



Honorable Mayor and Members of the Hermosa Beach City Council

ADOPT AN ORDINANCE AMENDING SUBSECTION 17.08.020 (D) OF THE HERMOSA BEACH MUNICIPAL CODE PERTAINING TO HOME OCCUPATIONS (CITYWIDE).

CEQA: Determine the ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to section 15061(b)(3) of the CEQA Guidelines (Common Sense Exception).

(Community Development Director Alison Becker)

Recommended Action:

Staff recommends City Council:

1. Adopt by title only and waive second reading of an Ordinance “Approving a Zone Text Amendment (ZTA 25-04), amending Hermosa Beach Municipal Code (HBMC) Subsection 17.08.020 (D) pertaining to Home Occupations (**Attachment 1**);
2. Determine the Ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to section 15061(b)(3) of the CEQA Guidelines (Common Sense Exception); and
3. Direct the City Clerk to print and publish the summary ordinances in a newspaper of general circulation within 15 days following adoption and post it on the City’s bulletin for 30 days.

Executive Summary:

At its January 13, 2026 meeting, City Council held a public hearing and approved amendments to the Hermosa Beach Municipal Code (HBMC) Section 17.08.020 (D) to simplify and expedite the business license process for home-based businesses. The amendments are intended to enhance customer service, reduce processing time, and improve consistency and transparency in the City’s business licensing practices. This is the second reading to formally adopt the aforementioned changes.

Background:

The City currently regulates business licensing under Hermosa Beach Municipal Code Chapter 5.04. Hermosa Beach Municipal Code Section 17.08.020 further defines the uses permitted in the R-1 Single-Family Residential Zone, including commercial uses such as home occupations. While the existing procedures for commercial businesses and home occupations provide necessary regulatory oversight, they were developed prior to the

implementation of the City’s current digital permitting systems and do not fully reflect best practices for online, streamlined, and customer-centered processes.

Staff conducted a review of the City’s business license processes in coordination with Administrative Services, Community Development, and the City Manager’s Office. The review identified several opportunities to modernize and clarify existing requirements for both commercial business and home occupation licenses.

On December 16, 2025, staff presented the proposed amendments to the Hermosa Beach Planning Commission for review and discussion, received feedback from the Commissioners, and incorporated their input into the final recommendations.

At its January 13, 2026 meeting, the City Council considered the Planning Commission’s recommendation and adopted the draft ordinance without further amendments.

Past Council and Commission Actions

Meeting Date	Description
<u>December 9, 2025</u>	City Council reviewed proposed amendments and directed staff to forward the proposed amendments to the Hermosa Beach Planning Commission.
<u>December 16, 2025</u>	Planning Commission reviewed proposed amendments and adopted resolution # 25-24.
<u>January 13, 2026</u>	City Council approved Zone Text Amendment 25-04 pertaining to Home Occupation (Citywide).

Analysis:

To modernize and streamline the City’s business licensing process, the Planning Commission recommended that City Council approve the proposed amendments to refine and clarify application requirements, ensuring consistency and transparency in documentation standards for both commercial and home-based businesses. The following updates to Section 17.08.020(D) would simplify and modernize home occupation requirements:

Proposed Amendments to HBMC Section 17.08.020 (D) – Home Occupations:

- 1. Update Subsection (7):** Replace the reference to “Planning Department” with “Community Development Department” to reflect the current department title.
- 2. Update Subsection (11):** Updating the title from “Planning Director” to current title, “Community Development Director.” This change will ensure our code reflects the most accurate and up-to-date organizational structure.

3. **Update Subsection (12):** Per Planning Commission's recommendation, the Planning Commission review was removed and replaced with review and approval by the "Community Development Director." This change will streamline the review process while maintaining appropriate administrative oversight and consistency with City procedures.
4. **Delete Subsection (17):** Remove subsection (17), which requires a physical inspection of the premises prior to permit approval. Staff inspections for home occupations are no longer necessary given the limited, low-impact nature of most home-based businesses. Removing this requirement will reduce staff workload and expedite permit issuance without compromising code compliance or public safety. Additionally, inspections of home offices are no longer common practice in neighboring jurisdictions.

Environmental Determination:

The proposed zoning text amendment is a project subject to the California Environmental Quality Act (CEQA) and qualifies for an exemption from CEQA pursuant to Section 15061(b)(3) (Common Sense Exemption) of the State CEQA Guidelines (Chapter 3 of Division 6 of Title 14 of the California Code of Regulations). The activity is covered by the Common Sense Exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. There is no possibility that the proposed change to the zoning code may have a significant effect on the environment, therefore the activity is not subject to CEQA. No special circumstances exist that the proposed change would create a significant adverse effect on the environment (i.e. no sensitive species or habitats, no hazardous sites, no scenic highways, no historic resources, etc.).

Public Notification:

For the January 27, 2026 City Council meeting, a legal ad is not required. A legal ad was published in the Easy Reader on January 1, 2026 for the January 13, 2026 meeting of the City Council.

Fiscal Impact:

There is no fiscal impact associated with the recommended actions.

Attachment:

Draft Ordinance Amending HBMC 17.08.020 (D) – Home Occupations

Respectfully Submitted by: Leo Zalyan, Management Analyst

Concur: Alison Becker, AICP, Community Development Director

Noted for Fiscal Impact: Henry Chao, Finance Manager

Legal Review: Sarah Lockin, Interim Assistant City Attorney

Approved: Steve Napolitano, City Manager