



Staff Report

File #: REPORT 22-0697, Version: 1

Honorable Mayor and Members of the Hermosa Beach City Council
Regular Meeting of November 3, 2022

EXTENSION OF TEMPORARY OUTDOOR PERMIT PROGRAMS AND DOWNTOWN LANE RECONFIGURATION AND UPDATE ON DEVELOPMENT OF PERMANENT PROGRAMS

(Environmental Programs Manager Doug Krauss)

Recommended Action:

Staff recommends City Council:

1. Receive an update on the development of permanent versions of the outdoor dining and downtown lane reconfiguration programs;
2. Provide input on staff recommendations for certain elements of the permanent program; and
3. Consider waiving full reading, introducing by title only, and adopting by four-fifths vote an Urgency Ordinance of the City of Hermosa Beach, California, extending by six months a Temporary Permit Program for Outdoor Dining/Seating and Outdoor Retail Display to Assist Restaurants, Food, and Retail Establishments During Covid-19; and Extending Temporary Lane Closures to Accommodate Outdoor Permits; and Setting Forth the Facts Constituting Such Urgency (**Attachment 1**).

Executive Summary:

At its December 14, 2021 meeting, City Council provided staff with direction to develop permanent versions of the temporary outdoor dining and downtown lane reconfiguration programs that were created in response to the COVID-19 pandemic. This direction included temporarily extending the programs through May 2022. At its May 24, 2022 meeting, City Council extended the programs again through January 1, 2023.

Council further directed staff to return with an update detailing next steps and timelines for program development. This item provides an update on the project; requests Council's direction on certain program elements essential to the required environmental review; and includes an Urgency Ordinance (**Attachment 1**) extending the programs for an additional six months. If approved, the Urgency Ordinance would allow completion of the necessary environmental review and development of the proper administrative, funding, and legislative mechanisms to allow permanent programs.

Background:

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 to allow outdoor dining on private property and established a temporary encroachment permit program to allow encroachments into sidewalks, public streets, and Pier Plaza. Both the private property programs and encroachment program (together, the “Outdoor Permit Program”) include a basic set of guidelines pertaining to hours of operation, permitted uses, maintenance, etc.

The City issued over 60 permits during the term of the Outdoor Permit Program in a variety of commercial locations. Initially, City Council allowed these uses without consideration of any encroachment area rents or reimbursement of lost parking meter revenue. Pursuant to the urgency ordinances that established and later extended the Outdoor Permit Program, the program remains in effect until terminated or superseded by ordinance. 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 applicants’ 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.

At its December 14, 2021 meeting, Council approved an extension of the programs through May 31, 2022. At its January 25, 2022 meeting, Council discussed implementing new fees for the temporary outdoor dining encroachments and approved a fee of \$1.50 per square foot per month to begin March 1. Four businesses decided to remove their on-street decks, one modified their deck area, and one sidewalk dining area was removed. None of the extended encroachment areas on Pier Plaza have been removed.

City staff continues to work with all the businesses utilizing the temporary encroachments to help ensure fees and necessary paperwork have been submitted. Program revenues for the temporary encroachment areas are estimated to be approximately \$400,000 annually. At its February 8, 2022 meeting, Council also approved reinstatement of the prior permanent encroachment fees. These fees generate approximately \$280,000 annually. At that meeting Council also approved program refinements related to the use of temporary canopies, branded furniture, aesthetic concerns, fee payment, and enhanced maintenance.

Lane Reconfiguration

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 multimodal 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 (EDC) 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 new on-street ADA accessible parking spots, and associated signage and pavement markings (hereafter, the “Downtown Lane Reconfiguration Program”). 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. As directed by Council, the lane reconfiguration was to be in place for at least six months starting from the completion date of the work and therefore was to operate until July 2021. At its July 13, 2021 meeting, Council approved a Resolution extending the Downtown Lane Reconfiguration Program through the end of 2021. At its May 24, 2022 meeting, Council approved an extension of both programs through January 1, 2023.

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.
June 22, 2021	Approved extension of the outdoor permit program through December 31, 2021.
July 13, 2021	Approved Resolution authorizing extension of lane reconfigurations.
October 26, 2021	Approved development and implementation of permanent versions of these programs.
December 14, 2021	Approved development of permanent programs, and extension of temporary programs through May 2022
January 25, 2022	Discussion and approval of new fees for temporary encroachments
February 8, 2022	Approved reinstatement of existing fees for permanent encroachment areas
May 24, 2022	Approved extension of programs through January 2023

June 14, 2022	Approved additional refinements to the outdoor dining programs
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Discussion:

As directed by Council at its October 26, 2021 meeting, staff developed a proposed planning and implementation schedule for development of permanent versions of the Outdoor Dining Program and Downtown Lane Reconfiguration Program. The schedule included approval of urgency ordinances temporarily extending the programs, which allowed more time to develop the proper administrative, funding, and legislative mechanisms to allow permanent programs.

