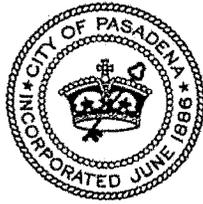


ATTACHMENT B
OCTOBER 23, 2019 PLANNING COMMISSION STAFF REPORT
(WITHOUT ATTACHMENTS)



PLANNING & COMMUNITY DEVELOPMENT DEPARTMENT

STAFF REPORT

DATE: OCTOBER 23, 2019

TO: PLANNING COMMISSION

FROM: DAVID M. REYES, DIRECTOR OF PLANNING & COMMUNITY DEVELOPMENT DEPARTMENT

SUBJECT: ZONING CODE AMENDMENTS TO AMEND PARKING REQUIREMENTS FOR CERTAIN USES IN THE CD-4 ZONING DISTRICT (PASADENA PLAYHOUSE)

RECOMMENDATION:

It is recommended that the Planning Commission:

1. **Find** that the Zoning Code Amendments are exempt from the California Environmental Quality Act (CEQA) because they qualify for Categorical Exemption pursuant to Section 15305 (Class 5 – Minor Alterations in Land Use Limitations), and there are no features that distinguish this project from others in the exempt class; therefore there are no unusual circumstances;
2. **Adopt** the Findings for Zoning Code Amendments in Attachment A; and
3. **Recommend** that the Planning Commission recommend that the City Council approve the Zoning Code Amendments as outlined in this report.

EXECUTIVE SUMMARY:

The Planning and Community Development Department was directed by the City Manager to prepare Zoning Code Amendments to change the minimum requirements for the number of off-street parking spaces for certain uses within the CD-4 (Pasadena Playhouse) Zoning District. These changes would reduce the required parking rate for new and existing restaurant and entertainment uses to the same rate as retail uses in the CD-4 Zoning District. This would allow conversions from retail uses to restaurant or entertainment uses to rely on existing parking and not require any new parking. The Planning Commission held a study session on August 28, 2019 to discuss a potential valet parking program to address parking issues for use conversions, however the majority of the Commission and the public expressed strong interest in reducing or eliminating the additional parking requirement altogether.

BACKGROUND:

Purpose and Goal of these Amendments

Defining the Issue

Over the past several years, the Planning and Community Development Department has received feedback from the Playhouse Development Association (PDA), which represents property owners and businesses in the CD-4 Zoning District and surrounding areas, regarding the difficulty of attracting and retaining land uses that would help the district realize its potential as a vibrant and exciting cultural center of the City. The desired uses for the area are primarily restaurant and entertainment uses, which serve an important complementary role for the existing cultural institutions and employment centers that are already in the area, as well as the growing downtown residential community.

A significant challenge for the establishment of new restaurants is the provision of off-street parking spaces to satisfy the existing requirements of the Zoning Code. Most new restaurants are established by replacing retail or other commercial tenants within existing buildings, and restaurants have a significantly higher parking requirement than the other commercial uses they often replace. Thus, although there is ongoing interest from restaurants to become established in the CD-4 Zoning District, they are confronted with parking requirements that are difficult to comply with. Combined with shifting trends in storefront retail, the result has been increased difficulty in activating ground floors of main commercial thoroughfares, representing a missed opportunity to realize the vision of the CD-4 Zoning District, which is intended to provide for a vibrant mixed-use environment that encompasses cultural and arts activities, with the Pasadena Playhouse as a central hub.

Related Factors

Aside from the policy goals set forth in the CD-4 Zoning District, there are various other factors that should be taken into consideration that would also support the reduction or elimination of parking requirements for restaurant conversions. First, is the fact that there is an abundance of existing off-street parking supply within the vicinity of the CD-4 Zoning District, as demonstrated by parking inventory studies prepared by transportation consultants on behalf of PDA. Second, the CD-4 Zoning District is located in close proximity to the Metro Gold Line Lake Station and is also served by numerous regional and local bus lines including Foothill Transit, Pasadena Transit, and Metro, making it highly accessible by public transit. Third, there is the increasing role of Transportation Network Companies (TNC's), also referred to as rideshare companies, such as Uber and Lyft. As TNC's continue to grow in popularity and the infrastructure is created to support them, including drop-off lanes and dedicated curb space, it is unlikely that there will be a significant increase in demand for off-street parking, particularly for restaurant and entertainment uses. Finally, as the Commission is aware, the City is currently in the process of updating the Central District Specific Plan, which is expected to be completed by 2021. The Specific Plan update will likely address parking management and parking requirements across the plan area as a whole. As part of that process, any successes from these amendments can be applied to other sub-areas and any concerns can be addressed.

