

CALIFORNIA COASTAL COMMISSION

South Coast Area Office
200 Oceangate, Suite 1000
Long Beach, CA 90802-4302
(562) 590-5071



F21b

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original staff report

SECOND ADDENDUM

November 14, 2013

To: Commissioners & Interested Persons

From: South Coast District Staff

Re: Commission Meeting of Friday, November 15, 2013, Item F21b, City of Laguna Beach
Major Amendment Request No. 1-12 (LGB-MAJ-1-12) (Artists Work Live Units
& Second Residential Units), Laguna Beach, Orange County.

I. STAFF NOTE ON REVISIONS TO THE STAFF RECOMMENDATION:

Commission staff has revised its recommendation such that three of the five recommended Suggested Modification should be deleted. Specifically, Suggested Modification Nos. 2, 3, and 4 are recommended for deletion in their entirety. In addition, staff is recommending that Suggested Modification No. 5 be modified as shown below. Suggested Modification No. 1 should remain as is and Suggested Modification No. 5 should be re-numbered Suggested Modification No. 2. These changes are shown following the discussion below. The findings in support of this change follow the revised suggested modifications.

II. CHANGES TO THE SUGGESTED MODIFICATIONS:

ON PAGES 5 THROUGH 7, MAKE THE FOLLOWING CHANGES:

Suggested Modification Nos. 2, 3, and 4 are recommended for deletion in their entirety.

ON PAGE 7, CHANGE SUGGESTED MODIFICATION NO. 5:

All of Section 25.16.075 is a suggested modification. However, only the change proposed in this addendum is shown in ~~strike-out~~/insert.

SUGGESTED MODIFICATION NO. 2 ~~5~~:

Section 25.16.075 Coastal Development Permit – Required Findings

In addition to any other findings required for approval of artist work/live unit(s), a coastal development permit as required pursuant to Chapter 25.07 shall only be approved when all of the following findings, support by substantial evidence in the record, can be made:

- (A) The artist work live unit(s) is/are consistent with the policies of the certified Land Use Plan including the Land Use Element, the Open Space/Conservation Element, and the Coastal Land Use Plan Technical Appendix;

(B) If a density bonus is part of any artist work/live project proposal, that the increase in density can be feasibly accommodated on the site in a manner that is in conformity with the certified local coastal program.;

~~(C) If the proposal includes fewer parking spaces than the number of parking spaces that would be required under Chapter 25.52, that the approval of the reduction in the number of required parking spaces or the elimination of the parking requirement will have no adverse impact on public coastal access and/or use of public recreational trails.~~

III. CHANGES RECOMMENDED TO THE FINDINGS:

Changes Shown ~~strike out~~/insert

ON PAGE 20, DELETE THE SECOND FULL PARAGRAPH AS FOLLOWS:

~~No information was submitted with the amendment request regarding whether the proposed parking reductions could have adverse impacts on public access, despite the fact that parking is recognized in the certified LUP as necessary to maximize public access and recreation and that there is already inadequate parking to serve the demand.~~

ON PAGE 21, DELETE THE THIRD PARAGRAPH AS FOLLOWS:

~~However, as proposed, these parking reductions would be allowed outright without consideration to whether a specific project's reduced parking would adversely impact public coastal access. Depending upon the location and specifics of a project, it is possible that these reductions will have adverse impacts on public coastal access due to the reduced parking requirement. In the City of Laguna Beach, where inadequate parking is already acknowledged as having adverse impacts on access, specific findings regarding whether a proposed project would adversely impact public access or not if the amount of parking spaces provided were reduced to less than that required in Chapter 25.52 Parking Requirements, should be required before these reductions could be allowed. In cases where no impacts would result, the project could be found to be in conformance with the policies of the certified LUP and thus the parking reduction could be allowed. However, where it is determined that adverse impacts would result, the reductions could not be found to be in conformity with the policies of the certified LUP and so should not be allowed. As proposed, the amendment allows these parking reductions whether or not adverse impacts to coastal access would result. Therefore, as proposed the amendment is not in conformity with nor adequate to carry out the policies of the certified Land Use Plan regarding maximizing public access and must be denied.~~

ON PAGES 16-21 & 24, MAKE FOLLOWING CHANGES:

Move the entire Subsection 1 titled *Reductions in Required Parking*, beginning on page 16 from the section of the staff report titled "B. Findings for Denial of Implementation Plan Amendment 1-12 as Submitted" (as modified above) to the section of the staff report titled "C. Findings of Approval of Implementation Plan Amendment 1-12 if Modified as Suggested", to Subsection "2. Parking Reduction" on page 24, preceding the paragraph that begins "As described previously in the findings for denial, . . ." and modify that paragraph as follows:

2. *Parking Reductions*

[Insert the findings from Subsection 1 titled *Reductions in Required Parking* (moved from “B. Findings for Denial of Implementation Plan Amendment 1-12 as Submitted”) here.]

As described above previously in the findings for denial as submitted, as proposed the amendment would reduce the amount of parking required for artists’ work/live units and for second residential units. However, the proposed parking reduction for Artist Work/Live Units to 1.5 spaces per residential unit is consistent with what the City’s current per-unit parking requirement is for multi-family residential development in the certified IP. Artist Work/Live units can be developed as multiple unit projects. If a single unit is proposed, the parking standard would require two spaces, consistent with the current requirement. Chapter 25.52 Parking Requirements of the certified Implementation Plan requires that “the fractional number shall be rounded up to the nearest whole number.” Thus, the parking reductions proposed for the residential portion of the AWL units would not result in adverse impacts on public coastal access.

The proposed amendment also includes the elimination of a parking requirement for the retail component associated with an AWL unit. The allowable retail space associated with AWL units is limited to 15% of the gross floor area of the unit, and sales are limited only to those items created by the resident artist at the AWL unit. Thus, such retail space is not likely to be a separate customer draw in and of itself, but rather more likely will appeal to existing foot traffic in the vicinity. Consequently it is not likely that an additional parking demand will be generated by this limited retail function. Furthermore, some existing parking is required on site and that parking would be available on a shared use basis. Finally, the City has indicated that, although AWL units are allowed in other zones, they are most likely to be proposed in the Light Industrial zones (M-1A and M-1B). These zones are located inland along Laguna Canyon, not within easy access to the City’s coastal amenities (i.e. beach, downtown retail and dining, art festivals) Thus, impacts to public coastal access due to lack of parking is not expected to be an issue. As proposed, the parking reductions would not be limited to only those projects where findings can be made that the reduced number of parking spaces would not have adverse impacts on public access, including access to the beach and to other visitor serving amenities. Thus, as proposed, the amendment must be denied. However, if the amendment were modified to add a section that stipulates the findings that must be made in order to approve a coastal development permit for a project with parking reductions that could be allowed in the amended Chapters 25.16 and 25.17, the amendment could be found to be in conformity with and adequate to carry out the policies of the certified Land Use Plan. Therefore, the Commission finds that only if modified as suggested can the amendment could can be found to be in conformity with and adequate to carry out the policies of the certified Land Use Plan as submitted.

CALIFORNIA COASTAL COMMISSION

South Coast Area Office
200 Oceangate, Suite 1000
Long Beach, CA 90802-4302
(562) 590-5071



November 7, 2013

F21b

ADDENDUM

To: Commissioners & Interested Persons

From: South Coast District Staff

Re: Commission Meeting of Friday, November 15, 2013, Item F21b, City of Laguna Beach Major Amendment Request No. 1-12 (LGB-MAJ-1-12) (Artists Work Live Units & Second Residential Units), Laguna Beach, Orange County.

There are one typo each in Suggested Modification No. 1 and No. 3. In each, the subsection numbers are incorrect. The corrections should be made on pages 5 and 6 of the staff report. The corrected subsection numbers are shown below (deleted number is shown in ~~strike-out~~; the correct number is shown in ***bold, italic, underline***):

Suggested Modification No. 1:

Add new subsection 25.16.035 as follows [re-number as appropriate]:

25.16-5.035 Authorization – Coastal Development Permit Required.

An artist work/live unit proposal, including one that proposes a density bonus, that constitutes development as defined in Chapter 25.07 Coastal Development Permit shall require approval of a coastal development permit consistent with that Chapter unless the development is otherwise exempt pursuant to that chapter

Suggested Modification No. 3:

Retain subsection 25.16-7.050(A)(6) which is proposed for deletion in its entirety and modify as follows [Although this entire section is proposed for deletion it is not shown in strike out for clarity as it is suggested to remain.]:

Additional parking shall be provided in accordance with the minor retail function requirements set forth in subsection B ***Criteria for Minor Retail Function*** of this section.

Modify Subsection 25.16-7.050(B) Criteria for Minor Retail Function as follows

[The remainder of Suggested Modification should remain as is in the staff report.]

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
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November 8, 2013

John Montgomery, Director
Community Development Department
City of Laguna Beach
505 Forest Avenue
Laguna Beach, CA 92651

Dear Mr. Montgomery

RE: Second Units within the Coastal Zone

This letter responds to your request regarding the importance of second units in meeting a community's housing needs and the potential impacts of allowing short-term lodging in second units.

Second units provide an important source of affordable housing. For example, by promoting the development of second units a community may ease a rental housing deficit, maximize limited land resources and existing infrastructure' and contribute to the local affordable housing stock. The California Legislature, in amending Government Code (GC) Section 65852.150 (Chapter 1062, Statutes of 2002) to encourage the creation of second units, stated:

The Legislature finds and declares that second units are a valuable form of housing in California. Second units provide housing for family members, students, the elderly, in-home health care providers, the disabled, and others, at below market prices within existing neighborhoods. Homeowners who create second units benefit from added income, and an increased sense of security.

For Laguna Beach, second units, as long-term rental units, are a critical component of meeting the community's existing and projected housing needs. Second units are particularly crucial given the City's circumstances and conditions related to the availability of suitable land for multifamily development to accommodate lower and moderate income households. For example, many second units in the City have rents affordable to households with low or extremely low income levels. Second units help house the City's workforce, elderly, and other residents with lower incomes. Restricting second units for short term lodging purposes could seriously impact the availability of these units to meet residents' long-term rental housing needs and jeopardize the City's ability to accommodate its housing needs, especially the regional housing need required by State law.

The Department recognizes the importance of short-term lodging units in increasing access to coastal areas. However, reducing the availability of second units for long-term rental housing, particularly for residents with lower and moderate incomes, must also be considered given the Legislature's declaration (GC Section 65580) that the "availability of housing is of vital statewide importance and ... is a priority of the highest order."

The Department appreciates the opportunity to provide input to Laguna Beach and looks forward to working with the City in addressing its housing needs. If you have any questions, please contact me at (916) 322-7995.

Sincerely,

A handwritten signature in blue ink, appearing to read "P. McDougall", with a stylized flourish at the end.

Paul McDougall
Housing Policy Manager

cc: Scott Morgan, Deputy Director, Governor's Office of Planning and Research

CALIFORNIA COASTAL COMMISSION

South Coast Area Office
200 Oceangate, Suite 1000
Long Beach, CA 90802-4302
(562) 590-5071

October 31, 2013

**F21b**

TO: Commissioners and Interested Persons

FROM: Sherilyn Sarb, Deputy Director
Teresa Henry, District Manager
Karl Schwing, Supervisor, Regulation & Planning
Meg Vaughn, Coastal Program Analyst

SUBJECT: Major Amendment Request No. 1-12 (LGB-MAJ-1-12) (Artists Work Live Units & Second Residential Units) to the City of Laguna Beach Certified Local Coastal Program (For Public Hearing and Commission Action at the November 15, 2013 meeting in Newport Beach).

SUMMARY OF LCP AMENDMENT REQUEST NO. 1-12

Request by City of Laguna Beach to amend the Implementation Plan (IP) of the certified Local Coastal Program (LCP). The amendment proposes to change the certified Local Coastal Program 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 working artists; 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 new language regarding density bonus and 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 a single story and 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.

Potential issues raised by the proposed amendment include impacts to public access due to the proposed parking reductions; potential impacts to public access and visitor uses due to the

prohibition on use of second units for short term lodging; and, impacts to coastal resources potentially arising from density bonuses.

SUMMARY OF STAFF RECOMMENDATION

Staff is recommending that the Commission, after public hearing:

Deny the amendment request to the Implementation Plan **as submitted**, and;

Approve the amendment request to the Implementation Plan **if modified as recommended**.

The proposed amendment, if modified as recommended, would be in conformance with and adequate to carry out the provisions of the certified Land Use Plan. **The motions to accomplish this recommendation are found on pages 3 & 4.**

STANDARD OF REVIEW

The standard of review for the proposed amendment to the LCP Implementation Plan is conformance with and adequacy to carry out the provisions of the certified Laguna Beach Land Use Plan.

SUMMARY OF PUBLIC PARTICIPATION

Section 30503 of the Coastal Act requires public input in Local Coastal Program development. It states: During the preparation, approval, certification, and amendment of any local coastal program, the public, as well as all affected governmental agencies, including special districts, shall be provided maximum opportunities to participate. Prior to submission of a local coastal program for approval, local governments shall hold a public hearing or hearings on that portion of the program which has not been subjected to public hearings within four years of such submission.

Ordinance No. 1567: The proposed changes affecting Chapter 25.16 *Artist Live/Work* were the subject of two City Council public hearings: May 15, 2012, May 1, 2012; and ten Planning Commission public hearings: March 14, 2012, January 25, 2012, September 14, 2011, May 11, 2011, February 9, 2011, January 4, 2011, December 8, 2010, September 8, 2010, March 31, 2010, February 22, 2006. In addition, a Planning Commission Subcommittee conducted six public workshops with artists, art organizations, architects and developers. Because the amendment is of citywide effect, 1/8th page notices were placed in the local newspaper (Laguna Beach Coastline Pilot) for the City Council and Planning Commission meetings. Public testimony at the hearings included concerns regarding support of the proposed amendment in general, support for and opposition to including student artists as artists for purposes of qualifying for the artist live work units, support for a revised, more specific definition of “artist”, support for the intent of the Artist Work/Live ordinance of providing an affordable option to encourage artists to live in Laguna Beach, questions regarding whether a change to the maximum height was appropriate, and concerns regarding whether or not to continue to allow artist work/live units in the M1-A (light industrial) zones.

Ordinance No. 1570: The proposed changes affecting Chapter 25.17 Second Residential Units were subject to three City Council public hearings: July 17, 2012, June 19, 2012, and June 5, 2012; and two Planning Commission public hearings: April 25, 2012, March 28, 2012; and one Design Review public hearing: November 10, 2011. Because the ordinance is of citywide effect, 1/8th page notices were published in the local newspaper, the Laguna Beach Coastline Pilot. Public testimony at the hearings included concerns regarding eliminating Design Review requirement for the units, prohibiting short term rental of the units, issues relating to street access, lot coverage, maximum size of the second units, and concerns regarding historic structures.

ADDITIONAL INFORMATION

Copies of the staff report are available on the Commission's website at www.coastal.ca.gov. For additional information, contact *Meg Vaughn* in the Long Beach office at (562) 590-5071.

DEADLINE FOR COMMISSION ACTION

The proposed amendment was deemed complete on October 12, 2012. A request to extend the deadline to act was granted on December 12, 2012. The final date by which the Commission must act on this amendment request is December 20, 2013.

I. STAFF RECOMMENDATION

Following a public hearing, staff recommends the Commission adopt the following resolutions and findings.

