



Staff Report

File #: REPORT 21-0633, Version: 1

Honorable Mayor and Members of the Hermosa Beach City Council
Regular Meeting of October 26, 2021

**STATUS UPDATE AND DISCUSSION OF OPTIONS FOR
TEMPORARY EXPANDED OUTDOOR DINING AND RETAIL AND
TEMPORARY LANE RECONFIGURATIONS IMPLEMENTED
TO HELP BUSINESSES DURING THE COVID-19 PANDEMIC**
(Environmental Program Manager Doug Krauss)

Recommended Action:

Staff recommends City Council provide direction on next steps for the temporary expanded outdoor dining and retail pilot program and the temporary downtown lane reconfiguration program.

Executive Summary:

Beginning in May of 2020, City Council approved a variety of initiatives to assist the business community during the COVID-19 pandemic. Specifically, Council approved measures to allow businesses to expand outdoor opportunities for conducting business in response to restrictions on indoor dining and retail. These measures included adoption of an urgency ordinance allowing restaurants and other commercial businesses to operate outdoors subject to a temporary permit. The City now permits these activities on private property, in the public right-of-way, including expanded areas on Pier Plaza and on sidewalks and streets.

In addition, based on City Council direction, staff developed a complementary program for more active and shared use of public streets to help downtown business outdoor dining and retail areas be safer and more inviting. City Council directed staff to move forward with lane reconfigurations on Pier and Hermosa Avenues in the downtown district, known as the “shared streets” program for a specific six-month implementation period ending in mid-July 2021. In June 2021, Council approved extension of both of these programs until December 31, 2021. The expanded outdoor dining and retail program is also linked to the duration of the City’s emergency order. A complete list of relevant orders is included as **Attachment 1**.

As the extended deadline approaches, staff requests City Council direction in order to identify and complete any legal, administrative, or operational process that may be required to extend, adjust, or discontinue these pilot programs.

Background:

Expanded Outdoor Dining and Retail

The City has long supported and encouraged outdoor dining on private and public property to supplement indoor operations. With the onset of the pandemic and related health orders, businesses were limited to conducting business outdoors. Recognizing this hardship, City Council approved a program to allow expanded outdoor dining and other commercial activity. The City also suspended zoning and parking requirements and established a temporary encroachment permit program allowing encroachments into sidewalks, public streets, and Pier Plaza subject to a basic set of guidelines. These guidelines include:

- Hours limited to ending by 11:00 P.M.;
- Temporary furnishings to be brought in every night;
- Cleanliness;
- Alcohol service only with food service; and
- Insurance maintained by permittees.

The City has issued over 60 permits during the term of this program in a variety of commercial locations. To date, City Council has allowed these uses without consideration of any encroachment area rents or reimbursement of lost parking meter revenue. In June 2021, Council approved extension of this pilot program through December 31, 2021 and authorized implementation of a reapplication process for outdoor dining areas that included:

- Renewal of applicant's permissions from neighboring businesses where decks encroach upon the frontage of these other businesses. This renewal served to reconfirm cooperation and coordination between businesses, especially in light of changing situations regarding health orders, capacities, etc.; and
- Requirement of a surety bond or deposit to fund any City costs related to deck removal in the event of maintenance emergencies or abandonment.

Lane Reconfigurations

At the May 12, 2020 City Council meeting, City staff presented an item describing a concept to repurpose sections of public right-of-way to improve multi-modal traffic safety and expand physical-distancing options for the public and businesses per Los Angeles County Health orders related to the COVID-19 pandemic. The City Council moved quickly to accommodate these programs and staff developed guidelines based on information gathered from existing programs in other cities and internal review of policies and regulations.

City Council directed staff to work with the Economic Development Committee to explore aspects of the program that could directly benefit local businesses. At meetings in August and September 2020, Council directed staff to move forward with designs of lane reconfiguration concepts for both Hermosa Avenue and Pier Avenue. These concepts included removing one through vehicle lane in each direction, addition of a bike lane, installation of nine new on-street ADA accessible parking

spots, and associated signage and pavement markings. At the October 27, 2020 meeting, Council awarded a contract to perform the work. Work began in early January 2021 and was completed by January 16, 2021. The six-month duration of the project, as approved by Council, began at that point. At the July 13, 2021 meeting, Council approved a Resolution extending the lane reconfigurations through the end of the year.

Past Council Actions

Meeting Date	Description
June 9, 2020	Approved Ordinance 20-1410U allowing temporary permit program for outdoor dining in response to pandemic
July 14, 2020	Directed staff to proceed with development of lane closure plans
August 11, 2020	Chose a lane configuration concept for Hermosa Avenue, extended it to 8th Street, and provided a six month duration
August 20, 2020	Approved Resolution 20-7252 allowing lane closures in downtown
September 8, 2020	Chose a lane configuration concept for Pier Avenue
October 27, 2020	Awarded contract for construction of lane reconfigurations
June 22, 2021	Approved extension of the outdoor dining program through December 31, 2021
July 13, 2021	Approved Resolution authorizing extension of lane reconfigurations

Discussion:

As detailed in the report presented to Council on June 22, 2021, staff performed comprehensive monitoring and analysis of these pilot programs (**Attachment 2**). Information gathered and analyzed includes: feedback from numerous meetings with stakeholders and affected businesses; a community survey; multiple traffic counts; coordination with emergency responders; and regular communications with neighboring jurisdictions with similar programs. At that meeting, based on the information provided, Council approved extension of these programs through the end of the year. Additional traffic counts and stakeholder communications completed since the June 2021 extension decision have added additional data to identify the viability and widespread community support for these programs. The programs have now continued successfully through a more normal and busy summer season without any substantial negative impacts on the community.