Therefore, it is the goal of these amendments to equalize the parking requirement across commercial uses that support the purpose of the CD-4 Zoning District, including retail, restaurant, and other entertainment uses. This would reduce the parking requirement for new and existing restaurant and entertainment uses to the same rate as retail, thus allowing the conversion to rely on existing parking rather than providing new parking.

Approach

The Land Use Element of the General Plan contains various goals and policies that provide guidance on parking regulation. Goal 19 – Parking Availability states that “the supply of parking in an area will also reflect the type, mix, and density of uses; the availability of shared facilities; and the proximity to transit.” Policies 19.1 through 19.7 generally speak to “right-sizing” parking requirements to take into account the vision of a given area, proximity to transit, desire to promote alternative transportation modes such as walking and bicycling, and unbundling parking from commercial lease rates so non-car owners do not pay for parking they do not need.

Staff also held a study session with the Planning Commission on this issue on August 28, 2019. At that time, the approach being contemplated was to amend the Zoning Code to continue requiring additional off-street parking spaces for use conversions, but to allow the use of valet parking to meet those requirements. This approach would have entailed potentially creating a new entitlement process through which incoming businesses would be required to demonstrate the availability of off-site parking and various details about the valet parking operation. Representatives of the PDA and Planning Commissioners provided feedback on this approach, and there was significant consensus that a better solution would be to reduce the parking requirement itself, rather than try and implement a valet program that would include onerous requirements for new businesses. Commissioners cited the changing nature of retail and the proximity of the district to transit as justification for reducing or eliminating parking requirements for certain uses and allowing the market to determine the best way to attract customers, especially given the supply of existing private parking spaces. Based on this input and additional research into the overall availability and demand for parking in the area, staff has adjusted its approach to addressing the parking requirement itself, and allowing businesses and property owners to work together independently to provide valet access and operations in a way that works best for the district as a whole outside of the Zoning Code.

Current Parking Regulations

Existing development standards establish the minimum number of required off-street parking spaces for a variety of nonresidential uses. The table below summarizes these requirements for uses that are particularly relevant to the vision and goals of the Pasadena Playhouse subdistrict of the Central District Specific Plan area:

Land Use	Number of Required Off-Street Spaces
Retail	3 per 1,000 SF
Office	3 per 1,000 SF
Restaurant	10 per 1,000 SF
Restaurant, Fast Food	Between 4 per 1,000 SF and 10 per 1,000 SF (depending on size of restaurant)
Bar/Tavern	10 per 1,000 SF
Nightclub or Comedy Club	28 per 1,000 SF of seating area, or 1 per 3 fixed seats; plus 28 per 1,000 SF of dance floor area
Live Performance	28 per 1,000 SF, or 1 per 5 fixed seats
Cultural Institutions	3 per 1,000 SF

These parking requirements apply not only to new construction, but to any conversion of use. In the case of a use conversion, a proposed new use must provide off-street parking for the net difference between the parking requirement for the existing use and that of the proposed use. The following table shows an example of the difference in parking requirements for an existing 5,500 square foot retail tenant space being converted to a casual dining restaurant:

	<u>Retail Use</u>	<u>Restaurant Use</u>
	5,500 SF ÷ 1,000	5,500 SF ÷ 1,000
	= 5.5	= 5.5
	5.5 x 3 = 16.5	5.5 x 10 = 55
Total parking requirement:	17 spaces (rounded up)	55 spaces

In this example of the current Zoning Code standards, the difference in parking rates between the two uses results in a difference of 38 parking spaces. Thus, a change of use from retail to restaurant would require the restaurant to provide 38 new off-street parking spaces. The proposed amendments would reduce the parking rate for restaurant and entertainment uses to be the same as retail uses at three 3 per 1,000 square feet. Under the proposed scenario, both the existing retail use and the proposed restaurant use would have a parking requirement of 17 spaces, thereby eliminating the need for the restaurant to provide any new parking spaces.