A. Denial of the IP Amendment as Submitted

MOTION: *I move that the Commission reject the Implementation Plan Amendment No. 1-12 for the City of Laguna Beach as submitted.*

STAFF RECOMMENDATION OF REJECTION:

Staff recommends a **YES** vote. Passage of this motion will result in rejection of Implementation Plan amendment and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

RESOLUTION TO DENY CERTIFICATION OF THE IMPLEMENTATION PLAN AS SUBMITTED:

The Commission hereby denies certification of the Implementation Plan Amendment No. 1-12 submitted for the City of Laguna Beach and adopts the findings set forth below on grounds that the Implementation Plan amendment as submitted does not conform with, and is inadequate to carry out, the provisions of the certified Land Use Plan. Certification of the Implementation Plan would not meet the requirements of the California Environmental Quality Act as there are feasible

alternatives and mitigation measures that would substantially lessen the significant adverse impacts on the environment that will result from certification of the Implementation Plan as submitted.

B. Approval of the IP Amendment with Suggested Modifications

MOTION: *I move that the Commission certify the Implementation Plan Amendment No. 1-12 for the City of Laguna Beach if it is modified as suggested by staff.*

STAFF RECOMMENDATION:

Staff recommends a **YES** vote. Passage of this motion will result in certification of the Implementation Plan with suggested modifications and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

RESOLUTION TO CERTIFY THE IMPLEMENTATION PLAN WITH SUGGESTED MODIFICATIONS:

The Commission hereby certifies the Implementation Plan Amendment 1-12 for the City of Laguna Beach if modified as suggested and adopts the findings set forth below on grounds that the Implementation Plan amendment with the suggested modifications conforms with, and is adequate to carry out, the provisions of the certified Land Use Plan. Certification of the Implementation Plan amendment if modified as suggested complies with the California Environmental Quality Act, because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the Implementation Plan on the environment, or 2) there are no further feasible alternatives and mitigation measures that would substantially lessen any significant adverse impacts on the environment.

Exhibits:

1. Vicinity Map
2. Resolution No. 12-051 Artist Work/Live
3. Ordinance No. 1567 Artist Work/Live (Final Language Adopted by City)
4. Artist Live/Work (Strike Out/Insert Version)
5. Downtown Specific Plan Area Map
6. Ordinance No. 1570 Second Residential Units (Final Language Adopted by City)
7. Resolution No. 12-062 Second Residential Units
8. Second Residential Unit (Strike Out/Insert Version)
9. Inventory of Hotels/Motels in Laguna Beach

II. SUGGESTED MODIFICATIONS

Certification of City of Laguna Beach LCP Amendment Request No. 1-12 is subject to the following modifications.

The Commission's suggested additions are shown in ***bold, italic, underlined text***.

The Commission's suggested deletions are shown in ***bold, italic, underlined, strike out text***.

The City's proposed additions are shown in underline.

The City's proposed deletions are shown in ~~strike out~~.

Chapter 25.16 Artist Work/Live Units

Suggested Modification No. 1:

Add new subsection 25.16.035 as follows [re-number as appropriate]:

25.15.035 Authorization – Coastal Development Permit Required.

An artist work/live unit proposal, including one that proposes a density bonus, that constitutes development as defined in Chapter 25.07 Coastal Development Permit shall require approval of a coastal development permit consistent with that Chapter unless the development is otherwise exempt pursuant to that chapter.

Suggested Modification No. 2:

Modify proposed subsection 25.16.050(A)(5) as follows:

~~Parking shall be provided in accordance with residential parking standards as indicated in Chapter 25.52, Parking shall be provided in accordance with residential parking standards as indicated in Chapter 25.52. However, the parking standard may be reduced to One and one half (1.5) parking spaces ~~shall be provided~~ for each artist's working and living unit in all zones *where artist work/live units are allowed when an applicant demonstrates, supported by substantial evidence in the record, that such parking reduction will not have adverse impacts on public coastal access and/or recreational trails.* As an incentive to provide additional affordable units beyond the minimum 25% affordable unit requirement, the Planning Commission may allow one parking space per *artist work/live unit in all zones where artist work/live units are allowed when an applicant demonstrates, supported by substantial evidence in the record, that such parking reduction will not have adverse impacts on public coastal access and/or public recreational trails. Additional parking for incidental retail, where permitted, is not required.* except that covered parking requirements need not be met The location and layout of the parking may be communal or tandem, or both, pursuant to Planning Commission approval in the following zones: M-1A and M-1B Light~~

Industrial, C-N Commercial-Neighborhood, LBP Local Business Professional, Downtown Specific Plan – CBD 3 ~~canyon commercial~~ Civic Art District, CBD – Office and CBD Central Bluffs.

Suggested Modification No. 3:

Retain subsection 25.17.050(A)(6) which is proposed for deletion in its entirety and modify as follows [Although this entire section is proposed for deletion it is not shown in strike out for clarity as it is suggested to remain.]:

Additional parking shall be provided in accordance with the minor retail function requirements set forth in subsection B **Criteria for Minor Retail Function** of this section.

Modify Subsection 25.17.050(B) Criteria for Minor Retail Function as follows:

(B) Criteria for Minor Retail function. ~~Limited Minor~~ Minor retail functions, in conjunction with artist's ~~joint living and working~~ working and living units, may be permissible as determined by provisions of the Conditional Use Permit and subject to the minimum conditions ~~outlined below in this~~ section; provided, however, that ~~The~~ the minor retail functions shall ~~is not be~~ be allowed in R-2 Residential Medium Density and R-3 Residential High Density zones.

(1) Retail functions shall not be approved unless determined by the Planning Commission to be compatible with surrounding uses.

(2) ~~The retail use~~ Retail functions shall be limited to the display and retail sale of art-work created by the artist in the unit ~~working space of the artists' working and living unit.~~

(3) Retail functions ~~as specified above~~ shall not occupy more than ten fifteen percent (15%) of the gross floor area of ~~the~~ an artists' working and living unit, including the floor area of the working space if located separately from the unit that contains the residential dwelling area.

(4) Retail ~~space~~ functions shall be integrated into and with the working space.

(5) ~~A~~ Prior to engaging in any retail functions a ~~commercial~~ business license shall be obtained from the City by the artist or the artist's business engaging in the retail functions.

(6) ~~Commercial parking requirements shall be calculated in accordance with Chapter 25.52, retail use, and in no circumstance shall less than one space be provided.~~ **Commercial parking requirements shall be calculated in accordance with Chapter 25.52, retail use, and in no circumstance shall less than one space be provided. However, the parking standard may be reduced or eliminated by the approving authority if the project applicant can demonstrate, as supported by substantial evidence in the record, that the parking reduction or elimination will have no adverse impact on public coastal access and/or use of public recreational trails.**

Suggested Modification No. 4:

Add new subsection 25.16.050(A)(17.5)[between subsections (17) and (18), re-number as appropriate]:

(17.5) The use of the artist's working and living unit(s), including any incidental retail, shall not generate excessive vehicular traffic or parking demand that would interfere with public coastal access or with the use of public recreational trails.

Suggested Modification No. 5:

Add new Section 25.16.075, following Section 25.16.070 *Findings* [re-number as appropriate] as follows:

Section 25.16.075 Coastal Development Permit – Required Findings

In addition to any other findings required for approval of artist work/live unit(s), a coastal development permit as required pursuant to Chapter 25.07 shall only be approved when all of the following findings, supported by substantial evidence in the record, can be made:

- (A) The artist work live unit(s) is/are consistent with the policies of the certified Land Use Plan including the Land Use Element, the Open Space/Conservation Element, and the Coastal Land Use Plan Technical Appendix;**
- (B) If a density bonus is part of an artist work/live project proposal, that the increase in density can be feasibly accommodated on the site in a manner that is in conformity with the certified local coastal program;**
- (C) If the proposal includes fewer parking spaces than the number of parking spaces that would be required under Chapter 25.52, that the approval of the reduction in the number of required parking spaces or the elimination of the parking requirement will have no adverse impact on public coastal access and/or use of public recreational trails.**

II. FINDINGS

The following findings support the Commission's approval as submitted of the proposed LCP Implementation Plan amendment. The Commission hereby finds and declares as follows:

A. Amendment Description

The City of Laguna Beach has requested to amend the Implementation Plan (IP) portion of the certified Local Coastal Program (LCP). The main document comprising the City's certified Implementation Plan is Title 25 *Zoning*, the City's Zoning Code, but the certified IP also includes a number of other documents. However in this case only Title 25 *Zoning* is proposed to be modified, specifically Chapter 25.16 *Artist Live Work* and Chapter 25.17 *Second Residential Units*. The changes proposed to Chapter 25.16 *Artist Live Work* are reflected in Ordinance No. 1567 which

was submitted for Commission action via City Council Resolution No. 12.51. The changes proposed to Chapter 25.17 *Second Residential Units* are reflected in Ordinance No. 1570 which was submitted for Commission action via City Council Resolution No. 12.062. The changes proposed via the separate resolutions are not related to each other. The proposed changes are described in greater detail below. Only the Implementation Plan portion of the City's certified LCP is affected by the proposed amendment.

1. Setting & Background

The Coastal Zone in Laguna Beach represents some 4.78 square miles of land, encompassing the entire City limits except for Sycamore Hills, which is inland of the intersection of Laguna Canyon and El Toro Roads. Geographically, the City is comprised of three main parts: the shoreline, the coastal plain, and the hillsides and canyons. The City's shoreline extends for approximately 4.2 linear miles. Most of the City's shoreline is fronted by bluffs, with areas of pocket beaches. The shoreline does include two large sandy beaches: Main Beach adjacent to the City's downtown area, at the mouth of Laguna Canyon; and, Aliso Beach in South Laguna at the mouth of Aliso Canyon. The coastal plain lies between the ocean bluff tops and the base of the San Joaquin Hills. Inland of the coastal plain are the hillside and canyon areas. The City's downtown is located on the flat delta area at the mouth of Laguna Canyon, surrounded by canyon walls inland, and bordered on the west by the Pacific shoreline. Only two roads provide access into and out of the City (Coast Highway and Laguna Canyon Road), which establishes a physical separation from other regions and contributes to the downtown area having a special identity. The special identity of the downtown is known locally as the village character.

The City's Land Use Plan was originally certified in the 1980s and consists of the Coastal Land Use Element, the Open Space/Conservation Element, and the Coastal Technical Appendix. An Implementation Plan for the City was certified in 1993, with the City assuming coastal development permit issuing authority at that time. The certified IP is comprised of a number of different documents, but the main document is the City's Title 25 *Zoning Code*. The Open Space/Conservation Element, and Title 25 have been amended a number of times since original certification. The Coastal Land Use Element was updated and replaced in its entirety via LCPA 1-10 in 2012.

2. Ordinance No. 1567 – Artist Live Work

The City takes pride in its identity as an "artist colony." Indeed, this sense of artistic presence, as exemplified by the art festivals, art museum and art galleries, is a major visitor draw to Laguna Beach. In order to maintain and enhance this artistic association, the City, in its certified LCP, encourages the presence of working artists as residents of the City. The City recognizes that for some artists it would be cost prohibitive to live in Laguna Beach without incentives to make it financially feasible. That is the intent of the Artists' Work/Live Chapter. By providing both living and working space together in a single facility, the cost of living within the City is intended to be somewhat reduced. This intent is reflected in Section 25.16.010 *Intent and Purpose*, which states: "This chapter is intended to facilitate the provision of an affordable lifestyle, for artists of limited or modest income as an incentive to locate and remain in Laguna Beach."

Regarding the City's arts identification, the Downtown Specific Plan (part of the certified LCP Implementation Plan) states:

Laguna Beach was incorporated in 1927 with a population approaching 1,500. Even during those early years, Laguna Beach was developing a reputation as an art community. Since then, Laguna has continued to grow as an art center. Today, the well-known art festivals - the Pageant of the Masters, the Festival of Arts, the Sawdust Festival and Art-A-Fair – draw hundreds of thousands of visitors to the downtown area each summer.

The Downtown Specific Plan contains the following policies regarding artists' residential units:

Topic 2: Identity as an Art Colony

Policy 1. Encourage a balanced mix of art-oriented uses, such as artist live/work, art supply, art studios, computer graphics and design businesses, and art galleries in the downtown.

Policy 6. Provide incentives and encouragement for the development of artists' living and working quarters in the Civic Art District and other appropriate zoning districts in the downtown area.

Policy 7. Establish standards regulating commercial activities associated with artist live/work that are consistent with the goals and policies of the Downtown Specific Plan.

Topic 9: Housing

Policy 3. Encourage a mixture of residential and commercial uses within a single building. Artist Live/work would be an especially desirable option in an appropriate location.

The proposed amendment would modify existing Chapter 25.16 which is currently titled *Artists' Live Work*. Artist Live/Work units have been allowed in the City's certified LCP Implementation Plan since it was originally certified in 1993. Initially, however, the artist units were described as an allowable use separately within each of the separate zones in which they were allowed. City of Laguna Beach LCP Amendment No. 1-07C deleted the descriptions in each of the individual allowed zones and, instead, created new Chapter 25.16 Artists' Live/Work. At that time the intent of the Artists' Live/Work Chapter was to provide affordable living in Laguna Beach for artists as an incentive to locate and/or remain in Laguna Beach. As currently certified, Chapter 25.16 allows artist units in the following zones: R-2 Residential Medium Density, R-3 Residential High Density, LBP Local Business Professional, C-N Commercial Neighborhood, M-1A Light Industrial, and within the Downtown Specific Plan area they are allowed in the CBD - Central Business District-Office district, CBD - Central Bluffs district, and in the Civic Art district. The proposed amendment would newly allow artists' work/live units in the M-1B Light Industrial zone.

Recently, concerns have been raised with the current version of Chapter 25.16 as to whether these units, intended to promote artists' residency in the City, are in fact being occupied by artists and

used to produce art. This concern was the genesis of the proposed changes to Chapter 25.16. The proposed re-ordering of the title words in the Chapter, from Artists' Live/Work to Artists' Work/Live, is intended to emphasize the intention that the units are to be artist work space first, with residential use second. The units are intended to be occupied by working artists, with the artistic work being conducted within the unit as an integral part of the space. The proposed amendment is intended to more clearly identify the intended greater emphasis on the work aspect of these units over the residential aspect, and to assure that the units are occupied by legitimate, working artists. The definition of Artists' Working and Living unit is proposed to be revised to more clearly emphasize the work aspect of the unit. The more significant changes proposed are described in greater detail below.

a) Density Bonus

One of the more significant changes includes a proposed change to Section 25.16.050 *Minimum Requirements for Artists' Working and Living Units*, which is proposed to be modified by adding a new subsection under the existing section 25.16.050(A) *Development Standards*. The proposed new subsection 25.16.050(A)(3)(c) would add a new provision that effectively recognizes for the first time that a density bonus may be granted for artists' work live units. The proposed section states (underling indicates City's language proposed to be added; ~~strike-out~~ indicates City's existing language proposed to be deleted):

25.16.050(A):

(3) Unit Size for Each Artists' Working Living Unit, Density Standards and General Provisions.

(c) Unless otherwise approved as an incentive for providing 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, the density standards applicable to each artist's working and living development project shall be no greater than the density otherwise allowed in the underlying applicable allowable zone.