The administrative functions for this program development include: amendments to HMBC Title 12 (Street, Sidewalks, and Public Places) for commercial encroachment into the right-of-way and potential changes in HBMC Title 17 (Zoning); CEQA analysis; discussion of encroachment fees; and analysis of potential measures, such as alternative transportation and parking management strategies, to offset the conversion of on-street public parking to other uses, in conjunction with application for a Coastal Commission development permit.

The table below summarizes the planning and implementation tasks. A column detailing status and progress is also included.

Task	Performed By	Status and Updates
Evaluation of environmental effects (CEQA Analysis)	Consultant(s), City Attorney	Define scope of CEQA analysis based on Staff and Council direction of Project characteristics.
Initial Encroachment Fee Schedule to Council	City staff	Fees for temporary encroachments were approved in January 2022 and existing encroachment fees were reinstated in February 2022.
Municipal Code Amendments to Council (and/or Commissions, as appropriate)	City staff/consultants	Initial development underway. To be informed by CEQA analysis and Coastal Commission permit application.
Coastal Commission Coordination and permitting	City staff/consultants	Staff and Coastal Commission have identified a 5-year pilot program as the optimal strategy for the required Coastal Development Permit.
Stakeholder Meetings	City staff and community stakeholders	Informal stakeholder group meetings have been held to inform design and policy.
Program Design Standards	City staff/consultants	Stakeholder group is assisting and additional engagement is forthcoming.

Public Outreach and surveys	City staff/consultants	Targeted for first half 2023.
Final Implementation	City staff	2023

Update and Council Direction

Since the Council was last updated on the program at its June 14 2022 meeting, staff has made progress on various aspects of the program development as briefly described:

- Coastal Development Permit: City staff met with Coastal Commission staff and established that a 5-year pilot program would be an effective approach to lead to a permanent program. The pilot program would include ongoing monitoring and assessment to document the project's effect on parking and coastal access. This may also include testing a variety of programs and measures to ensure adequate coastal access is maintained during the pilot. Staff is currently working to develop acceptable measures to be incorporated into the program that would satisfy the criteria for the Coastal Development Permit and will continue to work with Coastal Commission staff to ensure the program would meet their requirements;
- Code amendments: Staff is working with the City Attorney to identify the various code amendments that may be necessary to establish permanent outdoor dining programs in the public right-of-way. Staff is working to determine the most efficient and thorough way to accomplish the code amendments and will return to Council with next steps before Summer 2023; and
- Technical Evaluation of Potential Environmental Effects: Since 2021, staff has worked with technical consultants to identify traffic and parking patterns in the downtown area and throughout the City to understand the potential effects of the temporary outdoor dining program on circulation and parking. Utilizing these two years of data, in combination with historical data, staff is gaining a better sense of the effect of outdoor dining and the lane reconfigurations on transportation patterns and any consequent impact on emissions (**Attachment 2**). Additionally, staff enlisted the expertise of acoustic consultants to evaluate potential effects on roadway noise resulting from lane closures associated with the existing temporary outdoor dining program.

As discussed in the technical memoranda in **Attachment 2**, these recent technical studies conclude that the current temporary outdoor dining and lane reconfiguration programs do not result in substantial traffic diversion from the downtown area to any portion of the City, and therefore do not substantially increase roadway noise nor emissions in residential neighborhoods or other areas.

Staff is working to finalize the direction and characteristics of the project so that the California Environmental Quality Act (CEQA) analysis may be initiated, and the impacts of the program evaluated. The project description will include a description of the whole of an action and the

underlying physical activity being approved. Per the City's CEQA consultant, the permanent program's potential environmental impacts will ultimately be evaluated in comparison to baseline conditions prior to the current temporary program ("No Project").

While specific details such as aesthetics of the dining decks (design guidelines) or procedures (permitting process) will be developed later, staff seeks Council's guidance on the following project parameters to affirm that the project matches the goals of the Council and community. These parameters closely resemble the conditions of the current temporary program which, as described above, does not present any significant environmental impacts. Council's feedback on the items below will help ensure that staff continues to move forward efficiently to develop the details of the permanent program and, simultaneously, finalize the project description for CEQA purposes:

1. Permanent outdoor dining would only be allowed in C1, C2, and SPA-11 zoning areas;
2. Permanent outdoor dining would only be allowed along roads posted 25 miles per hour or less;
3. No additional lane reconfigurations are required and the existing changes made in conjunction with the temporary program would remain;
4. There would be a maximum displacement of 80 on-street parking spaces for the permanent dining areas with a maximum total area of approximately 9,500 square feet of dining deck area;
5. The outdoor dining would only be allowed in areas where the new use does not obstruct access to public utilities and infrastructure for emergency or maintenance purposes;
6. All dining areas would be in an area where all public services and facilities are available to allow for maximum development permissible in the General Plan;
7. The area in which individual dining areas would be located is not environmentally sensitive; and
8. No individual dining area that significantly impacts an historical resource would be permitted.