These programs were originally authorized under urgency orders stemming from the COVID-19 pandemic and health orders that required closed/limited indoor capacity. With the pandemic continuing to evolve and businesses now (currently) operating without capacity restrictions, the City

should shift its focus and assess the need and benefit of maintaining these features for the short and long term. It is the advice of the City Attorney that Council recommend a timeline for these programs so that the City can perform any necessary analysis and processes required to make these programs more permanent if so desired by Council. This could include California Environmental Quality Act (CEQA) analysis, as well as Coastal Commission approval, if necessary. Based on Council's recommendations, staff will work with the City Attorney office to assess these options and return to Council for further discussion on the matter. Council's discussion and direction would assist staff in facilitating future discussions regarding fees, design standards, permanent program elements, and other matters.

Some of the pertinent questions for Council to discuss and provide direction on are as follows:

1. Should the expanded outdoor dining and retail continue in the public-right-of way:
 - On public sidewalk areas;
 - On Pier Plaza; and/or
 - On public streets where parking spaces may be reduced?
2. Should the City consider a fee or lease-rate for expanded dining and retail in the public right-of-way?
3. Should the expanded outdoor dining and retail be allowed to remain on private property where it reduces parking?
4. Should the standards developed for the pandemic (e.g., allowing alcohol sales with food; hour's restrictions; music; etc.) be allowed to continue in the expanded areas?
5. Should the temporary lane reconfigurations remain in place?

An additional temporary extension of the pilot programs would allow staff time to ensure the programs are continued properly. Based on Council's direction, staff would bring future agenda items to Council to address some, or all, of the issues raised. These items would be brought forward as the program evolves and additional information becomes available.

General Plan Consistency:

The proposed program options match the model of "living streets", also known as "complete streets", and a key guiding principle of the General Plan Vision which is to foster a vibrant local economy. A living street combines safety and livability while supporting ground floor and outdoor economic activities. This centers on designing streets that can be safely shared by both vehicular and non-vehicular traffic. A living street should also contribute to an engaging public realm and a vibrant local economy.

Relevant Policies are listed below:

Governance Element

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

Policies:

- **6.4 Business support.** Support the Chamber of Commerce, retailers, tourist service businesses, artists, and other agencies to develop an aggressive marketing strategy with implementation procedures.
- **6.6 Pop-up shops.** Develop plans and programs for underutilized spaces, such as vacant buildings, utility corridors, parkways, etc., for temporary retail, restaurant, and community promoting uses.

Mobility Element

Goal 1. Complete Streets (Living Streets) that serve the diverse functions of mobility, commerce, recreation, and community engagement for all users whether they travel by walking, bicycling, transit, or driving.

Policies:

- **1.1 Consider all modes.** Require the planning, design, and construction of all new and existing transportation projects to consider the needs of all modes of travel to create safe, livable, and inviting environments for all users of the system.

Goal 7. A transportation system that results in zero transportation-related fatalities and which minimizes injuries.

Policies:

- **7.1 Safe public right-of-ways.** Encourage that all public right-of-ways are for all users at all times of day where users of all ages and ability feel comfortable participating in both motorized and non-motorized travel.

Fiscal Impact:

Should City Council continue the pilot outdoor dining and retail program, the City would continue to forgo full cost recovery of parking revenues and encroachment fees unless directed to establish new fees accordingly.

Per Los Angeles County Public Health orders, City Council approved repurposing sections of the public right-of-way to improve multi-modal traffic safety, and increase physical-distancing for the public and businesses (a personal protective measure required for COVID-19 prevention) to have a safe opening and operation during the COVID-19 pandemic. Should City Council choose to end the lane reconfigurations, approximately \$90,000 would be charged to the COVID-19 division in the Federal Emergency Management Agency (FEMA) Fund to cover the design, construction, and management of the COVID-19 reopening project which is equivalent to the initial project implementation costs. City staff would seek reimbursement of the costs to end the lane reconfiguration as a part of the City's reopening expenses through the FEMA Public Assistance process as well as continue to assess the feasibility of the project costs being covered by other reopening and resiliency funding related to COVID-19.

Attachments:

1. COVID-19 Related Resolutions\Ordinances
2. Link to June 22, 2021 City Council Staff Report

Respectfully Submitted by: Doug Krauss, Environmental Programs Manager

Concur: Ken Robertson, Community Development Director

Noted for Fiscal Impact: Viki Copeland, Finance Director

Legal Review: Mike Jenkins, City Attorney

Approved Suja Lowenthal, City Manager