The Housing Element referenced in the proposed language above is not part of the City's certified Local Coastal Program.

b) Reduced Parking Requirements

As an incentive to provide Artist Work/Live units, the proposed amendment would reduce the residential parking requirement from the currently required two spaces per artist residential unit to 1½ spaces for each artist unit, regardless of the zone in which it is located (Section 25.16.050(A)(5)). The proposed language does not specify whether the parking requirement for a single artist unit would be rounded down to one space or rounded up to two spaces. However, Chapter 25.52 *Parking Requirements*, subsection 25.52.012(d), regarding the number of parking spaces required, requires that "the fractional number shall be rounded up to the nearest whole number" (with exceptions for complexes with multiple uses, where the figure for each use may be tabulated with fractions, but when added together must be rounded up).

Also, the amendment would eliminate the parking requirement for any retail use associated with the artist work/live unit (25.16.050(A)(5) & 25.16.050(B)(6)[5 and 6 proposed to be deleted])). Currently up to 10% of the gross floor area of the unit may be used as retail space and parking for the retail use is required consistent with Chapter 25.52 (one space per 250 square feet), with a minimum of one parking space required. The proposed amendment would increase the area of the unit allowed to be dedicated as retail space to 15% (25.16.050(B)(3)). No change is proposed to the current prohibition on retail functions within the R-2 and R-3 zones (25.16.050(B)). Retail use is limited to display and sale of artwork created by the resident artist of the subject artist unit (25.16.050(B)(2)).

The currently certified version of Chapter 25.16 requires that parking be provided in accordance with residential parking standards as indicated in Chapter 25.52 *Parking Requirements* for both residential and retail uses. This parking standard is proposed to be changed as an incentive to property owners and developers to provide artist units by allowing a reduction in the amount of required parking. Currently, Section 25.52.012(a) requires a minimum of two spaces for all uses/tenancies (excluding multiple-family residential uses and unless otherwise specified in Chapter 25.52). Moreover, the requirement for single or two family residential parking is 2 spaces per dwelling and an additional parking space is required when the gross floor area is 3,600 square feet or more. For multi-family dwelling units the parking requirement is 1½ spaces for every studio or 1-bedroom, two spaces for every unit with 2 or more bedrooms and one additional space for every additional four units. In addition, the parking requirement for general retail uses is one space for every 250 square feet of gross floor or display area. Chapter 25.16 currently requires that parking be provided for both the residential use and any associated retail use at the rate described in Chapter 25.52, and including a minimum of one parking space for any retail use associated with the artist work live unit.

Section 25.16.050(C)(6) proposes to add to the existing subsection (6) the following sentence: *“The unauthorized rental of an affordable unit, or the failure of an occupant of an artist’s working and living unit to comply with the definition of an “artist” shall be grounds for revocation of the Artist Occupancy Permit and the commencement of appropriate code enforcement proceedings against the occupant, the owner or both.”*

c) Artist Occupancy Permit

Another significant change proposed by the amendment is the creation of a new permit called an “Artist Occupancy Permit.” This permit procedure sets up a process that will require an applicant for an artist work/live unit to submit evidence demonstrating their credentials as an artist including: a) evidence of a documented body of work, b) evidence of formal artistic training, c) evidence that the artistic work has been presented in some type of public forum, and d) letters of recommendation from arts professionals. The newly required Artist Occupancy Permit is proposed to be administered by the proposed “Artist Review Panel,” which will be responsible for either approving or denying an application for an Artist Occupancy Permit. As proposed, the decision of the Artist Review Panel would be appealable to the City Council. The proposed Artist Occupancy Permit and Artist Review Panel are intended to assure that the units will be occupied by legitimate artists and their families. The Artist Review Panel members will be appointed by the City Council.

d) Allow Artists' Work/Live Units in M-1B Light Industrial Zone

A further proposed change would add the M-1B Light Industrial zone as a zone in which Artist Work/Live units are allowed. Currently, Artist Work/Live units are allowed in the following zones: M-1A Light Industrial, C-N, Commercial-Neighborhood, LBP Local Business Professional, Downtown Specific Plan – CBD, Civic Art District, CBD-Office, CBD – Central Bluffs, R-2 Residential Medium Density and R-3 Residential High Density. Artist work/live units are not currently allowed and are not proposed to be allowed in the C-1 General Commercial zone. The C-1 zone is the zone that implements the Commercial Tourist Corridor land use designation. The Commercial Tourist Corridor land use designation and the C-1 General Commercial zone represent the main visitor serving commercial areas of the City. This designation/zone occurs along much of the Coast Highway corridor, among other places. The M-1B Light Industrial zone occurs within the Laguna Canyon corridor, along Laguna Canyon Road, inland of the Downtown Specific Plan area, Coast Highway and the main visitor serving areas of the City.

e) Setback Requirements

Regarding required setbacks, the amendment would add a requirement that artists units within the M-1A or M-1B zones be consistent with the minimum setback requirements for property located in those zones. For artists units within other allowable zones, the required setbacks are the minimum setback required for property located in the R-2 and R-3 zones. In addition, as currently certified, Chapter 25.16 requires that all artists' work live units must be setback a minimum of 20 feet from a property line that abuts an R-1 zone.

f) Maximum Building Heights

As certified, Chapter 25.16 is silent on the maximum allowable building height. The proposed amendment would add the following statement: "Maximum building height shall be that height specified in the applicable allowable zone."

g) Area Required for Artist Work Space

The proposed amendment would increase the area of the unit that is required to be dedicated to artist work space from 30% of the total square footage of the unit, to at least 50 % of the total square footage of the unit. In the M-1A and M-1B zones, the minimum area dedicated to work space would be required to be 66% of the square footage of the unit.

h) Additional Changes Proposed

Other changes proposed to Chapter 25.16 *Artists Live/Work* include: 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; and, adding a new enforcement section. A new definition for "artists working and living development project" is proposed to make clear that these developments may include one or more units. New definitions

are proposed for “residential dwelling area” and for “working space.” The newly proposed enforcement section, Section 25.16.080 *Enforcement*, establishes, among other things that it is a misdemeanor to sell or rent an affordable artist unit to someone not eligible for the affordability benefit, and also establishes that the City may take legal action if rent or sale price in excess of the affordable rate is collected. However, a definition of affordable or a description of how affordability would be implemented is not included in Chapter 25.16 either as currently certified or as proposed.

Section 25.16.050(C)(6) appears to be missing the word “artist”: (6) An owner of an artist’s working and living unit shall be required to sign an affidavit, punishable under penalty of perjury, that the artist’s working and living unit is in compliance with this chapter, including but not limited to that the individual unit is occupied by an [artist] in accordance with an Artist Occupancy Permit.
...

Section 25.16.070 Findings appears to have a typo: The following findings, in addition to those required by Section ~~25.04.030~~ 25.05.030, shall be made in support of a decision to approve a Conditional Use Permit for an artist’s working and living development project and all artists’ working and living units: . . .

Provisions for Conditional Use Permits are found in Chapter 25.05 and there is no Chapter 25.04 in Title 25.

3. **Ordinance No. 1570 – Second Residential Units**

City Council Resolution No. 12.062 requests action on Ordinance No. 1570 which proposes modifications to existing Chapter 25.17 *Second Residential Units*. Second residential units are allowed in the R-1 Residential Low Density and R/HP Residential Hillside Protection zones. The R/HP zone is a low density residential designation that applies to lots in the hillside areas of the City and requires development in those areas to be sensitive to the hillside terrain and to environmental constraints and to provide for the conservation of existing natural open space lands, unique landforms, scenic hillsides and sensitive biological habitats.

The amendment proposes to replace Section 25.17.030 *Minimum Requirements* in its entirety with a new Section 25.17.030 *Minimum Requirements*. The majority of the changes proposed fall under the proposed revisions to Section 25.17.030 *Minimum Requirements*. Section 25.17.030 establishes the minimum requirements for approval of any second residential unit. Some of the more significant changes proposed in conjunction with the replacement of Section 25.17.030 *Minimum Requirements* are described below.

a) Prohibition on Use of the 2nd unit for short-term lodging

Although Chapter 25.17 is currently silent on the matter, the proposed amendment would add language to Section 25.17.030 which states: “A *second residential unit shall not be rented for less than 30 days, and shall not be converted at any time to short-term lodging pursuant to Chapter 25.23, as otherwise allowed in the R-1 zone.*” (Proposed new Section 25.17.030(Q)).

b) Parking Reductions

As certified, Chapter 25.17 requires both the main residential unit and the second unit to provide parking as required in Chapter 25.52 *Parking Requirements*. (25.17.030(M) existing). While retaining the requirement that the main residence comply with the certified LCP parking requirements of a minimum of two parking spaces per residential unit, the proposed amendment would reduce the parking requirement for all second residential units from two parking spaces to one. And, in addition, if the second unit provides low or moderate income housing, the proposed amendment would eliminate the parking requirement entirely without considering whether any adverse impacts would result from the reduction. (25.17.030(R) and (S) proposed).

An additional affordable housing incentive is proposed to be added that would eliminate (for low income units) or reduce (for moderate income units) the City's typically required building, planning, or zoning fees. These incentives, parking and fee reductions, would be granted when the property owner limits by deed restriction, covenant and/or other instrument acceptable to the City, the occupancy of the units to low-income or moderate income households for a minimum of 55 years. Income levels and rental rates would be based on those established annually by the State of California (25.17.030(R) Low Income and (S) Moderate Income, proposed).

c) Minimum Lot Size for 2nd Unit

Currently Chapter 25.17 requires that the lot size comply with the minimum lot size required in the zone in which the second unit is proposed (25.17.030(N) existing). The proposed amendment would establish an overriding minimum lot size necessary to allow a second residential unit. The proposed minimum lot size is 6,000 square feet. A new standard that establishes a sliding range for the allowable square footage of the second unit based upon the size of the lot is also proposed. The sliding range is proposed as follows: *"The maximum second residential unit size shall be determined by multiplying the square-footage of the building site by seven percent (7%)."* In addition, the proposed amendment would establish a minimum size for new second residential units of 275 square feet. The proposed sliding scale would allow a second unit up to the current maximum size for second units of 640 square feet.

d) Nonconforming Structure

The amendment proposes to delete the following language: *"Where the existing single family dwelling on the lot constitutes a nonconforming structure, any second residential unit shall be subject to the provisions of Chapter 25.56."* [Chapter 25.56 is titled Nonconforming Buildings, Lots and Uses] (25.17.030(E) existing).

e) Rented but Not sold deleted

As certified, Chapter 25.17 allows that a second residential unit may be rented but not sold separately from the main residential dwelling (25.17.030(G)). The proposed amendment would delete the requirement that the second residential unit not be sold separately.

f) Design & Design Review

Currently a second residential unit is subject to the Design Review regulations of Section 25.05.040. However, the proposed amendment would only require that second residential units be subject to Design Review when the second unit is constructed in conjunction with the construction of a main residence, or when subsequent additions and/or exterior modifications to an existing second residential unit are proposed. In addition, the proposed amendment would limit the requirement for Design Review to issues related to the main residence and subsequent additions/modifications to an existing second residential unit. Also, the proposed amendment would establish language stating that Design Review of a project cannot result in the removal of or reduction in size of the existing second residential unit. However, the proposed amendment includes a new section that would require that an application for a second residential unit include a written summary explaining how the unit has been designed to comply with the City's Residential Design Guidelines. Also, a new height limit allowing a maximum height for second units of a single story and a maximum of twelve feet above grade is proposed. The proposed height limit would not apply to second units within an existing structure.

g) Historic Structures

New language is proposed which prohibits second residential units that would be attached to any "E" Exceptional or "K" Key rated historic structure, or to any structure listed on the Historic Register. (25.17.030(O) proposed).

h) Other minor changes proposed

Currently Section 25.17.030(J) requires that second residential units "comply with the zoning requirements and property development standards for the zone within which the lot is located." That language is proposed to be modified to require: "zoning plan check for compliance with applicable zoning standards and criteria." (25.17.030(C) proposed). In addition, new language is proposed that states: *"The building site coverage limitation shall include all structures, including the main residence, the second residential unit, garages, etc. The totality of the structure(s) on the lot shall not exceed the allowable building site coverage specified in the zone in which the second residential unit is proposed."*

The proposed amendment would eliminate the requirement that the owner occupy one of the units (either the main residential unit or the second unit) by eliminating following language: *"One of the residential dwellings on a lot on which the second residential unit is proposed to be established shall be for the exclusive occupancy of the owner of the lot and shall not be rented or leased as long as the second residential unit exists."*

The proposed amendment would provide clarification that conversion of a portion of an existing single family main residence to a second unit is allowed provided it complies with the standards Chapter 25.17 and provided it does not exceed fifty percent of the main residence floor area.

In addition, although second residential units currently must comply with both the zoning district in which it is located and with the subject Chapter 25.17 *Second Residential Units*, the proposed amendment would add new language that states that where there is a conflict between the base zoning district and the requirements of Chapter 25.17, Chapter 25.17 shall take precedence.

No change is proposed to existing Section 25.17.040 Coastal Development Permits for Second Residential Units which states that all the provisions of Chapter 25.07 regarding the review and approval of coastal development permits in relation to second residential units are applicable, except that a public hearing is not required and that, if appealable, the coastal development permit may be appealed to the Coastal Commission without a discretionary appeal hearing by the City Council. However, there does appear to be a typo in this section in that the title of the Chapter is shown as **12.17** rather than **25.17** and the Section number is shown as **12.17.040** rather than **25.17.040**.

B. Findings for Denial of Implementation Plan Amendment 1-12 as Submitted

The standard of review for amendments to the Implementation Plan of a certified LCP is whether the Implementation Plan, as amended by the proposed amendment, will be in conformance with and adequate to carry out, the policies of the certified Land Use Plan (LUP).

1. Reductions in Required Parking

The visitor serving areas of the City are primarily located along Coast Highway and in the downtown area. Artist Work/Live units are allowed in zones that are in or adjacent to these areas. Much of the downtown development was established in the 1950s or earlier, prior to the imposition of parking standards. Regarding parking, Topic 5: *Parking* of the Downtown Specific Plan states:

“One of the most notable problems in downtown Laguna Beach is the deficiency of parking facilities. The City has adopted requirements for off-street parking that are considered adequate to satisfy normal parking demands generated by commercial businesses. A parking problem continues to exist since the majority of the buildings provide little or no off-street parking. These buildings were built before the City adopted off-street parking requirements and are consequently "grandfathered." This means they receive a credit for parking which is not actually provided. This credit exists for the life of the building.”

As stated in the DSP: *“Laguna Beach draws over 3 million visitors each year. The art festivals, coastal recreation opportunities, shops, restaurants and the general ambiance of the community are the central attractions to visitors who come to Laguna primarily during the summer and school vacation periods as well as during warm weekends throughout the year.”*

The certified LUP includes a number of policies that require that public access to the shoreline and visitor serving uses be maximized. In addition, the certified LUP includes a number of policies that recognize that the provision of adequate parking is a necessary factor in maximizing public access.

The Coastal Land Use Plan Technical Appendix segment of the certified LUP incorporates the following Coastal Act policies regarding public access and visitor serving uses:

Section 30210

In carrying out the requirement of Section 2 of Article XV of the California Constitution, maximum access, which shall be conspicuously posted, and recreational opportunities shall be provided for all the people consistent with public safety needs and the need to protect public rights, rights of private property owners, and natural resource areas from overuse.

Section 30222

The use of private lands suitable for visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation shall have priority over private residential, general commercial development, but not over agriculture or coastal-dependent industry.

Section 30252(4)

The location of and amount of new development should maintain and enhance public access to the coast by providing adequate parking facilities or providing substitute means of serving development with public transportation.

