, or has been abandoned; or*

*D. That the use for which the administrative permit was granted has been so exercised as to be detrimental to the public health or safety or so as to constitute a nuisance.*

Appeals for permit denial or revocation are described in Chapter 17.55.050 of the Zoning Code relating to Administrative Permits as the following:

*A. Decisions of the Community Development Director may be appealed to the Planning Commission by filing an appeal within fifteen (15) days of the Director's decision, provided that upon affixing the signature of the applicant to an issued permit, the permit shall become effective and the right to appeal shall be waived. Appeals shall be filed in writing with the Community Development Department accompanied by a fee set by resolution of the City Council. Notice of hearing shall be given to the applicant at least ten (10) days prior to the hearing, unless the applicant agrees to waive the requirement so that the matter may be heard at an earlier time. The Commission's review shall be limited to a determination of whether the application complies with the requirements of the governing section. The filing of an appeal within such time shall stay the effective date of the decision until the Commission has acted on the appeal. The Commission's decision shall be final and conclusive, unless the governing section specifically provides for a direct or subsequent appeal to the City Council.*

*B. Appeals to the City Council shall be filed with the City Clerk accompanied by a fee set by resolution of the City Council. The filing of an appeal within ten (10) days shall stay the effective date of the decision until the Council has acted on the appeal as hereinafter set forth in this title. Upon receipt of a written appeal, the Planning Commission shall transmit to the Council the Planning Commission's complete record of the case. Notice of hearing shall be given to the applicant at least ten (10) days prior to the hearing, unless the applicant agrees to waive the requirement so that the matter may be heard at an earlier time. The Council shall hear the matter and render a determination as soon as reasonably practicable, but in no event later than sixty (60) days after an appeal has been filed unless requested by the applicant. The Council's review shall be limited to a determination of whether the application complies with the requirements of the governing section. The Council shall announce its findings within forty (40) calendar days of the hearing, unless good cause is found for an extension, and the decision shall be mailed to the applicant. The Council's decision shall be final and conclusive.*

## **Section 2.**

An "Artist Studio" is proposed as a permitted use in the M-1 Light Industrial matrix in Section 17.28.020. A definition for "Artist Studio" is included as part of this Text Amendment.

On August 8, 2000, the City Council made a determination that an "Architect Studio" was considered as a similar use permitted for properties in the M-1 Light Industrial zone. A definition for "Architect Studio" is included as part of this Text Amendment to update the code to include the City Council determination.

Section 17.04.050 of Chapter 17.04 of Title 17 of the Hermosa Beach Municipal Code is amended by adding definitions as follows:

Definition for Artist Studio:

"Artist studio" means a workshop for one or more artists specializing in the visual arts

including, but not limited to, painting, drawing, printmaking, mixed media, and sculpture.

Definition for Architect Studio:

“Architect studio” means a creative work space with work tables, drawing tables and space for preparing models and graphic representations which may be in conjunction with ancillary office and storage area.

**Section 3.**

Based on feedback from the Planning Commission and recommendations from the business community, standards and limitations are proposed in the commercial zones through a Limited Events Permit. Requests for larger events beyond those permitted under new definition of “Events, Limited” may be considered under the category of “Temporary Minor Special Event” and would continue to be limited to 12 per year and approved on a case-by-case basis. It should be noted that the Planning Commission, at its December 9, 2019 meeting, suggested a range of frequency to be considered by the City Council. The Planning Commission also asked that frequency be discussed with the affected businesses. After discussions with all 3 businesses who have obtained Temporary Minor Special Event Permits in the Cypress District, the businesses have requested that no fewer than 3 Limited Events be permitted per calendar month. The proposed ordinance includes a frequency of 3 per month. If the Planning Commission recommends City Council consideration of the ordinance, it will be noted that the Planning Commission recommends further consideration regarding frequency of events with the City Council at that time.

Chapter 17.42 General Provisions, Conditions and Exceptional Uses of Title 17 of the Hermosa Beach Municipal Code is amended by adding the following Section 17.42.200.

17.42.200 Events, Limited

A. Definition

1. Events, Limited as defined in Chapter 17.04.

B. Administrative Permit required.

1. Limited Events allowed pursuant to this section may be permitted with an administrative permit pursuant to Chapter 17.28 in the Cypress District M-1 Light Manufacturing zone. The Cypress District is comprised of properties located in the M-1 Light Industrial zone located on Cypress Avenue, Valley Drive, and 6<sup>th</sup> Street.
2. The appeal procedures found in Section 17.55.050 and the revocation procedures found in Section 17.55.70 shall apply to any administrative permit issued for Limited Events.
3. A Limited Events Permit is effective for two (2) years.

