



Agenda Item #: _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Fahey and Members of the City Council
Planning Commission

THROUGH: Geoff Dolan, City Manager

FROM: Richard Thompson, Director of Community Development
Laurie B. Jester, Senior Planner

DATE: July 26, 2005

SUBJECT: Discussion Regarding Lot Mergers, Establishing Maximum Lot Size and
Developer Incentives to Reduce Mansionization.

RECOMMENDATION:

Staff recommends that the City Council and Planning Commission **DISCUSS AND PROVIDE DIRECTION.**

FISCAL IMPLICATION:

There are no fiscal implications associated with the recommended action.

BACKGROUND:

This Work Plan Item is to: 1) review the status of the 2004-2005 Work Plan Item regarding lot merger regulations, 2) review the possibility of establishing maximum lot sizes, and 3) consider development incentives in exchange for development benefits to address mansionization.

On June 24, 2005 the City Council held their annual Work Plan Meeting and developed the 2005-2007 Work Plan. On July 5th the draft Work Plan was amended and then adopted by the City Council. At that time the Council also directed staff to schedule this Work Plan item for discussion at this Joint City Council/Planning Commission meeting.

DISCUSSION:

Mansionization issue

The City Council has been concerned with the trend of smaller homes being demolished and larger homes been built for a number of years. In 1990 ZORP was adopted which revised the residential development standards in the Zoning Code, reducing the height of homes, limiting homes in most areas to 2-stories, reducing Buildable Floor Area (BFA), increasing rear yard setbacks, and increasing parking, in addition to other new development standards. In May 2002, new Bulk Volume standards (BV I) were adopted which required an additional 6% front yard setback, which tends to push second stories of homes back beyond the first story, allowed many basements to not be counted as BFA, and required that a third garage door be setback an additional 5 feet. In January

2004, with the one-year review of the Bulk Volume standards, additional regulations (BV II) were adopted which still excluded many basements from being counted as BFA, however the basement area count towards BFA for parking purposes only, and on corner lots building walls over 25 feet in height are required to have an additional setback. In October 2004 the Bulk Volume standards were further revised (BV III) to increase the additional 6% front yard setback to 8%.

All of these changes have had and will continue to have a significant effect on reducing the visual mass of new homes and additions to existing homes. However, since many of these regulations are new, the community has not yet seen the benefit of these regulations as homes are still in the construction stage. Also it can be difficult to identify the age of a home from just looking at it from the street; homes are very well maintained in Manhattan Beach, and often they have exterior remodels which can make an older home appear to be brand new.

Constantly revising the Zoning Code development standards can be difficult for architects and homeowners to keep on top of the most current regulations. Zoning Code revisions create non-conforming buildings which creates issues when non-conforming homes are remodeled or additions are constructed. Identifying which Code regulations were effective when the homes were approved can be difficult to easily track in the future.

Staff would suggest that the City Council wait until new homes have been built under the new regulations in order to identify what type of impact they are having on construction before any new development standards are contemplated. Staff would suggest providing at least two or more years before considering any new standards.

Lot Mergers

This 2004-2005 Work Plan item was to review current regulations pertaining to lot mergers to consider whether they are appropriate or if changes should be made to reduce “mansionization”. The trend has been as two or more lots are merged, the homes tend not to maximize their BFA but provide more open yard area, and/or increased parking. The City has approved an average of one lot merger per year over the past seven years. Staff proposed that these new standards not only apply to new lot mergers but also to existing merged or large lots with large homes. Applying these new standards to existing large lots as well as new large lots that are created through lot mergers would protect the additional open space that is currently being provided on the larger lots and ensure consistency in implementing the new standards.

The development standards for the new home or an addition to an existing home would be reviewed using the Minor Exception process, so that appropriate front and rear setbacks, height, on and off-site parking, open space, landscaping, and other development standards would be reviewed to ensure that the new development is compatible with the surrounding neighborhood. Existing non-conformities as well as newly created non-conformities related to BFA and setbacks will be addressed through this Minor Exception process, which requires notification of neighbors. Staff anticipates that approximately three Minor Exceptions will be requested per year.