In addition, the Coastal Element Land Use Plan portion of the certified LUP contains the following policies:

Policy 6.9 *Provide public access to designated public areas wherever safe and legally and environmentally appropriate.*

Policy 8.8 *Evaluate and, if necessary, amend the parking standards to ensure that new development and intensifications of use provide the quantity of parking for the uses proposed.*

In addition, GOAL 5 of the Coastal Element Land Use Plan states:

Policy 5.3 Evaluate and, if necessary, modify the commercial parking standards for new development and/or changes of use, especially when such occurrences impact adjacent residential or visitor-serving areas.

The LUP policies cited above require that public access be maximized and recognize that parking is a significant factor in assuring maximum access. Coastal access includes access to the City's beaches, but also the ability to access the many visitor amenities available in the City including the summer art festivals, shopping and dining, and use of the City's parks and coastal walkways.

That there is a lack of adequate parking to serve beach goers and other visitors to Laguna Beach is underscored by a project currently under consideration by the City – construction of parking

structure in the City's downtown core, just north of City Hall, with a goal to include a 500-space parking structure and about 100 surface parking spaces, (a net gain of 200 spaces). A memo from the Community Development Director to the City Manager, dated 10/14/13, regarding the Village Entrance Project – Visitor Serving Parking (available on the City's website at: <http://lagunabeachcity.net/civicax/filebank/blobdload.aspx?blobid=9271>), states: “Laguna Beach is an older city that was not designed for the high amount of beach parking that is needed to accommodate the current demand generated by both tourists and residents, much less future demand.” The memo also acknowledges that Commission staff is “open to integrated programs that address the access issue through a combination of methods.”

It should also be noted that the certified Coastal Element Land Use Plan includes goals and policies to minimize automobile use. Policy 1.1 aims to reduce greenhouse gas emissions, and cars are a main source of those emissions. A Guiding Principle of the City's Coastal Land Use Element Mission Statement is:

4. Minimize the impact of the automobile on the character of Laguna Beach and emphasize a more pedestrian-oriented environment, safer sidewalks/pathways, landscaped buffer zones, and alternative means of transportation. Transportation alternatives are a high priority for Laguna Beach, particularly during the summer festival season. During the summer months and on holidays and weekends Laguna Beach is frequently impacted by traffic. Through its General Plan policies, the City continually strives to facilitate the movement of traffic in a safe and uncongested manner consistent with a pedestrian-oriented community. The proximity of some commercial and residential land uses in the City and mixed-use development are ideal for pedestrian and bicycle use. General Plan policies promote and encourage a pedestrian-oriented community by developing a system of bicycle rights-of-way and pedestrian paths, increasing alternative transit opportunities, and discouraging high-speed traffic along City streets.]

The Commission recognizes and supports the goal of promoting non-automobile circulation. In providing the summer shuttle system, remote parking at the ACT V lot (located inland of the beach and downtown on Laguna Canyon Road) that is served by the shuttle, the taxi voucher program, employee parking programs, and the regular public transit system the City has made great strides in this direction. In addition, Policies 20 and 21 of the Downtown Specific Plan (DSP) require preparation of a *Downtown Specific Plan Parking and Traffic Management Program*. First on the list of very high priority Improvement Projects in the DSP is a “*Traffic Management Plan*” that will include consideration of parking solutions. Other policies in the DSP refer to a “*Downtown Specific Plan Parking and Traffic Management Program*”. In April of this year, the City circulated a draft “*Downtown Specific Plan Area & Laguna Canyon Road Parking Management Plan*”. The Introduction portion of the draft Plan states:

“One of the notable issues observed by residents, visitors, employees and business people in Downtown Laguna Beach and Laguna Canyon Road is trying to find a place to park their vehicle. This is particularly true during peak summer conditions, when in addition to the usual attractions contained in the Downtown environment, Laguna Beach becomes a popular destination due to its beaches and summer art festivals.”

The draft *Downtown Specific Plan Area & Laguna Canyon Road Parking Management Plan* includes much information and strategies for improving the parking condition in the City's downtown area. However, it is yet to be finalized and incorporated into the LCP and although it contains parking improvement strategies, as currently written none are required to be implemented, but rather are suggestions. In addition, funding sources for the various parking strategies considered remain to be identified. Nevertheless, preparation of the draft Parking Management Plan is a very significant and valuable step toward ultimately improving the access issues that arise due to lack of available parking needed to serve the current and future demand.

In the meantime however, support for those coastal visitors who arrive to the City' coastal zone via car must still be provided to assure that public access is maximized. One form of support for coastal visitors is the provision of adequate parking, especially in areas near the beach and near and within the visitor serving areas of the City including the downtown area. To maximize public access and visitor serving uses within Laguna Beach, the provision of adequate public parking remains a vital component. While the Commission and its staff support promoting alternative means of transportation and reducing dependence on the automobile, there must still be recognition that many coastal visitors, particularly those from inland areas, at this point in time, cannot feasibly access Laguna Beach without use of an automobile.

Until such time as non-automobile coastal access for visitors is readily available, parking must be provided to assure maximum access is provided consistent with the requirements of the certified LUP, including the Coastal Technical Appendix's express incorporation of Sections 30210 and 30223 of the Coastal Act. The Commission recognizes that, once parked within the City's coastal zone, the ability to move about the City, either via the pedestrian friendly downtown area or along the length of City's Coast Highway and Laguna Canyon Road via the free summer shuttle and the City's regular year round transit system, the need to re-park does not happen with each different visitor serving use sampled. However, that initial parking space still must be provided. And, currently, as outlined above, adequate parking to serve the visitor and beach-goer demand does not exist. Once in the City, the summer shuttle/trolley service is a valuable method to move within the City between beaches and other visitor destinations, however, visitors to the City are still largely dependent upon the automobile to reach the Laguna Beach in the first place. In order to promote public access to City's visitor amenities from inland areas, which still typically requires the use of an automobile, the availability of adequate parking remains a major factor.

As proposed, both Chapter 25.16 *Artists' Work/Live* and Chapter 25.17 *Second Residential Units* would reduce the parking requirement for artists' work/live units and second residential units. The parking reductions are intended as an incentive to encourage property owners and developers to provide these types of residential units. The certified LCP includes a number of policies promoting artists' units to encourage artists to live within the City. Coastal Element Land Use Plan Policy 6.2 promotes the provision of housing to serve low and moderate income households. In addition, State law requires that affordable residential units be made available.

The parking requirement for Artists Work/Live units is proposed to be reduced from the standard required by Chapter 25.52 *Parking Requirements* (generally two spaces per residential unit), to a requirement for 1.5 spaces per unit. In addition, as proposed, the 1.5 spaces per unit can be further

reduced to one space per unit when a certain percentage of the units are deed restricted for affordability beyond the minimum 25% affordable unit requirement for such development. In addition, parking for retail use associated with an artist unit is proposed to be eliminated entirely. Currently, the certified Chapter 25.16 requires parking consistent with Chapter 25.52 *Parking Requirements*, which requires one parking space for every 250 square feet of retail.

In addition, pursuant to proposed changes to Chapter 25.17 *Second Residential Units*, the parking requirement for second residential units would be reduced from two spaces per unit (primary and second unit) to require a single space for the second unit, but would maintain a two space requirement for the primary residence. All of the parking reductions are intended as incentives to provide affordable housing units. The parking reductions for artists' units are also intended as incentives to provide artists units.

No information was submitted with the amendment request regarding whether the proposed parking reductions could have adverse impacts on public access, despite the fact that parking is recognized in the certified LUP as necessary to maximize public access and recreation and that there is already inadequate parking to serve the demand.

In the case of second residential units, the second units are limited to a maximum of 640 square feet, and limited to lots with a minimum size of 6,000 square feet. In addition, both the primary residence and second unit together would still be required to be within the allowable lot coverage constraints. Therefore, not every lot in the R-1 and R/HP zones would meet the requirements necessary to allow a second unit. Further, the R/HP lots and many of the R-1 lots are located in the inland, hillside areas, not within walking distance to the beaches and visitor serving areas of the City. Also, because the units would already be located in the City, a resident of a second unit could more easily get around the City using the City's public transportation and would not need an initial parking space upon arrival into the City as would a visitor. For these reasons, impacts to public access and recreation due to parking reductions for second residential units are expected to minimal, and thus, the proposed reduced parking requirement for second units may not always result in adverse impacts to public coastal access.

Similar arguments can be made supporting the reduced parking for the Artist Work/Live residential units. Although there is not a specific requirement that an artist unit be affordable, because the unit must comply with the regulations of the underlying zone in which it occurs and the maximum percentage of the unit that may be dedicated to residential use would be limited to 50% of the total unit and 66% of the unit in the light industrial zones, the residential area of any unit would be smaller than typical residences in any of the allowable zones. In addition, the units could only be occupied by artists (as determined by and enforced via language in the proposed amendment), which would limit their marketability and thus cost. Moreover, the goal of establishing these units is to make living in Laguna Beach affordable to artists. Based on these factors, it is expected that the artists units will indeed be affordable to low or moderate incomes. In addition, many of the zones in which the units are allowed are well served by alternate transportation options including the summer shuttle, pedestrian and bicycle options, and the regular public transit system, which would allow an Artist Work/Live resident to more easily get around the City and so would not need an initial parking space upon arrival into the City as would a visitor.

The proposed changes to Chapter 25.16 *Artist Work/Live* also proposes to eliminate any parking requirement for the retail use that is allowed in conjunction with these units. Currently, the standards of Chapter 25.52 *Parking Required* apply to the retail use. The retail parking standard is one parking space for every 250 square feet, with a minimum of one space required for retail space below 250 square feet. It should be noted, however, that the retail use would be limited to a maximum of 15% of the total size of the unit, and so the space is not typically expected to create a significant customer draw in and of itself. More typically, the retail function is expected to appeal to visitors already in the area (the downtown area for example), thus not creating its own separate parking demand.

For these reasons, impacts to public coastal access due to parking reductions for artists' work/live and second residential units are also expected to minimal, and thus, the proposed reduced parking requirement may not always result in adverse impacts to public coastal access.

However, as proposed, these parking reductions would be allowed outright without consideration to whether a specific project's reduced parking would adversely impact public coastal access. Depending upon the location and specifics of a project, it is possible that these reductions will have adverse impacts on public coastal access due to the reduced parking requirement. In the City of Laguna Beach, where inadequate parking is already acknowledged as having adverse impacts on access, specific findings regarding whether a proposed project would adversely impact public access or not if the amount of parking spaces provided were reduced to less than that required in Chapter 25.52 *Parking Requirements*, should be required before these reductions could be allowed. In cases where no impacts would result, the project could be found to be in conformance with the policies of the certified LUP and thus the parking reduction could be allowed. However, where it is determined that adverse impacts would result, the reductions could not be found to be in conformity with the policies of the certified LUP and so should not be allowed. As proposed, the amendment allows these parking reductions whether or not adverse impacts to coastal access would result. Therefore, as proposed the amendment is not in conformity with nor adequate to carry out the policies of the certified Land Use Plan regarding maximizing public access and must be denied.

2. Protection of Coastal Resources - Density Bonus Incentive

The proposed amendment includes a change to Section 25.16.050 *Minimum Requirements for Artists' Working and Living Units*. This section is proposed to be modified by adding a new subsection under the existing section 25.16.050(A) *Development Standards*. The proposed new subsection 25.16.050(A)(3)(c) would add a new provision that effectively recognizes for the first time that a density bonus may be granted for artists' work live units. The proposed section states (underling indicates City's language proposed to be added; ~~strike out~~ indicates City's existing language proposed to be deleted):

25.16.050(A):

- (4) Unit Size for Each Artists' Working Living Unit, Density Standards and General Provisions.

(c) Unless otherwise approved as an incentive for providing 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, the density standards applicable to each artist's working and living development project shall be no greater than the density otherwise allowed in the underlying applicable allowable zone.

The Housing Element referenced in the proposed language above is not part of the City's certified Local Coastal Program.

Concerns raised by the potential application of a density bonus stem from the potential for impacts to coastal resources, including, but not limited to, sensitive habitat, public access, and public views. For example, if the density is allowed to be increased to a point where the footprint of a structure is larger than what would otherwise be allowed, that could result in development in or closer to sensitive habitat than would be consistent with habitat protection policies, such as required buffers or avoidance of impacts, of the certified LUP. Thus, without provisions to assure such impacts would not occur, the proposed density bonus could not be found to be in conformance with the policies of the certified LUP.

Coastal Act Section 30604(f)-(g) states:

(f) The commission shall encourage housing opportunities for persons of low and moderate income. In reviewing residential development applications for low- and moderate-income housing, as defined in paragraph (3) of subdivision (h) of Section 65589.5 of the Government Code, the issuing agency or the commission, on appeal, may not require measures that reduce residential densities below the density sought by an applicant if the density sought is within the permitted density or range of density established by local zoning plus the additional density permitted under Section 65915 of the Government Code, unless the issuing agency or the commission on appeal makes a finding, based on substantial evidence in the record, that the density sought by the applicant cannot feasibly be accommodated on the site in a manner that is in conformity with Chapter 3 (commencing with Section 30200) or the certified local coastal program.

(g) The Legislature finds and declares that it is important for the commission to encourage the protection of existing and the provision of new affordable housing opportunities for persons of low and moderate income in the coastal zone.

The City is proposing these changes to the IP in an effort to make it consistent with State Affordable Housing law (Government Code section 65915). Section 65915m of the Government Code, however, provides that it is not intended to limit application of the Coastal Act¹. The Coastal Act establishes that the standard of review for Implementation Plan amendments is the certified Land Use Plan and that the standard of review for local coastal development permits is the total

¹ Government Code Section 65915(m) states:

(m) Nothing in this section shall be construed to supersede or in any way alter or lessen the effect or application of the California Coastal Act (Division 20 (commencing with Section 30000) of the Public Resources Code).

Local Coastal Program. Thus, any project that is inconsistent with the certified LCP would also be inconsistent with Coastal Act requirements. Therefore, any amendment to the certified IP intended to carry out the requirements of Government Code Section 65915, must also be consistent with the policies of the certified Land Use Plan.

The City's certified LUP includes policies for the protection of public access and recreation, protection of environmentally sensitive habitat areas (ESHA) and wetlands, promotion of visitor serving uses, protection of visual resources, and protection of water quality, among others. The proposed amendment does include a section on required findings necessary for approval of a conditional use permit for an artists' work/live unit. A CUP for an artist work/live unit may include approval of a density bonus. The findings the City must make to approve a CUP, potentially including density bonus, are that the proposed use: will not have an adverse effect to health, safety or welfare of persons residing or working in the surrounding area or impair the use and enjoyment of surrounding property in the vicinity of the site; the site is adequate in size and shape to accommodate development requirements; the site is adequately served by streets to serve the traffic generated by the use; that there are sufficient conditions imposed to assure that the unit will not be separately rented or sold; that the art work be compatible with zoning and the surrounding area; and, that the unit reflect the use and be compatible with the surrounding neighborhood.

