

CALIFORNIA COASTAL COMMISSION

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W10a

TO: Commissioners and Interested Persons

FROM: SHERILYN SARB, SOUTH COAST DEPUTY DIRECTOR
TERESA HENRY, SOUTH COAST DISTRICT MANAGER
KARL SCHWING, ORANGE COUNTY AREA SUPERVISOR
MEG VAUGHN, COASTAL PROGRAM ANALYST

SUBJECT: **Request to extend the sixty-day time limit for Commission action on City of Laguna Beach LCP Amendment Request No. 1-12 (Artist Live Work and Second Residential Units IP Amendment) (for Commission Action at the December 12-14, 2012 meeting in San Francisco).**

On July 25, 2012, the City of Laguna Beach submitted Local Coastal Program Amendment Request No. 1-12 to amend its certified Local Coastal Program (LCP) Implementation Plan (IP). The amendment proposes to change the certified LCP IP by modifying both Chapter 25.16 Artists Live/Work and Chapter 25.17 Second Residential Units. Changes proposed to Chapter 25.16 are reflected in City Council Ordinance No. 1567, and were submitted pursuant to City Council Resolution No. 12.051. Changes proposed to Chapter 25.17 are reflected in City Council Ordinance No. 1570, and were submitted pursuant to City Council Resolution No. 12.062. No changes are proposed to the Land Use Plan (LUP) portion of the certified LCP.

Changes proposed to Chapter 25.16 Artists Live/Work (Ordinance No. 1567) include: a shift to place greater emphasis on the work aspect of this chapter over the residential aspect; establishing an Artist Occupancy Permit and related procedure including creation of an Artist Review Panel intended to assure that the units will be occupied by legitimate artists and their families; adding and modifying definitions; modifying development standards to, among other things, assure that the Artist Work Live units are compatible with the underlying zone in which they occur; adding the M-1B Light Industrial zone to the zones in which these units are allowed; increasing the amount of area that may be dedicated to retail use from 10% to 15% of the gross floor area of the unit; and, adding a new enforcement section. Also proposed is a new incentive allowing increased density with the provision of "additional affordable units beyond the required 25% for developments of two or more units as required by the City's Housing Element of the General Plan." Also newly proposed is an incentive to allow a reduction in the amount of required parking.

Changes proposed to Chapter 25.17 Second Residential Units (Ordinance No. 1570) include: elimination of the design review requirement for second units; newly allowing detached second units on 6,000 square foot lots and a sliding range for the allowable square footage of the second unit based on the lot size; establishing a minimum size for second units of 275 square feet; limiting the maximum height to 12 feet; and eliminating the requirement that the owner occupy one of the units. Also proposed are reductions in the amount of parking required, an affordable housing incentive that eliminates the parking requirement for second units, and a new prohibition on use of the second unit for short term lodging.

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Potential issues raised by the proposed amendment, which may require preparation of suggested modifications to the amendment as submitted, include 1) addressing adverse impacts to coastal resources that may result from the proposed density bonuses and other incentives if alternatives to the location and/or type of incentives are not required to be considered prior to granting the incentive(s); and 2) if alternatives are not feasible, then a requirement that unavoidable impacts be minimized may need to be added to the amendment as proposed. Such impacts may accrue to sensitive habitat, public access, and/or public views if an alternatives analysis is not required in the proposed modified ordinance. Often, but not exclusively, these impacts result from reduced setbacks intended to accommodate increased site density. In addition, the maximum density allowable under the proposed language is unclear. Also, proposed reductions in parking requirements could result in adverse impacts on coastal access. This must also be addressed in the proposed amendment. The proposed prohibition on the use of second residential units for short term (less than 30 days) lodging raises an issue relative to the availability of overnight accommodations and lower cost overnight visitor accommodations. Other issues may also be raised by the proposed amendment. The extent of suggested modifications that may be warranted is not yet certain.

Upon receipt of requested additional information on October 12, 2012, the Executive Director determined that LCP Amendment Request No. 1-12 was in proper order and legally adequate to comply with the submittal requirements of the Coastal Act and the California Code of Regulations pursuant to Section 30510. Pursuant to Sections 30512, 30513 and 30514 of the Coastal Act, an LCP amendment that includes changes to the IP portion only of a certified LCP must be scheduled for a public hearing and the Commission must take action within sixty days of a complete submittal. The sixtieth day after the City's filing of the complete submittal is December 20, 2012. However, this deadline may be extended for good cause. Public Resources Code (PRC) Section 30517 allows the Commission to extend any time limitation established by Chapter 6 of Division 20 of the PRC, wherein lies Sections 30512, 30513 and 30514, for up to a year.

Therefore, unless the Commission extends the deadline, Commission staff will need to complete its review and preparation of a staff recommendation and suggested modifications and the Commission will need to complete its action on the LCP amendment at or prior to the Commission's December 12-14, 2012 hearing. However, the need for the staff in the Commission's South Coast District office to process other LCP amendments and permit applications already pending before the Commission prior to submittal of LCP amendment LGB-MAJ-1-12, coupled with state-directed furloughs, has lengthened the time needed for staff review of the amendment and preparation of a staff recommendation. In addition, Commission staff is continuing to work together with City staff on an LCPA matter that was previously submitted but was then withdrawn to allow greater time for the City and Commission staffs to work toward revisions that would be mutually acceptable on that matter. Moreover, this time extension is necessary due to significant staff workload and scheduling constraints involving the review of several other priority and time sensitive LCP amendment applications. Thus, a time extension is necessary to allow staff to conduct further analysis of the conformance of the proposed LCP amendment with the provisions of the certified LUP and to prepare an appropriate staff recommendation, including preparation of suggested modifications, for the Commission. Thus, staff is recommending that the Commission extend the time limit for review

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of LCP amendment request LGB-MAJ-1-12. The time extension would allow for a thorough review of the City's proposed changes and preparation of a recommendation to the Commission.

Staff is preliminarily planning to schedule LGB-MAJ-1-12 for the June 2013 Commission hearing in southern California. However, such a schedule is dependent upon several workload factors. Thus, although staff believes this matter will be brought to a hearing in the near-term, staff recommends that the Commission extend the deadline for a full year as provided by the Coastal Act to allow for uncertainty in the review process and flexibility for coordination with the City of Laguna Beach on potential modifications, establishing hearing schedules, and managing competing priorities.

STAFF RECOMMENDATION

Staff recommends that the Commission extend the deadline for Commission action for one year (i.e. December 20, 2013).

MOTION: I move that the Commission extend the time limit to act on the City of Laguna Beach Local Coastal Program Implementation Plan Amendment No. 1-12 for a period of one year.

Staff recommends a **YES** vote. An affirmative vote of a majority of the Commissioners present is needed to pass the motion.