C. Standards and Limitations.

1. Noise: No music or speaking shall be amplified at any time and event noise cannot be audible at the property line.
2. Established maximum occupant load of the premises shall apply to the interior of the building.

The business must post a sign stating the maximum occupancy. Spillover from the interior of the business should be minimized and is not permitted on City sidewalks or streets.

3. There shall be no alcohol service or consumption during Limited Events. If alcohol is proposed, a Temporary Minor Special Events Permit is required per Section 17.42.150.
4. Limited Events frequency shall be limited to three (3) per month for maximum of three (3) hours each, but no more than two (2) in a 7-day period.
5. Hours: During normal business hours but no earlier than 10:00 A.M or later than 9:00 P.M. daily.
6. Limited Events is an accessory use to the main business.
7. Parking: A parking plan, including any shared parking details and approvals, must be provided and approved for the permit. Carpooling should be encouraged.
8. Limited Events are restricted from operating on St. Patrick's Day, July 4<sup>th</sup>, Cinco de Mayo, New Year's Eve or any other date where the police department determines the accumulation of activities in the city may exceed its capacity to adequately protect public safety.
9. Accessory retail is limited to products related to the primary business use during Limited Event periods. Limited Events are intended to allow retail accessory to the primary design or production use as determined by the Community Development Director. Limited Events may not be appropriate for distribution or contractor uses, for example.

#### Section 4.

Section 17.28.020 "Permitted Uses" of Title 17 of the Hermosa Beach Municipal Code is amended by adding the following uses to the matrix:

USE		See Section
Architect studio	P	
Events, limited	P	17.42.200

#### General Plan Consistency:

After extensive community discussion and study, the City Council adopted PLAN Hermosa on August 22, 2017. The Cypress Avenue district is located within the Creative Light Industrial (CI) General Plan land use area. The General Plan vision for the Cypress District industrial area is to foster new innovations and creative activity.

Relevant Goals and Policies the City's General Plan are listed below:

Governance Goal 6. A broad-based and long-term economic development strategy for Hermosa Beach that supports existing businesses while attracting new business and tourism.

- Policy 6.5 Creative Economy.

Land Use Goal 1. Create a sustainable urban form and land use patterns that support a robust economy and high quality of life for residents.

- Policies 1.1 Diverse and distributed land use pattern, 1.4 Diverse commercial areas, and 1.8 Respond to unique characteristics.

Land Use Goal 3. A series of unique, destination-oriented districts throughout Hermosa Beach.

- Policies 3.1 Unique districts and 3.2 Compatibility of districts.

Land Use Goal 10. A strong sense of cultural and architectural heritage.

- Policy 10.5 Adaptive reuse and sustainable development.

## **Summary**

The proposed M-1 Light Manufacturing code text amendments in the Cypress District are intended to serve as an interim measure to bring the Zoning Code closer to the PLAN Hermosa General Plan vision and in anticipation of a more comprehensive update in the future.

## **Environmental Analysis:**

The project is exempt from the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21080(b)(1), because CEQA does not apply to ministerial projects proposed to be carried out or approved by public agencies. The project is statutorily exempt from CEQA in that it allows for approval of limited events within approved businesses only. Additionally, the zone text changes are Categorical Exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061 of the CEQA Guidelines. Section 15061 states that CEQA applies only to projects that have the potential for causing a significant effect on the environment. No possibility exists that the proposed zone text amendments will have a significant effect on the environment because the zone text amendments will create a standard for limited event permits.

## **Attachments:**

1. Proposed Resolution and Ordinance
2. Link to 7-23-19 City Council Meeting
3. Link to 8-20-19 Planning Commission Meeting
4. Link to 11-7-19 Planning Commission Study Session Meeting
5. Link to 12-9-19 Planning Commission Meeting
6. Public Notice Sent to Businesses and Property Owners
7. City Council staff report and minutes for Consideration of Similar Use Provision for M-1 Zoned Property for Architect Studio dated August 8, 2000
8. Email from Michael Collins dated January 12, 2020

Respectfully Submitted by: Christy Teague, Senior Planner

Concur: Pat Donegan, City Attorney

Approved: Ken Robertson, Community Development Director