The required findings for approval of a CUP for an artist unit do not include a requirement that a project with a density bonus incentive be consistent with the certified LUP. Government Code section 65915 stipulates that it is not intended to limit application of the Coastal Act. It is the Coastal Act that establishes that the standard of review for amending a certified Implementation Plan, such as the City of Laguna Beach Implementation Plan, is the certified Land Use Plan and that the standard for local coastal development permits is the Local Coastal Program as a whole. So any project that is inconsistent with the LCP is also inconsistent with the requirements of the Coastal Act. Pursuant to the Government Code section 65915(m), any revision to bring the affordable housing section of the certified IP into conformity with the requirements of the density bonus statute, must also comply with the requirements of the Coastal Act. So, in addition to the requirements of consistency with the LUP dictated in section 30513 and 30514 of the Coastal Act for certification of Implementation Plan amendments, the Commission recognizes that Government Code section 65915 is coexistent with the Coastal Act and further affirms that the City is required to comply with the Coastal Act, including the Coastal Act's provisions relating to Implementation Plan amendment certification, when adopting ordinances related to density bonus proposals. As proposed, the IP amendment is not fully consistent with relevant policies of the LUP. The amendment does not ensure that any density bonuses would be consistent with the certified LUP and therefore does not conform with, and is inadequate to carry out, the certified LUP as required by Coastal Act section 30513. Consistency with the resource protection policies of the certified LUP is necessary in order to achieve the basic goals of the Coastal Act. Therefore, the Implementation Plan amendment must be denied as proposed.

C. **Findings for Approval of Implementation Plan Amendment 1-12 if Modified as Suggested**

1. **Incorporation of Findings for Denial of Implementation Plan Amendment 1-12 as Submitted**

The findings for denial of the Implementation Plan amendment as submitted are incorporated as if fully set forth herein.

2. **Parking Reductions**

As described previously in the findings for denial as submitted, as proposed the amendment would reduce the amount of parking required for artists' work/live units and for second residential units. As proposed, the parking reductions would not be limited to only those projects where findings can be made that the reduced number of parking spaces would not have adverse impacts on public access, including access to the beach and to other visitor serving amenities. Thus, as proposed, the amendment must be denied. However, if the amendment were modified to add a section that stipulates the findings that must be made in order to approve a coastal development permit for a project with parking reductions that could be allowed in the amended Chapters 25.16 and 25.17, the amendment could be found to be in conformity with and adequate to carry out the policies of the certified Land Use Plan. Therefore, the Commission finds that only if modified as suggested can the amendment could be found to be in conformity with and adequate to carry out the policies of the certified Land Use Plan.

3. **Protection of Coastal Resources - Density Bonus Incentive**

As described previously in the findings for denial as submitted, as proposed the amendment would not ensure that any density bonuses would be consistent with the resource protection policies of the certified LUP. As proposed, a density bonus could be allowed for an artists' work/live unit without making the findings that the artist unit, with the density bonus, can only be approved when the density bonus incentive is consistent with the resource protection policies of the certified LUP. However, if the amendment were modified as suggested the amendment would be consistent with the certified LUP. The modifications suggested to bring the amendment into conformity with the LUP identify when a coastal development permit is required and identify specific findings that must be made in order to approve a coastal development permit for artists work/live units. The specific findings required specify that in order to approve a coastal development permit for artist work/live units, including units with a density bonus incentive, that any density bonus must be consistent with the policies of the certified Local Coastal Program Land Use Plan. Only if modified as suggested could the proposed amendment be found to be in conformity with and adequate to carry out the policies of the certified Land Use Plan.

4. Lower Cost Overnight Accommodations

Among the changes proposed to Chapter 25.17 *Second Residential Units* is a proposal to add a new subsection, which would prohibit short-term rental of second residential units. Chapter 25.17 is currently silent on use of second units for short-term lodging, however, in practice, the City has prohibited their use as short term lodging. The proposed amendment would add language to Section 25.17.030 which states: “A *second residential unit shall not be rented for less than 30 days, and shall not be converted at any time to short-term lodging pursuant to Chapter 25.23, as otherwise allowed in the R-1 zone.*” Chapter 25.23 *Short-term Lodging* establishes the standards for the short-term lodging use. “Short-term” is defined in Chapter 25.23 as thirty days or less. Section 25.23.030 identifies the zones in which short-term lodging is allowed and prohibits the use in all other zones. Currently, short-term lodging is allowed in the following zones: Residential Low Density R-1, Residential Medium Density R-2, Residential High Density R-3, Local Business/Professional LB/P, Commercial Neighborhood C-N, Local Business C-1, Commercial Hotel-Motel CH-M, and Village Community V-C. Approval of short-term lodging in the Residential Low Density R-1 zone is subject to a conditional use permit. In all other zones where the use is allowed, an administrative use permit is required. As currently certified, the LCP allows short-term lodging in the R-1 zone and second residential units are allowed within the R-1 zone. It is reasonable to conclude that the certified LCP allows these second residential uses within the R-1 zone to be used for short-term lodging.

The City has indicated that the goal with the proposed changes to Chapter 25.17 *Second Residential Units*, is to promote use of these second units as a means of providing affordable housing within the City. The reasoning being that these second units, because their size is limited to a maximum of 640 square feet, are smaller than other residences in the City so they are inherently more affordable. Because the City is virtually built out and the cost of land in the City is high, the City has indicated there are few opportunities to otherwise meet the State’s affordable housing requirement. Because short-term rentals can be more lucrative to property owners, the City believes that allowing the option of renting these second residential units on a short-term basis would be a strong disincentive to provide long-term rental use of the second units. If the second units were allowed to be rented on a short-term basis, the potential number of affordable residential units in the City would be significantly reduced.

No information was included in the amendment request file to address the proposed removal of the short-term lodging use for second residential units in the R-1 zone and thus, no analysis of whether impacts to visitor serving use, specifically, overnight accommodations, would occur due to the proposed prohibition on use of second units for short-term lodging. City staff reports and minutes from Planning Commission and City Council meetings on the matter indicate the loss of lower cost visitor accommodations was not considered in this decision.

However, the City’s LUP includes strong support for visitor serving uses including lower cost overnight accommodations such as can be provided with short-term rentals. Policy 6.2 of the certified Coastal Element Land Use Plan requires that affordable overnight accommodations be protected, encouraged and, where, feasible, provided. The certified Coastal Technical Appendix incorporates Coastal Act Section 30213 which requires that lower cost visitor facilities be

protection, encouraged, and where feasible provided. It is important that the proposed LCP amendment avoids creating a disincentive to provide such use or that would prohibit the use entirely.

Pursuant to the policies of the certified LUP, the City has a responsibility to ensure that a range of affordable visitor opportunities be provided within the City, including overnight accommodation facilities. As shown in Exhibit 9 (Overnight Accommodations in the Coastal Zone of the City of Laguna Beach), the City of Laguna Beach does have a variety of accommodation types in various price ranges. These are largely in the form of hotel/motel rooms. The City has indicated that there are not presently any hostels, campgrounds, or other types of accommodations that are generally considered to be 'lower cost'. Therefore, it is important to protect existing accommodations in the City that are at the lower to moderate cost of the spectrum, and to encourage provision of additional such accommodations.

The provision of overnight visitor accommodations serves a significant purpose as a subset of visitor serving uses. The short-term lodging use would also promote visitor use and public access. Overnight visitor accommodations allow those who do not live within a day's drive of the coast an opportunity to enjoy coastal zone amenities when they otherwise may not be able to do so. Access to coastal recreation facilities is enhanced when there are overnight lodging facilities for all economic sectors. Those members of the public that cannot get to the coast within a day's journey, would need to travel to the coast, and then would need a place to stay overnight so that, finally reaching the coast, they don't have to turn around and head back.

Thus, lower and moderate cost overnight accommodations promote visitor use and public access in the area. Short-term lodging is a visitor serving use that can be lower and moderate cost, which is a priority use in the City's certified LUP. Short-term lodging in residential zones offer increased options in overnight visitor accommodations. Depending on site-specific circumstances, short-term rental of a residence can provide a lower cost option than in a traditional hotel. This can be true when traveling with extended family or other larger groups, for example, where renting a single residence is less expensive than renting multiple traditional hotel rooms. Short-term residential rental units also typically include full kitchen facilities, which allow overnight visitors the option of preparing meals in, a more affordable option than dining out. Short-term rental of residential units allow visitors the option of extended stays at rates often more affordable than an equivalent duration stay in a traditional hotel.

A number of visitor serving overnight accommodations exist in the City of Laguna Beach. In conjunction with the update of the City's Coastal Land Use Element (LGB-MAJ-1-10), the City prepared an inventory of hotels and motels in the City, including the location, number of rooms, and the range of room rates (see Exhibit 9). These range from high-end hotels such as the Montage where the rate varies upward to over \$1,000 per night, to the Crescent Bay Inn where rates range from \$69 to \$159 per night. The rates range depending upon, among other things, the time of year (generally highest during summer weekends and lowest during winter weekdays). The rate information was collected by the City approximately two years ago, but still provides a valid gauge of the amount of overnight accommodations available in the City and the range of cost. In addition, Chapter 25.22 establishes standards for Bed and Breakfast facilities within the City. Bed &

Breakfast facilities are defined in Section 25.22.020 as “residential dwelling(s) with short-term lodging rooms and the service of breakfast meals included in the daily room rate, and one common room available for guest interaction.” Stays at a Bed & Breakfast are limited to a maximum of 30 days. Bed & Breakfast facilities provide another source short-term visitor accommodations in the City.

In addition, it is important to note that there would be no change to the existing option of allowing the primary residence associated with the second residential unit to be rented on a short-term basis. Much of the development seaward of Coast Highway and in the City’s hillside areas is zoned R-1 or R/HP, the zones in which second residential units are allowed. Thus, all the primary residential units within these zones would retain the option of short-term rental, subject to approval of a conditional use permit and consistent with the requirements of Chapter 25.23 Short-term Lodging. Thus, even if second residential units were prohibited from being rented out on a short-term basis, a significant number of residential units would still retain the option to provide short-term overnight visitor accommodations.

All primary residences within the R-1 and R/HP zones would retain the short-term rental option. There is currently a significant supply of traditional overnight visitor accommodations (hotels/motels), with a range of costs (Exhibit 9) in the City. Other overnight visitor accommodation options, such as Bed and Breakfast facilities, are also available within the City. Policy 6.2 of the certified Coastal Element Land Use Plan protects existing and encourages new affordable overnight accommodations. Based on all these factors, it can be concluded that a substantial pool of overnight visitor accommodations, including lower cost options, will remain even if Chapter 25.16 prohibits second residential units from being used for short term lodging. Therefore, the amendment as proposed, can be found to be in conformity with and adequate to carry out the policies of the certified LUP with regard to protection and promotion of short term visitor accommodations.

5. Other Changes

The remaining changes of the proposed LCP amendment do not raise issues of conformity with and adequacy to carry out the policies of the certified LUP. No modifications are suggested for the remaining changes proposed via Ordinance No. 1567 and Ordinance No. 1570.

6. Conclusion

The certified LUP requires that coastal resources such as public access and recreation, public views, and sensitive habitats be protected. For the reasons described above, only if modified as suggested can the proposed Implementation Plan amendment be found to be in conformity with and adequate to carry out the policies of the City’s certified Land Use Plan. Therefore, the Commission finds that, only if modified as suggested is the proposed Implementation Plan amendment consistent with and adequate to carry out the provisions of the certified Land Use Plan (LUP).

IV. CALIFORNIA ENVIRONMENTAL QUALITY ACT

Section 21080.9 of the California Public Resources Code – within the California Environmental Quality Act (CEQA) - exempts local governments from the requirement of preparing an environmental impact report (EIR) in connection with its activities and approvals necessary for the preparation and adoption of a local coastal program (LCP). The Commission's LCP review and approval program has been found by the Resources Agency to be functionally equivalent to the EIR process. Thus, under Section 21080.5 of CEQA, the Commission is relieved of the responsibility to prepare an EIR for each LCP. Nevertheless, the Commission is required in approving an LCP submittal to find that the LCP does conform with the provisions of CEQA, including the requirement in CEQA section 21080.5(d)(2)(A) that the amended LCP will not be approved or adopted as proposed if there are feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse impact which the activity may have on the environment. 14 C.C.R. Sections 13542(a), 13540(f), and 13555(b). The City of Laguna Beach LCP amendment 1-12 consists of an amendment to Implementation Plan (IP) only.

As outlined in this staff report, the proposed IP amendment is not in conformity with the policies of the certified Land Use Plan. However, if modified as suggested, the IP amendment will be in conformity with and adequate to carry out the policies of the Land Use Plan. Thus, the Commission finds that the IP amendment, if modified as suggested, is in conformity with and adequate to carry out the land use policies of the certified LUP. Therefore, the Commission finds that approval of the LCP amendment as modified will not result in significant adverse environmental impacts under the meaning of CEQA. Therefore, the Commission certifies LCP amendment request 1-12 if modified as suggested herein.



Vicinity Map – Laguna Beach, Orange County

LGB-MAJ-1-12
Exhibit 1

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RESOLUTION NO. 12.051

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA
BEACH, CALIFORNIA, ADOPTING LOCAL COASTAL PROGRAM
AMENDMENT 10-01 AND REQUESTING ITS CERTIFICATION BY THE
CALIFORNIA COASTAL COMMISSION**

WHEREAS, after notice duly given pursuant to Government Code Section 65090 and Public Resources Code Sections 30503 and 30510, the Planning Commission of the City of Laguna Beach held at least one public hearing to consider the adoption of Laguna Beach Local Coastal Program Amendment 10-01; and

WHEREAS, the City Council, after giving notice as prescribed by law, held at least one public meeting regarding the proposed Laguna Beach Local Coastal Program Amendment 10-01, and the City Council finds that the proposed amendment is consistent with the Certified Laguna Beach Coastal Land Use Plan and Chapter 6 of the California Coastal Act; and

WHEREAS, the City Council of the City of Laguna Beach intends to implement the Local Coastal Program in a manner fully consistent and in conformance with the California Coastal Act;

NOW, THEREFORE, the City Council of the City of Laguna Beach does hereby resolve as follows:

SECTION 1. That the Laguna Beach Local Coastal Program Amendment 10-01 is hereby approved, consisting of Ordinance No. 1567 pertaining to amendments to Title 25 – Zoning. Copies of the aforesaid Ordinance are attached hereto as Exhibit A, and are incorporated by this reference as though fully set forth herein.

SECTION 2. That the California Coastal Commission is hereby requested to consider, approve and certify Laguna Beach Local Coastal Program Amendment No. 10-01.

SECTION 3. That pursuant to Section 13551(b) of the Coastal Commission Regulations, Laguna Beach Local Coastal Program Amendment No. 10-01 will automatically take effect immediately upon California Coastal Commission approval, as provided in Public Resources Code Sections 30512, 30513 and 30519.

ADOPTED this 15th day of May, 2012.

Jane Egly, Mayor

ATTEST:

City Clerk

I, MARTHA ANDERSON, City Clerk of the City of Laguna Beach, California, do hereby certify that the foregoing Resolution No. 12.051 was duly adopted at a Regular Meeting of the City Council of said City held on May 15, 2012, by the following vote:

AYES: COUNCILMEMBER(S): Boyd, Iseman, Pearson, Rollinger, Egly

NOES COUNCILMEMBER(S): None

ABSENT COUNCILMEMBER(S): None

City Clerk of the City of Laguna Beach, CA

ORDINANCE NO. 1567

**AN ORDINANCE OF THE CITY OF LAGUNA BEACH AMENDING
CHAPTER 25.16 OF THE LAGUNA BEACH MUNICIPAL CODE;
RELATING TO ARTIST WORK LIVE**

WHEREAS, on January 25, 2012 and March 14, 2012, the Planning Commission conducted legally noticed public hearings and, and after reviewing and considering all documents, testimony and other evidence presented, voted to recommend that the City Council adopt amendments to the Artist Work Live provisions of the Municipal Code; and

WHEREAS, the City Council conducted legally noticed public hearings and has reviewed and considered all documents, testimony and other evidence presented;

**NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH DOES
ORDAIN**, as follows:

SECTION 1: Chapter 25.16 ("Artist Live Work") of the Laguna Beach Municipal Code is hereby amended to read in its entirety as follows:

Chapter 25.16 ARTISTS' WORK/LIVE

25.16.010 Intent and Purpose.

25.16.020 Authorization – Conditional Use Permit Required.

25.16.030 Authorization – Artist Occupancy Permit Required.

25.16.040 Definitions.

25.16.050 Minimum Requirements for Artists' Working and Living Units.

25.16.060 Performance Standards

25.16.070 Findings

25.16.080 Enforcement

25.16.010 Intent and Purpose.

The purpose of this chapter is to provide Laguna Beach artists the opportunity to create art in a combined working and living environment. This chapter is intended to facilitate the provision of an affordable lifestyle, for artists of limited or modest income and an incentive to locate and remain in Laguna Beach. This chapter is intended to implement the applicable provisions of the General Plan and to promote compatible working and living conditions within a safe and healthy environment for all properties within the allowable zones.