Items 5-8 listed above pertain to specific CEQA considerations, related to location of specific outdoor dining areas that would be included in the final program details.

Geographic extent of outdoor dining areas

Staff recommends the permanent outdoor dining program be allowed citywide but with restrictions. In addition to site-specific restrictions such as accessibility to utility infrastructure or fire hydrants, etc. that are still under development, staff recommends on-street dining areas only be allowed in C1, C2, and SPA-11 zones to minimize impact on residential areas. This would also allow the program to exist in diverse areas throughout the City.

For safety purposes, staff recommends that dining areas only be allowed on streets with speed limits of 25 miles per hour or less (**Attachment 3**). Discussions with City traffic engineering specialists have indicated that areas with speed limits of 30 miles per hour or more would require traffic studies and safety devices that would be prohibitive and not cost effective for prospective businesses.

Maximum number of outdoor dining areas

At the program's peak utilization in Spring of 2021, there were 71 parking spaces occupied by on-street dining decks throughout the City. Staff used this number to guide the potential maximum total of decks allowed under the proposed permanent project. For reference, as of October 2022, there are 17 on-street dining decks occupying 35 parking spaces with a total square footage of 8,257. Establishing a maximum number is important to help guide the ongoing monitoring and assessment of coastal access that will be required as part of the Coastal Development Permit. The information must also be included in the CEQA analysis to ensure that any potential impacts are evaluated and addressed appropriately.

Staff recommends the number of on-street parking spaces occupied by the total outdoor dining area not exceed 80 on-street spaces. Eighty on-street parking spaces represent two percent of the total public parking inventory (3,969 parking spaces) in the City's three coastal parking zones that approximately cover the entire length of the City, west of Valley Drive. Additionally, staff calculated the approximate area of these potential dining areas at roughly 9,500 square feet of public right-of-way being occupied. After subtracting the approximate area of traffic barriers and safety buffer zones within these areas, the total net outdoor dining area available that would occupy 80 on-street parking spaces would be 6,300 square feet.

Staff seeks Council's direction and recommends approval of these project features to allow completion of the technical evaluation of potential environmental effects which will subsequently inform the project description and CEQA analysis.

Staff also recommends Council adopt the draft Urgency Ordinance (**Attachment 1**) to allow the existing temporary outdoor dining program to continue through July 1, 2023. This would allow staff to complete the environmental review and CEQA determination, as well as bring to Council the necessary ordinances and other documents to establish the permanent versions of the programs. Staff anticipates returning to Council with these documents and posting them for public review in Spring 2023, well prior to expiration of this Urgency Ordinance.

General Plan Consistency:

The proposed program options match the model of "living streets", also known as "complete streets", which supports a key guiding principle of the General Plan Vision, of fostering 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 Goals and 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.

Policy:

- **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.

Policy:

- **7.1 Safe public rights-of-way.** Encourage that all public rights-of-way 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:

The Capital Improvement Fund includes \$60,000 appropriated for the CEQA specialist to perform the CEQA analysis and an additional \$60,000 is appropriated to fund additional traffic and parking analysis to support this work as well as the Coastal Development Permit application.

Attachments:

1. Draft Urgency Ordinance
2. Traffic Analysis
3. Map of Commercial Zones for Proposed Outdoor Dining Program
4. Link to June 9, 2020 City Council Staff Report
5. Link to July 14, 2020 City Council Staff Report
6. Link to June 22, 2021 City Council Staff Report
7. Link to July 13, 2021 City Council Staff Report
8. Link to October 26, 2021 City Council Staff Report
9. Link to December 14, 2021 City Council Staff Report
10. Link to January 25, 2022 City Council Staff Report

11. Link to February 8, 2022 City Council Staff Report
12. Link to May 24, 2022 City Council Staff Report
13. Line to June 14, 2022 City Council Staff Report

Respectfully Submitted by: Douglas Krauss, Environmental Program Manager

Concur: Jeannie Naughton, Community Development Director

Noted for Fiscal Impact: Viki Copeland, Finance Director

Legal Review: Mike Jenkins, City Attorney

Approved: Suja Lowenthal, City Manager