The Zoning Code establishes a variety of ways in which to meet this requirement, including providing additional parking on-site, providing off-site parking, or seeking a shared parking reduction. The option of providing the additional parking spaces on-site may be feasible in some cases where there is underutilized land on the property that can be re-striped to accommodate additional parking spaces. However, this is not typically the case on properties where there are existing buildings, particularly in the CD-4 Zoning District, and re-striping for tandem parking requires a Minor Conditional Use Permit, and a full-time parking attendant on duty at all times the parking facility is available for use.

If on-site parking is not feasible, there is the option of providing parking in an off-site location. However, there are various requirements in order for this option to be code-compliant. The off-site parking for customers must be located within 1,000 feet of the business, and employee spaces must be within 1,500 feet. Furthermore, a lease agreement for the off-site parking spaces must be approved by the Zoning Administrator, and that lease agreement along with a covenant tying the lot providing the parking to the lot where the use requiring the parking is located must be recorded. Finally, the off-site parking must be excess parking, and not already encumbered by any other use.

The Zoning Code also allows for a shared parking reduction, wherein any site where the hours of operation allow the shared use of parking spaces to occur without conflict may have the number of required parking spaces reduced. There are also additional requirements for shared parking, similar to off-site parking, including the same distance requirements for customers and employees, as well as the requirement to obtain a Minor Conditional Use permit, which must include a signed contract between the two property owners sharing parking. A parking study is also typically required to demonstrate that the required findings for the shared parking arrangement can be made.

Furthermore, there are various local and state regulations that grant parking reductions to buildings being converted to alternative uses. Locally, the Transit Oriented Development (TOD) standards call for an up to 20% reduction of the required minimum number of parking spaces for nonresidential uses. The CD-4 Zoning District is located within the Central District TOD area, and projects in CD-4 are thereby eligible for the 20% reduction. At the state level, Assembly Bill 2263 was passed and approved by the Governor in 2018. This bill provides a 25% reduction in the number of parking spaces that would otherwise be required for any project converting or adapting a designated historical resource to a nonresidential use. It should be noted that a significant portion of buildings within CD-4 are also within the Pasadena Playhouse National Register District, along with other properties that are designated as historic. Thus, combining local and state parking reductions for nonresidential uses, there is strong precedent for easing parking requirements within the entire CD-4 Zoning District in order to achieve consistency in development standards.

ANALYSIS:

Parking Supply

In other sub-areas of the Central District, such as Old Pasadena and South Lake, there is an identified supply of commonly available parking that can serve the needs of visitors that come for shopping, dining, and entertainment. In Old Pasadena, there are four City-owned parking structures that provide a total of 2,489 parking credits. These credits are available and offered to businesses within the area through the Zoning Credit Parking Program, which allows for a new use to purchase credits for any net new number of parking spaces that would be required for that use to be established, rather than providing new physical parking spaces.

PDA has commissioned a study by Nelson Nygaard (Attachment B) to better understand the dynamics of parking supply and demand within its boundaries and provide recommendations for managing parking more effectively to achieve their vision of a vibrant district. The study was prepared in May 2018, with updates added in October and December of 2018 (“Nelson Nygaard Study”). The Nelson Nygaard Study identified an existing parking supply of 9,915 parking spaces. This number includes on-street and off-street parking, and takes into account City-owned and private supply. The parking inventory is broken down in the table below:

Parking Type	Number of Spaces
<i>On-Street</i>	
1 HR	522
2 HR	182
<i>Off-Street</i>	
City-owned	206
Publicly Accessible	4,969
Private	4,076
TOTAL	9,955

The Nelson Nygaard Study also determined that at peak occupancy, which was on weekdays at 12 PM, the total parking demand was 6,520 spaces, demonstrating a surplus of 3,395 spaces within the study area. Based on the findings of the study, it is clear that the parking challenge is not one of adequate supply, but rather access to, and management of, existing supply.