It is also the intent of this chapter to ensure that artists' developments and projects are compatible with surrounding land uses, and are designed to avoid potential land use conflicts and negative impacts to both occupants of artists' working and living units and occupants of neighboring properties. Project design and materials shall reflect the nature of uses and zones in which they are located. The type of art work created shall be consistent with the allowed uses in the zone in which the unit is located. For example, art work created through welding would be located in Industrial Zones and the creation of poems and screenplays would be located in Commercial or Residential Zones. The sequence in terms in the phrase "working and living" is intended to reflect and signify that the needs of the work component of the unit take precedence over the ancillary residential use of the unit.

25.16.020 Authorization - Conditional Use Permit Required.

Artists' working and living units may be developed, rehabilitated, owned, purchased, sold, occupied, rented, operated, maintained and otherwise used and transferred pursuant to this chapter. The development of artist's working and living unit(s) shall be subject to the approval of a Conditional Use Permit as set forth in and in accordance with Section 25.05.030. The approval of such Conditional Use Permit shall be subject to the findings specified in Section 25.16.060 in addition to those required by Section 25.05.030. The applicant(s) for a Conditional Use Permit shall be the owner(s) of the real property on which an artists' working and living units(s) use is proposed, or the owner(s)'s authorized agent.

25.16.030 Authorization - Artist Occupancy Permit Required.

The use and occupancy of an artist's working and living unit shall be for artists and their- household. Each artist who proposes to occupy an artist working and living unit shall first obtain written confirmation from the Community Development Director or his/her designee, that the type of proposed art work to be created is appropriate in the proposed zoning designation where the unit is located. A completed application for an Artist Occupancy Permit may then be submitted to the Community Development Department for review and consideration by the Artist Review Panel. In addition, each artist who may potentially occupy an artists working and living unit shall comply with not less than three (3) of the following requirements when submitting a completed application:

- (a) Submit evidence of a body of work, created in the last three (3) years, as documented in support materials such as compact disks (CDs), slides, video and/or audio tapes, production photographs, scripts or works of fiction, non-fiction or poetry. Support materials shall be labeled with the artist's name, date of work and any other required information;
- (b) Submit evidence that the artist has formal training in the arts, as documented in a resume that summarizes such training;

(c) Submit evidence that the artist has presented his or her work in exhibition, performance, readings or comparable public programming, as documented in a resume, sample programs/invitations, catalogs, press clips or similar official documentation;

(d) Submit three (3) letters of recommendation from artists and/or arts professionals (such as curators, producers or teachers) who are recognized within the arts community and who will attest that the applicant is a working artist as defined below.

Upon submission of a complete application, the Artist Review Panel shall meet within 30 days to review the Artist Occupancy Permit Application and either approve or deny the application. Any decision made by the Artist Review Panel may be appealed to the City Council in accordance with Section 25.05.070. Upon certification by the Artist Review Panel, the artist may submit tenant improvement plans to the Community Development Department for any desired or necessary modifications to the unit for review and approval by the Community Development and the Fire Departments.

25.16.040 Definitions.

For the purposes of this chapter, the following terms are defined as:

(A) "Allowable zones" shall mean those zones identified in Section 25.16.050(A)(1).

(B) "Artist" shall mean a person who produces art as a primary occupation and is engaged and active in one of the following fields:

- 1) Fine Arts – including but not limited to painting drawing, sculpture, book arts, printmaking and mixed media.
- 2) Imaginative Works – including but not limited to literature, poetry, photography, music composition, choreography, cinematography and computer arts.
- 3) Functional Arts – including but not limited to metal, textiles, paper, wood, ceramic, glass and/or plastic objects.
- 4) Performing Arts – including but not limited to singers, dancers, musicians, actors, performance artists; costume lighting, sound and set designers.

(C) "Artists' Review Panel" – Shall mean a subcommittee, appointed by the City Council, consisting of three (3) members of the City's Arts Commission, one (1) of whom shall be a working artist, established for the purpose of reviewing and certifying each artist who proposes to occupy an artist's working and living unit.

(D) "Artists' working and living development project" shall mean any development project that has one or more artists' working and living units.

(E) "Artists' working and living unit" shall mean a unit that has both working space and residential dwelling area for an artist. The working space and residential dwelling area may be physically connected and may be structurally modified or designed to accommodate ancillary residential occupancy with the primary use for working activity. The residential dwelling area shall be entirely within the unit and shall have habitable area for residential living, including a complete kitchen space, studio or bedroom sleeping area(s), and bathroom and sanitary facilities. The working space shall be located within the unit, part of exclusive use common area appurtenant to the unit, or a combination of the two, with said working space to be regularly used by an artist as a place of work.

(F) "Residential dwelling area," "residential dwelling space," "living area," or "living space" shall mean that certain area on or in an artists' working and living unit used primarily or exclusively by an artist for residential habitation.

(G) "Working space" or "work space" shall mean that certain area on the site or in an artist's working and living unit used primarily or exclusively for the production of art by the artist.

25.16.050 Minimum requirements for artists' working and living units.

(A) Development Standards. The development standards of the applicable allowable zone identified in subdivision (1) shall below be the development standards for an artist's working and living development project. In the event of a conflict between the development standards set forth in the applicable allowable zone and the standards in this chapter, the provisions of this chapter shall take precedence. All artists' working and living units shall be designed to comply with applicable building code standards. The type of art work created in an artists' working and living unit shall be consistent with allowable uses and compatible with requirements of the zoning district in which it is located. The City reserves the right to perform on-site inspections to determine compliance with this chapter, the Artist Occupancy Permit and the Conditional Use Permit.

(1) Artists' working and living units may be developed only in the following zones (collectively, the "allowable zones"), subject to a Conditional Use Permit: M-1A and M-1B Light Industrial, C-N Commercial-Neighborhood, LBP Local Business Professional, Downtown Specific Plan—CBD- Civic Art District, CBD-Office, CBD-Central Bluffs, R-2 Residential Medium Density and R-3 Residential High Density. Artists' working and living units are not allowed in any other zones in the City.

(2) All artists' working and living units shall consist of either a conversion of an existing building or a development as part of a new working and living project. Conversion of an existing building and new construction may be developed as shell construction, with minimum roughed-in facilities as allowed or required by the Building Official. Individual building permits for interior improvements may be obtained by the occupant at a later date and must comply with all permit and inspection requirements of the applicable code in effect at the time of permit application. If an application for a parcel or tract map is proposed as part of the development, it shall be processed, and must be approved by the City in accordance with the California Subdivision Map Act and Title 21 of this Code. Each artist's working and living unit shall be used and occupied by an artist, and his or her household. Each artist's working and living unit shall be used and occupied by a single household.

(3) Unit Size for Each Artists' Working and Living Unit, Density Standards and General Provisions.

(a) Minimum unit size shall be the minimum area required by the California Building Code to accommodate an artists' working and living unit as defined herein.

(b) In all zones except in the M-1A and M-1B Zones, at least $\frac{1}{2}$ of the total square footage of the unit shall be allocated to working area and the remainder to living area. For artist's working and living units located in the M-1-A and M-1B zones, the ratio of working space to residential dwelling area shall be no less than $\frac{2}{3}$ working space and the remainder to living space, whether the working space is attached or detached from the residential dwelling area. If detached, $\frac{1}{3}$ of the work area may be communal open outdoor working space

(c) Unless otherwise approved as an incentive for providing 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, the density standards applicable to each artist's working and living development project shall be no greater than the density otherwise allowed in the applicable allowable zone.

- (d) Building setbacks shall be determined by the Planning Commission, subject to the following:
- (i) Building setbacks shall be no less than twenty (20) feet from an artist's working and living unit to a property line that directly abuts an R-1 zone.
 - (ii) For artist's working and living units in the M-1 A and M-1B zones, the front, side and rear yard setbacks shall be governed by the minimum setback requirements for property located in the M-1A and M-1B zones, respectively, and subject to clause (i) of this subparagraph.
 - (iii) For artist's working and living units in an allowable zone other than the M-1A or M-1B zones, the front, side and rear yard setbacks shall be governed by the minimum setback requirements for property located in the R-2 and R-3 zones, and subject to clause (i) of this subparagraph.
- (e) Maximum building height shall be that height specified in the applicable allowable zone.
- (4) Loading space/dock requirements shall be determined by the Planning Commission based upon the proposed type of art work to be created and deliveries expected at the artist's working and living unit.
- (5) One and one half (1.5) parking spaces shall be provided for each artist's working and living unit in all zones. As an incentive to provide additional affordable units beyond the minimum 25% affordable unit requirement, the Planning Commission may allow one parking space per unit. Additional parking for incidental retail, where permitted, is not required. The location and layout of the parking may be communal or tandem, or both, pursuant to Planning Commission approval in the following zones: M-1A and M-1B Light Industrial, C-N Commercial-Neighborhood, LBP Local Business Professional, Downtown Specific Plan—CBD- Civic Art District, CBD-Office and CBD Central Bluffs.
- (6) In residential and commercial zones, all living space shall be contiguous with and made an integral part of the working space; however, direct access between living and working areas shall not be required. In the M1-A and M1-B zones, artists' working space shall be located either (i) within a unit and contiguous to and made an integral part of the residential dwelling area, or (ii) detached from the unit structure, 1/3 of which may be communal open outdoor working space.
- (7) The residential dwelling area and working space that comprise an artists' working and living unit shall not be separately rented or sold.
- (8) The layout and design of an artist's working and living development project shall be compatible in character and scale with surrounding areas, as determined by the Planning Commission. Architecture, materials and functionality of development projects shall reflect the use(s) proposed to occupy the unit(s) as well as be compatible with the surrounding neighborhood.
- (9) Architecture and landscaping shall be reviewed by the Planning Commission. Architecture, materials and functionality of development projects shall reflect the uses(s) proposed to occupy the units(s) as well as integration and compatibility with the surrounding neighborhood.
- (10) Employees may be permitted to work at an artist's working and living unit, subject to a Planning Commission determination that adequate parking has been provided for such employees at the location of the artist's working and living unit. In no event, however, may

employees be permitted to work at an artists' working and living unit located in the R-2 and R-3 zones.

(11) Each artist in an artist's working and living unit shall obtain a business license and certificate of use in accordance with Chapter 25.62.

(12) The type(s) of art work(s) produced in an artist's working and living unit shall be consistent in use and compatible with the requirements of the allowable zone in which the artist's working and living unit is located.

(13) In the M1-A and M1-B zones, special consideration shall be given to industrial-type functional design features, such as industrial-size elevators and loading docks, increased floor loads, larger door openings and appropriate electrical, plumbing, heating and ventilation.

(14) Future additions, modifications or enlargements of structures, and modification of sizes of floor areas designated as residential dwelling area and working space shall require review by the Planning Commission and the approval of an amendment to the Conditional Use Permit. Any subsequent change in the approved type(s) of artist(s) and/or art work(s) shall require subsequent review by the Artist Review Panel including artist certification.

(15) The use of materials or mechanical equipment not part of normal household or hobby uses shall be prohibited in the R-2 and R-3 zones.

(16) Whenever an artist's working and living unit is located in the R-2 or R-3 zones, newspaper or other advertising related to business or commercial services, which identifies the address of an artists' working and living unit, located in the R-2 and R-3 zones, shall be prohibited, except that the owner or occupant of the artist's working and living unit may submit an application to the Planning Commission seeking relief from this requirement if the advertising concerning the business or commercial service conducted at the artist's working and living unit does not unreasonably interfere with the authorized uses of the properties in the R-2 or R-3 zones.

(17) Whenever located in the R-2 or R-3 zones, the use of the artist's working and living unit shall not generate excessive pedestrian or vehicular traffic that unreasonably interferes with residences in the area.

(18) Whenever located in the R-2 or R-3 zones, the artist's working and living unit shall not involve the use of commercial vehicles for delivery or pickup of materials or equipment to or from the premises beyond that normal to the residences in the area. An exception may be granted by the Planning Commission, with a condition regulating the frequency, days of the week and hours of delivery and/or pickup.

(19) Storage of materials or supplies indoors or outdoors, for purposes other than those permitted in the allowable zone in which the use is located, shall be prohibited.

(20) The installation of signs or construction of structures, other than those permitted in the allowable zone in which the use is located, shall be prohibited.

(21) The appearance of the approved structure(s) of an artist's working and living unit, and the conduct of the use within the structure, shall comply with the requirements of structures and uses in the applicable zones, including compliance with color, materials, construction, lighting, signs, odors, noises, vibrations, and other similar provisions. In the M-1A and M-1B Zones, the appearance of structures should reflect the functional and practical nature of the light industrial uses in the area.

(22) All uses, storage of hazardous materials and interior/exterior layouts shall be subject to the review and approval of the City's Building Official and Fire Chief.

(23) For artists' working and living development projects that include a subdivision, each of the above-enumerated standards, together with all other conditions imposed by the Conditional Use Permit, shall be set forth in the CC&Rs, and shall be recorded against the property on which an artist's working and living unit is located, after review and approval by the City Attorney. The CC&Rs shall not be amended to eliminate any of the above standards without prior approval by the Planning Commission and the City Council.

(B) Criteria for Minor Retail Function. Minor retail functions, in conjunction with artist's working and living units, may be permissible as determined by provisions of the Conditional Use Permit and subject to the minimum conditions in this section; provided, however, that minor retail functions shall not be allowed in the R-2 Residential Medium Density and R-3 Residential High Density zones.

- (1) Retail functions shall not be approved unless determined by the Planning Commission to be compatible with surrounding uses.
- (2) Retail functions shall be limited to the display and retail sale of art-work created by the artist in the working space of the artists' working and living unit.
- (3) Retail functions shall not occupy more than fifteen percent (15%) of the gross floor area of an artist's working and living unit, including the floor area of the working space if located separately from the unit that contains the residential dwelling area.
- (4) Retail functions shall be integrated into and with the working space.
- (5) Prior to engaging in any retail functions a business license shall be obtained from the City by the artist or the artist's business engaging in the retail functions.