On January 26, 2005 the Planning Commission discussed lot mergers and continued the discussion to February 23rd. On March 23, 2005 the Commission held a public hearing and generally agreed with the recommendation provided by staff to 1)- reduce the BFA on the portion

of the lot that exceeds 1 ½ times the minimum lot size by 50% to reflect the current development trend on merged lots, 2)- increase setbacks to 10% of the lot width with no 5 foot maximum, 3)- require a Minor Exception if a lot exceeds 1 ½ times the minimum lot area in the Area District and Zone and the proposed BFA exceeds that allowed on a lot that is 1 ½ times the minimum lot size, and 4)- increase parking for large homes by requiring a 4-car garage for homes with over 5,000 SF of BFA.

Notice of the April 27th Planning Commission public hearing was sent to all property owners in the City, over 400 notices, with lots that are 1½ times the minimum lot size. Many residents called, sent letters and attended the public hearing. Many of those that spoke at the hearing felt that any new standards should not apply to existing oversized lots, but only new lot mergers, and several residents had concerns with the increased side setbacks. The Planning Commission ended up with a split 2-2 vote, with two Commissioners recommending that the new changes only apply to new lot mergers, and two voting to have no changes at all.

The current Planning Commission has three new members who have not reviewed this Work Plan item. The options that the City Council has are: 1) send the past information back to the new Planning Commission and proceed based on their recommendation, or 2) provide further direction to staff and the Planning Commission then staff will refine the proposal based on that direction and send the item to the new Planning Commission for review and recommendation, 3) in lieu of establishing new lot merger regulations direct staff and the Planning Commission to consider establishing maximum lot sizes as discussed below, or 4) study both new lot merger regulations and establishing maximum lot sizes and send both items to the Planning Commission for review and recommendation.

Maximum Lot Sizes

Another approach to addressing mansionization and large lots being created by lot mergers is to establish a maximum lot size for newly created lots. This approach would be used in lieu of establishing new lot merger regulations. During the review of lot mergers the Commission discussed the possibility of limiting the maximum lot size and initially several Commissioners seemed to be supportive of this approach in combination with other regulations. The minimum lot size for newly created lots is shown in the chart below. There are many lots that exist in town that are smaller than these minimums that are legal non-conforming, and in Area Districts III and IV there a number of “1/2 lots”.

Area District	AD I	AD II	AD III and IV
Minimum Lot Size-Square feet	7,500 SF	4,600 SF	2,700 SF

Establishing a maximum lot size is an approach that would be easy for the community to understand and easy for staff to implement, so it does have the advantage of simplicity.

Incentives to Reduce Mansionization

At the June 24, 2005 Work Plan meeting the City Council discussed the possibility of providing development incentives for new construction in exchange for the community deriving benefits from a project. This is a kind of “carrot and stick” approach to development. An example that was given was in exchange for being allowed to develop basements which do not count towards BFA, a rear

yard setback would need to be significantly increased in size.

How much of a basement is counted towards BFA is a section of the code that has changed significantly with the adoption of the new Bulk Volume regulations within the past 5 years. The current regulations encourage large useable basements by not counting them at all towards BFA if there is less than 2 feet of the basement exposed above local grade, and only 30% of the basement is counted towards BFA if the basement is between 2 to 6 feet exposed. Previously 50% of basement areas were counted as BFA and there were restrictions that required very small room sizes with very low ceilings that were used as storage rooms. The trend with the new basement regulations has been for homes to develop large habitable basements, typically 700 to 1500 square feet in size, although basements up to 3000 square feet in size have been approved. This trend has significantly increased the living area of homes although there typically is not an increase visually in the size of a home when viewed from the street.

Since properties are receiving a significant benefit with the new basement regulations, the Council could consider requiring additional development criteria in exchange for allowing basements. For example, properties with basements could be required to increase setbacks, decrease building height, increase the 8% additional front setback requirement, increase open space (RM and RH zones), decrease BFA, or a BFA cap could be imposed.

CONCLUSION:

Staff would suggest that the City Council review the options to addressing Mansionization and direct staff accordingly. If the City Council directs staff to revise the Zoning Code, then staff will present a report to the Planning Commission at a noticed public hearing. The recommendations from the Planning Commission will then be forwarded to the City Council for final review and action.