Declining Demand for Parking

TNC's

Surveys of TNC users in various major cities across the nation found that TNCs are primarily used instead of personal autos mainly when parking is perceived as expensive or difficult to find and to avoid drinking and driving. While the parking inventory in the Nelson Nygaard Study demonstrates that there is adequate parking supply, the difficulty of finding or accessing it will likely drive visitors to use TNC's rather than take a personal vehicle, thereby further reducing the demand for new parking supply. The Nelson Nygaard Study also includes various strategies for better accommodating TNC's by strategic use of curb space as another way to address access to the district without the need to build more parking supply.

Public Transit

The northeast portion of the CD-4 Zoning District is within a one-half mile radius of the Metro Gold Line Lake Avenue Station, while a smaller portion on the west side of the district is within a half-mile of the Memorial Park, and Del Mar stations. The proximity to light-rail stations makes the CD-4 Zoning District accessible to visitors from outside Pasadena without the need for an automobile. The district's central location and access to various transit options, including bus lines operated by Pasadena Transit, Foothill Transit, and Metro, also makes it less likely that current and future residents of the area will use cars to access the restaurants and amenities in the CD-4 Zoning District. The combination of walkability and transit access to the Playhouse District further supports the feasibility of eliminating parking requirements for conversions of existing commercial uses to restaurants and other entertainment uses.

ENVIRONMENTAL ANALYSIS:

The Zoning Code Amendments have been assessed in accordance with the criteria contained in the CEQA Guidelines, and qualify for Categorical Exemption pursuant to Section 15305 (Class 5 – Minor Alterations in Land Use Limitations), and there are no features that distinguish this project from others in the exempt class; therefore there are no unusual circumstances. Section 15305 exempts projects that consist of minor alterations in land use limitations in areas with an average slope of less than 20 percent, which do not result in any changes in land use or density. The properties affected by these Zoning Code Amendments have an average slope of less than 20 percent. Furthermore, the Zoning Code Amendments are limited to the minimum requirement for the number of off-street parking spaces for restaurant and entertainment uses, and would not result in any changes to regulation of land uses or base density standards in the Zoning Code. Therefore, staff recommends that the Planning Commission find that the proposed Zoning Code Amendments are exempt from further review under the provisions of CEQA.

CONCLUSION AND RECOMMENDATION:

Based on long-standing feedback from property owners and business groups represented by PDA, the existing parking requirements for new restaurants and entertainment uses are acting as a significant barrier to achieving the vision of the CD-4 Zoning District, which is to provide for a vibrant mixed-use environment that encompasses cultural and arts activities. Existing buildings have limited ability to accommodate new off-street parking spaces, and off-site and shared parking provisions are often too onerous to be feasible for new businesses. Parking surveys have demonstrated a significant surplus of underutilized off-street parking supply, and other factors such as proximity to transit and increasing use of TNC's further reduce the need for new parking supply. The most efficient and equitable way to address these issues is to reduce the required parking rate for restaurants, bar/taverns, nightclubs, comedy clubs, live

performance venues, and cultural institutions to three spaces per 1,000 square feet when located within the boundaries of the CD-4 Zoning District. Since this is the same rate currently required for retail uses, this would eliminate the requirement for additional off-street parking when an existing use converts to any of the aforementioned restaurant and entertainment uses. The reduced parking rate would also apply to new buildings as well as existing restaurant and entertainment uses. This would allow new buildings the flexibility to lease to restaurant and entertainment tenants without building excess new parking, and would also allow existing tenants to release themselves of any ongoing off-site parking agreements if they find that they are not necessary to meet their customers' needs.

Staff recommends that the Planning Commission make the required findings for Zoning Code Amendments to change the parking requirement for restaurant, bars/tavern, nightclub, comedy club, live performance venue, and cultural institution uses within the CD-4 Zoning District, and recommend adoption of these amendments by the City Council.

Respectfully Submitted,



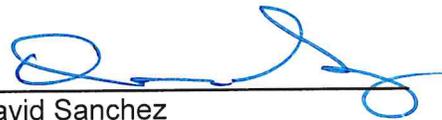
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Attachments:

Attachment A: Findings for Zoning Code Amendments
Attachment B: Nelson Nygaard Study