(C) Responsibilities of Owner. Prior to occupancy of an artist's working and living unit that may be rented or sold pursuant to this chapter, the owner of the artists' working and living unit shall notify any and all tenants and/or buyers, of the conditions listed within the applicable Conditional Use Permit and any resolution adopted in connection therewith. This notification shall include the following:

- (1) The approved use at the site is an artist's working and living unit subject to the provisions of this chapter.
- (2) Under the General Plan and adopted zoning, the area in which the use is to be located is principally commercial or industrial zoned and residential uses are considered ancillary to the commercial and industrial zoning of the area. Artist's working and living units located in R-2 and R-3 zones need not include the notification in this subparagraph.
- (3) By selecting this type of residence in a commercial or industrial zone, the tenant acknowledges and accepts by signing an appropriate document, in a form satisfactory to the City Attorney and which is recorded, that there are commercial and industrial conditions, such as traffic, noise, odors, dust and dirt generally found in the area.
- (4) By selecting an artist's working and living unit in an R-2 or R-3 zone, as applicable, the tenant agrees to create art work in such a manner that is compatible with the zone and does not unreasonably interfere with residences in the area including traffic, noise, odors or other environmental impacts.
- (5) The use of the artist's working and living unit may be subject to additional review upon receipt of and verification of written complaints and the use shall terminate immediately upon the expiration, revocation or termination of the conditional use permit. Upon termination of the Conditional Use Permit, the artists' working and living unit may not be used for any purpose

unless the structure and use conform in all aspects to the allowable zoning that applies to property in which the artists' working and living unit is located.

(6) An owner of an artist's working and living unit shall be required to sign an affidavit, punishable under penalty of perjury, that the artist's working and living unit is in compliance with this chapter, including but not limited to that the individual unit is occupied by an in accordance with an Artist Occupancy Permit. This affidavit shall be submitted annually for as long as the Artist Occupancy Permit remains effective. The unauthorized rental of an affordable unit, or the failure of an occupant of an artist's working and living unit to comply with the definition of an "artist" shall be grounds for revocation of the Artist Occupancy Permit and the commencement of appropriate code enforcement proceedings against the occupant, the owner or both.

(7) Upon reasonable notice, the City shall have the right to perform on-site inspections to determine compliance with this chapter and the approved Artist Occupancy Permit and/or Conditional Use Permit.

25.16.060 Performance Standards.

With the exception of the M-1A and M-1B Zones, the following performance standards shall apply to all artist's working and living development projects.

- (A) Noise. The allowable exterior noise levels from the conduct of the approved art use shall comply with the requirements specified in Chapter 7.25.
- (B) Odor. Every artist's working and living unit shall be designed and operated in such a manner that it does not emit an obnoxious odor or fumes beyond the working space.
- (C) Smoke. Every artist's working and living unit shall be designed and operated in such a manner that it does not emit smoke beyond the working space.
- (D) Dust and Dirt. Every artist's working and living unit shall be designed and operated in such a manner that does not emit any dust or dirt beyond the working space.

25.16.070 Findings.

The following findings, in addition to those required by Section 25.04.030, shall be made in support of a decision to approve a Conditional Use Permit for an artist's working and living development project and all artists' working and living units:

- (A) The proposed use at the location requested will not cause an adverse effect to the health, safety or welfare of persons residing or working in the surrounding area or impair the use and enjoyment of surrounding property in the vicinity of the site.
- (B) The proposed site is adequate in size and shape to accommodate the yards, open space, walls, fences, parking and loading facilities, landscaping and other development requirements as required to integrate the use with existing and planned uses in the surrounding area.
- (C) The proposed site is adequately served by highways or streets of sufficient width and improved as necessary to carry the kind and quantity of traffic such use would generate and by other public or private facilities as are required.
- (D) There are sufficient conditions imposed to ensure that the working space and residential dwelling area within each artist's working and living unit are not separately rented or sold.

(E) The type(s) of art work proposed for the artist's working and living unit(s) shall be consistent and compatible with the zoning district requirements within the allowable zoning and with the surrounding neighborhood.

(F) The architecture, materials and functionality of the development reflects the use(s) proposed to occupy the unit(s) which is also integrated and compatible with the surrounding neighborhood.

25.16.080 Enforcement.

It shall be a misdemeanor to violate any provision of this chapter. Without limiting the generality of the forgoing, it shall be a misdemeanor for any person to sell to another person an affordable artists' working and living unit at a price that exceeds the maximum allowable price as required by the City, or to sell an affordable unit to a household not qualified or not determined to be eligible to purchase an affordable unit pursuant to this chapter, or to rent an affordable unit. It shall further be a misdemeanor for any person to provide false or materially incomplete information to the City or to a seller of an affordable unit to obtain occupancy of housing for which he or she is not eligible.

In the event that it is determined that a sales or rental price in excess of that allowed by this chapter has been charged to an income-eligible low or moderate income household purchasing or renting an affordable artist's working and living unit, the City may take legal action as appropriate and available to recover any excess sales or rental costs.

Nothing in this section limits or shall be deemed to limit any other rights or remedies available at law or in equity to the City or any other person or lawfully existing entity.

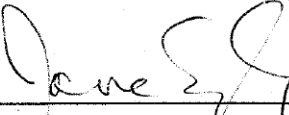
SECTION 4. This Ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the State CEQA Guidelines.

SECTION 5. If any portion of this Ordinance, or the application of any such provision to any person or circumstance, shall be held invalid, the remainder of this Ordinance to the extent it can be given effect, of the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby, and to this extent the provisions of this Ordinance are severable.

SECTION 6. This Ordinance is intended to be of Citywide effect and application. All ordinances and provisions of the Laguna Beach Municipal Code and Sections thereof inconsistent shall be and the same are hereby repealed to the extent of such inconsistency and no further. Furthermore, this ordinance shall apply on a prospective only basis to new projects which require discretionary review and approval.

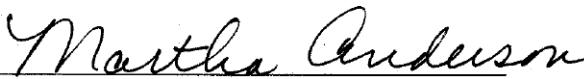
SECTION 7. The City Clerk of the City of Laguna Beach shall certify to the passage and adoption of this Ordinance, and shall cause the same to be published in the manner required by law in the City of Laguna Beach. This Ordinance shall become effective thirty (30) days from and after the date of its adoption by the City Council

ADOPTED this 15th day of May, 2012.



Jane Egly, Mayor

ATTEST:



Martha Anderson, City Clerk

I, Martha Anderson, City Clerk of the City of Laguna Beach, do hereby certify that the foregoing Ordinance No. 1567 was introduced at a regular meeting of the City Council on May 1, 2012, and was finally adopted at a regular meeting of the City Council of said City held on May 15, 2012 by the following vote:

AYES: COUNCILMEMBER(S): Boyd, Iseman, Pearson, Rollinger, Egly

NOES: COUNCILMEMBER(S): None

ABSENT: COUNCILMEMBER(S): None



City Clerk of the City of Laguna Beach, CA

ORDINANCE NO.

**AN ORDINANCE OF THE CITY OF LAGUNA BEACH AMENDING
CHAPTER 25.16 OF THE LAGUNA BEACH MUNICIPAL CODE;
RELATING TO ARTIST LIVE WORK**

WHEREAS, on January 25, 2012 and March 14, 2012, the Planning Commission conducted legally noticed public hearings and, and after reviewing and considering all documents, testimony and other evidence presented, voted to recommend that the City Council adopt amendments to the Artist Live Work provisions of the Municipal Code; and

WHEREAS, the City Council conducted legally noticed public hearings and has reviewed and considered all documents, testimony and other evidence presented;

**NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH DOES
ORDAIN**, as follows:

SECTION 1: Chapter 25.16 ("Artist Live Work") of the Laguna Beach Municipal Code is hereby amended to read in its entirety as follows:

Chapter 25.16 ARTISTS' LIVE/WORK-WORK/LIVE

25.16.010 Intent and Purpose.

25.16.020 Authorization – Conditional Use Permit Required.

25.16.030 Authorization – Artist Occupancy Permit Required. ~~Definitions.~~

25.16.040 ~~Minimum requirements for artists' joint living and working units.~~ Definitions.

25.16.050 ~~Performance Standards~~ Minimum Requirements for Artists' Working and Living Units.

25.16.060 ~~Findings.~~ Performance Standards.

25.16.070 Findings.

25.16.080 Enforcement

25.16.010 Intent and Purpose.

The purpose of this chapter is to provide Laguna Beach artists the opportunity to create art in a combined ~~living and working~~ working and living environment, ~~thereby providing~~ This chapter is intended to facilitate the provision of an affordable lifestyle, for artists of limited or modest income and an incentive to locate and remain in Laguna Beach. ~~It is~~ This chapter is intended to implement the applicable provisions of the General Plan and to promote compatible living and working ~~working and living~~ conditions within a safe and healthy environment on for all properties within the allowable zones. ~~zoned M-1A Light Industrial, C-N Commercial Neighborhood, C-1 Local Business, LBP Local Business Professional, Downtown Specific Plan CBD-3 canyon commercial, CBD Office, CBD Central Bluffs, R-2 Residential Medium Density and R-3 Residential High Density.~~

It is also the intent of this chapter to ensure that artists' live/work developments and projects are compatible with surrounding land uses, and are designed to avoid potential land use conflicts and negative impacts to both artists' live/work -occupants of artists' working and living units and occupants of neighboring properties, and to ensure that the project density will be no greater than the density otherwise allowed in the underlying zone. Project design and materials shall reflect the nature of uses and zones in which they are located. The type of art work created shall be consistent with the allowed uses in the zone in which the unit is located. For example, art work created through welding would be located in Industrial Zones and the creation of poems and screenplays would be located in Commercial or Residential Zones. The sequence in terms in the phrase "working and living" is intended to reflect and signify that the needs of the work component of the unit take precedence over the ancillary residential use of the unit.

25.16.020 Authorization - Conditional Use Permit Required.

Artists' ~~joint living and working~~ working and living units may be developed, rehabilitated, owned, purchased, sold, occupied, rented, operated, maintained and otherwise used and transferred pursuant to this chapter. The development of artist's working and living unit(s) shall be subject to the approval of a Conditional Use Permit as provided set forth in and in accordance with Section 25.05.030. The approval of such Conditional Use Permit shall be subject to the findings set forth specified in Section 25.16.060 in addition to those required by Section 25.05.030. The applicant(s) for a Conditional Use Permit shall be the owner(s) of the real property on which the an artists' live/work working and living units(s) use is proposed to be established, or his/her the owner(s)'s authorized agent.

25.16.030 Authorization - Artist Occupancy Permit Required.

The use and occupancy of an artist's working and living unit shall be for artists and their household. Each artist who proposes to occupy an artist working and living unit shall first obtain written confirmation from the Community Development Director or his/her designee, that the type of proposed art work to be created is appropriate in the proposed zoning designation where the unit is located. A completed application for an Artist Occupancy Permit may then be submitted to the Community Development Department for review and consideration by the Artist Review Panel. In addition, each artist who may potentially occupy an artists working and living unit shall comply with not less than three (3) of the following requirements when submitting a completed application:

(a) Submit evidence of a body of work, created in the last three (3) years, as documented in support materials such as compact disks (CDs), slides, video and/or audio tapes, production photographs, scripts or works of fiction, non-fiction or poetry. Support materials shall be labeled with the artist's name, date of work and any other required information;

(b) Submit evidence that the artist has formal training in the arts, as documented in a resume that summarizes such training;

(c) Submit evidence that the artist has presented his or her work in exhibition, performance, readings or comparable public programming, as documented in a resume, sample programs/invitations, catalogs, press clips or similar official documentation;

(d) Submit three (3) letters of recommendation from artists and/or arts professionals (such as curators, producers or teachers) who are recognized within the arts community and who will attest that the applicant is a working artist as defined below.

Upon submission of a complete application, the Artist Review Panel shall meet within 30 days to review the Artist Occupancy Permit Application and either approve or deny the application. Any decision made by the Artist Review Panel may be appealed to the City Council in accordance with Section 25.05.070. Upon certification by the Artist Review Panel, the artist may submit tenant improvement plans to the Community Development Department for any desired or necessary modifications to the unit for review and approval by the Community Development and the Fire Departments.

25.16.030-040 Definitions.

For the purposes of this chapter, the following terms are defined as:

(A) "Allowable zones" shall mean those zones identified in Section 25.16.050(A)(1).

(AB) "Artist" is shall mean an individual a person who creates art products such as, but not limited to paintings, drawings, sculptures, ceramics, literature, music, dancing or dramatic art as a primary occupation or as a full-time student of the arts produces art as a primary occupation and is engaged and active in one of the following fields:

- 1) Fine Arts – including but not limited to painting drawing, sculpture, book arts, printmaking and mixed media.
- 2) Imaginative Works – including but not limited to literature, poetry, photography, music composition, choreography, cinematography and computer arts.
- 3) Functional Arts – including but not limited to metal, textiles, paper, wood, ceramic, glass and/or plastic objects.
- 4) Performing Arts – including but not limited to singers, dancers, musicians, actors, performance artists; costume lighting, sound and set designers.

B

(C) "Artists' Review Panel" – Shall mean a subcommittee appointed by the City Council, consisting of three (3) members of the City's Arts Commission, one (1) of whom shall be a working artist, established for the purpose of reviewing and certifying each artist who proposes to occupy an artist's working and living unit.

(D) "Artists' working and living development project" shall mean any development project that has one or more artists' working and living units.

(BE) "Artists' joint living and working working and living unit" is shall mean a physically connected dwelling unit and unit that has both working space and residential dwelling area for an artist. The working space and residential dwelling area may be physically connected occupied and utilized by a single housekeeping unit that has been- and may be structurally modified or designed to accommodate ancillary residential occupancy and with the primary use for working activity and which includes the following: (a) The residential dwelling area shall be entirely within the unit and shall have habitable area for residential living, including a complete kitchen space, studio or bedroom sleeping area(s), and bathroom and sanitary facilities; (b) The working space shall be located within the unit, part of exclusive use common area appurtenant to the unit, or a combination of the two, with said working space to be reserved for and regularly used by an artist as a place of work one or more occupants of the unit.

(F) "Residential dwelling area," "residential dwelling space," "living area," or "living space" shall mean that certain area on or in an artists' working and living unit used primarily or exclusively by an artist for residential habitation.

(G) "Working space" or "work space" shall mean that certain area on the site or in an artist's working and living unit used primarily or exclusively for the production of art by the artist.

25.16.040-050 Minimum requirements for artists' joint living and working working and living units.

(A) Development Standards. The development standards of the applicable allowable zone identified in subdivision (1) shall below provide be the basis for development standards for an artist's of artists' joint living and working working and living development project units. In the event of a conflict between the development standards set forth in the applicable allowable zone and the following standards in this chapter, the provisions of this section-chapter shall take precedence. All artists' living and working working and living units shall be designed to comply with applicable building code standards adopted by the city. The type of art work created in an artists' working and living unit shall be consistent with allowable uses and compatible with requirements of the zoning district in which it is located. The City reserves the right to perform on-site inspections to determine compliance with this chapter, the Artist Occupancy Permit and the Conditional Use Permit.

(1) Artists' living and working working and living units are allowed may be developed only in the following zones (collectively, the "allowable zones"), subject to a Conditional Use Permit: M-1A and M-1B Light Industrial, C-N Commercial-Neighborhood, LBP Local Business Professional, Downtown Specific Plan—CBD- Civic Art District, CBD-Office, CBD-Central Bluffs, R-2 Residential Medium Density and R-3 Residential High Density. Artists' working and living units are not allowed in any other zones in the City.

(2) All artists' working and living units shall consist of either a conversion of an existing building or a development as part of a new working and living project. Conversion of an existing building and new construction may be developed as shell construction, with minimum roughed-in facilities as allowed or required by the Building Official. Individual building permits for interior improvements may be obtained by the occupant at a later date and must comply with all permit and inspection requirements of the applicable code in effect at the time of permit application. If an application for a parcel or tract map is proposed as part of the development, it shall be processed, and must be approved by the City in accordance with the California Subdivision Map Act and Title 21 of this Code. Each artist's working and living unit shall be used and occupied by an artist, and his or her household. Each artist's working and living unit shall be used and occupied by a single household.

(23) Unit Size/ for Each Artists' Working and Living Unit, Density Standards and General Provisions.

(a) Minimum unit size shall be five hundred square feet the minimum area required by the California Building Code to accommodate an artists' working and living unit as defined herein.

(b) In all zones except in the M-1A and M-1B Zones, At least thirty percent $\frac{1}{2}$ of the total square footage of the unit shall be allocated to working area and the remainder to living area, in all zones except the zone, in which a minimum of fifty percent of the total square footage of the units shall be allocated to working area and the living area must be located above the ground floor For artist's working and living units located in the M-1-A and M-1B zones, the ratio of working space to residential dwelling area shall be no less than $\frac{2}{3}$ working space and the remainder to living space, whether the working space is attached or detached from the residential dwelling area. If detached, $\frac{1}{3}$ of the work area may be communal open outdoor working space.

(c) Unless otherwise approved as an incentive for providing 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, The density standards applicable to each artist's working and living development project shall be no greater than the density otherwise allowed in the underlying applicable allowable zone.

(d) Building setbacks shall be determined by the Planning Commission, subject to the following:

(i) Building setbacks but in no instance shall be no less than twenty (20) feet from an artist's working and living unit to a where a property line that directly abuts the an R-1 zone. The front, side and rear setbacks specified in the R-2 and R-3 zones shall be the minimum setback applicable to proposed artists' units.

(ii) For artist's working and living units in the M-1 A and M-1B zones, the front, side and rear yard setbacks shall be governed by the minimum setback requirements for property located in the M-1A and M-1B zones, respectively, and subject to clause (i) of this subparagraph.

(iii) For artist's working and living units in an allowable zone other than the M-1A or M-1B zones, the front, side and rear yard setbacks shall be governed by the minimum setback requirements for property located in the R-2 and R-3 zones, and subject to clause (i) of this subparagraph.

(e) Maximum building height shall be that height specified in the applicable allowable zone.

(34) Loading space/dock requirements shall be determined by the Planning Commission based upon the proposed use type of art work to be created and deliveries expected at the artist's working and living unit.

(45) Parking shall be provided in accordance with residential parking standards as indicated in Chapter 25.52, One and one half (1.5) parking spaces shall be provided for each artist's working and living unit in all zones. Additional parking for incidental retail, where permitted, is not required, except that covered parking requirements need not be met The location and layout of the parking may be communal or tandem, or both, pursuant to Planning Commission approval in the following zones: M-1A and M-1B Light Industrial, C-N Commercial-Neighborhood, LBP Local Business Professional, Downtown Specific Plan—CBD-3 canyon commercial Civic Art District, CBD-Office and CBD Central Bluffs.

AS AN INCENTIVE TO PROVIDE ADDITIONAL
AFFORDABLE UNITS BEYOND THE MINIMUM 25%

AFFORDABLE UNIT REQUIREMENT, THE PLANNING COMMISSION
MAY ALLOW ONE PARKING SPACE PER UNIT WORK/LIVE -STRIKEOUT/INSERT VERSION

~~(5) Additional parking shall be provided in accordance with the minor retail function requirements set forth in subsection B of this section.~~

(6) In residential and commercial zones, All living space shall be contiguous with and made an integral part of the working space; however, direct access between living and working areas shall not be required. In the M1-A and M1-B zones, artists' working space shall be located either (i) within a unit and contiguous to and made an integral part of the residential dwelling area, or (ii) detached from the unit structure, 1/3 of which may be communal open outdoor working space.

(7) Living—The residential dwelling area and working spaces that comprise an artists' working and living unit shall not be separately rented or sold separately.

(8) The layout and design of the-an artist's live/work working and living development project shall be compatible in character and scale with surrounding areas, as determined by the Planning Commission. Architecture, materials and functionality of development projects shall reflect the use(s) proposed to occupy the unit(s) as well as be compatible with the surrounding neighborhood.

(9) Subsequent to Planning Commission approval, the projects architectural Architecture design and landscaping plan shall be reviewed by the design-review board-Planning Commission. Architecture, materials and functionality of development projects shall reflect the uses(s) proposed to occupy the units(s) as well as integration and compatibility with the surrounding neighborhood.

(10) Employees may be permitted to work at an artist's working and living unit, subject to a Planning Commission determination that adequate parking has been provided for such employees at the site, but location of the artist's working and living unit. In no event, however, may employees shall be prohibited-permitted to work at an artists' working and living unit located in the R-2 and R-3 zones.

(11) Each artist in an artist's working and living unit shall obtain a business license and A-certificate of use shall be obtained in accordance with Chapter 25.62.

~~(1312)~~ The particular type(s) of art work(s) to be created-produced in an artist's- joint living and working- working and living unit shall be consistent in use and compatible with the neighborhood and allowed uses requirements of the allowable zone in which the artist's working and living unit is located, in the zone and specified within the approved conditional use permit.

(13) In the M1-A and M1-B zones, special consideration shall be given to industrial-type functional design features, such as industrial-size elevators and loading docks, increased floor loads, larger door openings and appropriate electrical, plumbing, heating and ventilation.

(14) Modifications.—Future Aadditions, modifications or enlargements of structures, and modification of sizes of floor areas designated to-living as residential dwelling area and working spaces, or any subsequent change in the approved type(s) of artwork(s), shall require the subsequent review by the Planning Commission and the approval of an amendment to the Conditional Use Permit. Any subsequent change in the approved type(s) of artist(s) and/or art work(s) shall require subsequent review by the Artist Review Panel including artist certification.

(15) The use of materials or mechanical equipment not part of normal household or hobby uses, and not materials or equipment used in the creation of art, shall be prohibited in the R-2 and R-3 zones.

(16) Newspaper advertising-Whenever an artist's working and living unit is located in the R-2 or R-3 zones, newspaper or other advertising related to business or commercial services, which identifies the address of the-an artists' live/work-working and living unit, shall be prohibited-for uses-located in the R-2 and R-3 zones, shall be prohibited, except that the owner or occupant of the artist's working

and living unit may submit an application to the Planning Commission seeking relief from this requirement if the advertising concerning the business or commercial service conducted at the artist's working and living unit does not unreasonably interfere with the authorized uses of the properties in the R-2 or R-3 zones.

(17) ~~The use, w~~Whenever located in the R-2 or R-3 zones, the use of the artist's working and living unit shall not generate excessive pedestrian or vehicular traffic beyond that normal to the~~that unreasonably interferes with residences in the area.~~

(18) ~~The use, w~~Whenever located in the R-2 or R-3 zones, the artist's working and living unit shall not involve the use of commercial vehicles for delivery or pickup of materials or equipment to or from the premises beyond that normal to the residences in the area. An exception may be granted by the Planning Commission, with a condition regulating the frequency, days of the week and hours of delivery and/or pickup.

(19) Storage of materials and/or supplies indoors or outdoors, for purposes other than those permitted in the allowable zone in which the use is located, shall be prohibited.

(20) The installation of signs or construction of structures, other than those permitted in the allowable zone in which the use is located, shall be prohibited.

(21) ~~In no way shall t~~The appearance of the approved structure(s) be altered, or of an artist's working and living unit, and the conduct of the use within the structure be such that the structure may be reasonably recognized as serving a non-residential use (either by, shall comply with the requirements of structures and uses in the applicable zones, including compliance with color, materials, construction, lighting, signs, odors, noises, vibrations, etc.) in the R-2 or R-3 zones and other similar provisions. In the M-1A and M-1B Zones, the appearance of structures should reflect the functional and practical nature of the light industrial uses in the area.

(22) All uses, storage of hazardous materials and interior/exterior layouts shall be subject to the review and approval of the City's Building Official and Fire Chief.

(23) ~~Unprotected openings or non-rated walls less than five feet from the side and rear property lines, except openings adjacent to a street or alley, shall be prohibited.~~

(23) For artists' working and living development projects that include a subdivision, Each of the above-enumerated standards, together with all other conditions imposed on by the Conditional Use Permit, shall be set forth in covenants, conditions and restrictions the CC&Rs, which and shall be recorded with respect to against the property on which an artist's working and living unit is located, after review and approval of by the City Attorney. The CC&Rs shall not be amended to eliminate any of the above standards without prior approval by the Planning Commission and the City Council.

(B) Criteria for Minor Retail Function. Limited-Minor retail functions, in conjunction with artist's joint living and working- working and living units, may be permissible as determined by provisions of the Conditional Use Permit and subject to the minimum conditions outlined below in this section; provided, however, that~~The minor retail functions shall -is not be allowed in the R-2 Residential Medium Density and R-3 Residential High Density zones.~~

(1) Retail functions shall not be approved unless determined by the Planning Commission to be compatible with surrounding uses.

(2) ~~The retail use~~Retail functions shall be limited to the display and retail sale of art-work created by the artist in the -unitworking space of the artists' working and living unit.

(3) ~~Retail functions as specified above shall not occupy more than ten-fifteen percent (15%) of the gross floor area of the an artists' working and living unit, including the floor area of the working space if located separately from the unit that contains the residential dwelling area.~~

(4) ~~Retail space-functions shall be integrated into and with the working space.~~

(5) ~~A- Prior to engaging in any retail functions a eommercial-business license shall be obtained from the City by the artist or the artist's business engaging in the retail functions.~~

~~(6) Commercial parking requirements shall be calculated in accordance with Chapter 25.52, retail use, and in no circumstance shall less than one space be provided.~~

(C) Responsibilities of Owner. Prior to occupancy of ~~the an artist's working and living unit that may be rented or sold pursuant to this chapter, the owner of the artists' working and living unit shall notify any and all tenants and/or buyers, of the conditions listed within the applicable Conditional Use Permit and any resolution adopted in connection therewith.~~ This notification shall include the following:

(1) ~~That the The approved use at the site is an artist's- joint living and working-working and living unit subject to the provisions of this chapter.~~

(2) Under the General Plan and the adopted ~~Zoningzoning~~, the area in which the proposed use is to be located is principally commercial or industrial zoned and residential uses are considered ancillary to the commercial/ and industrial orientation-zoning of the area. ~~Exception: UnitsArtist's working and living units located in R-2 and R-3 zones need not include the notification in this-condition subparagraph.~~

(3) By selecting this type of residence, in a commercial or industrial zone, the tenant acknowledges and accepts, by signing an appropriate document, in a form satisfactory to the City Attorney and which is recorded, that there are commercial/ and industrial conditions, such as traffic, noise, odors, dust and dirt generally found in the area.

(4) By selecting an artist's- joint living and working-working and living unit in an R-2 or R-3 zone, as applicable, the ~~occupant(s) tenant~~ agrees to create art work in such a manner that avoids is compatible with the zone and does not unreasonably interfere with residences in the area including traffic, noise, odors or other environmental impacts, that may disrupt occupants located in the residential zone.

(5) The use of the artist's working and living unit may be subject to additional review upon receipt of and verification of written complaints and will- the use shall terminate immediately upon the expiration, revocation or termination of the conditional use permit. Upon termination of the Conditional Use Permit, the artists' working and living- the unit may not be used for any purpose unless the structure and use conform in all aspects to the underlying allowable zoning that applies to property in which the artists' working and living unit is located.

(6) ~~The An owner of the an artist's- live/work-working and living unit(s) shall be required to sign a statement indicating that such unit(s)an affidavit, punishable under penalty of perjury, that the artist's working and living unit is in compliance with the conditions of this chapter, including but not limited to that the individual unit is occupied by an -and the-related- in accordance with anConditional Use Artist Occupancy Permit. This affidavit shall be submitted annually for as long as the Conditional UseArtist Occupancy Permit remains effective. The unauthorized rental of an affordable unit, or the failure of an occupant of an artist's working and living unit to comply with the definition of an "artist" shall be grounds for revocation of the Artist Occupancy Permit and the~~

commencement of appropriate code enforcement proceedings against the occupant, the owner or both.

(7) Upon reasonable notice, the applicant agrees that upon reasonable notification, the eCity shall have the right to perform on-site inspections to determine compliance with this chapter and the approved Artist Occupancy Permit and/or Conditional Use Permit.

25.16.050-060 Performance Standards.

With the exception of the M-1A and M-1B Zones, the following performance standards shall apply to all artist's joint living and working units and all planned artists' developments projects.

(A) Noise. The allowable exterior noise levels from the conduct of the approved art use shall comply with the requirements specified in Chapter 7.25 of this code.

(B) Odor. Every ~~use~~ artist's working and living unit shall be designed and operated in such a manner that it does not emit an obnoxious odor or fumes beyond the working unit/area space.

(C) Smoke. Every ~~use~~ artist's working and living unit shall be designed and operated in such a manner that it does not emit smoke into the atmosphere beyond the working space.

(D) Dust and Dirt. Every ~~use~~ artist's working and living unit shall be designed and operated in such a manner that it does not emit any dust or dirt into beyond the atmosphere working space.

25.16.060-070 Findings.

The following findings, in addition to those required by Section 25.04.030, shall be made in support of a decision to approve a Conditional Use Permit for an artist's working and living development project and all artists' working and living units:

(A) The proposed use at the location requested will not significantly cause an adverse effect to the health, safety or welfare of persons residing or working in the surrounding area or impair the use and enjoyment of surrounding property in the vicinity of the site.

(1) ~~Cause an adverse effect to the health, safety or welfare of persons residing or working in the surrounding area; or~~

(2) ~~Impair the use and enjoyment of surrounding property in the vicinity of the site.~~

(B) The proposed site is adequate in size and shape to accommodate the yards, open space, walls, fences, parking and loading facilities, landscaping and other development requirements as required to integrate the use with existing and planned uses in the surrounding area; and.

(C) The proposed site is adequately served: by highways or streets of sufficient width and improved as necessary to carry the kind and quantity of traffic such use would generate and by other public or private facilities as are required.

(1) ~~By highways or streets of sufficient width and improved as necessary to carry the kind and quantity of traffic such use would generate; and~~

(2) ~~By other public or private service facilities as are required.~~

(D) There are sufficient conditions imposed to ensure that the living and working spaces and residential dwelling area within each artist's working and living unit are not separately rented or sold.

(E) The type(s) of art work proposed for the artist's working and living unit(s) shall be consistent and compatible with the zoning district requirements within the allowable zoning and with the surrounding neighborhood.

(F) The architecture, materials and functionality of the development reflects the use(s) proposed to occupy the unit(s) which is also integrated and compatible with the surrounding neighborhood.

25.16.080 Enforcement.

It shall be a misdemeanor to violate any provision of this chapter. Without limiting the generality of the forgoing, it shall be a misdemeanor for any person to sell to another person an affordable artists' working and living unit at a price that exceeds the maximum allowable price as required by the City, or to sell an affordable unit to a household not qualified or not determined to be eligible to purchase an affordable unit pursuant to this chapter, or to rent an affordable unit. It shall further be a misdemeanor for any person to provide false or materially incomplete information to the City or to a seller of an affordable unit to obtain occupancy of housing for which he or she is not eligible.

In the event that it is determined that a sales or rental price in excess of that allowed by this chapter has been charged to an income-eligible low or moderate income household purchasing or renting an affordable artist's working and living unit, the City may take legal action as appropriate and available to recover any excess sales or rental costs.

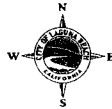
Nothing in this section limits or shall be deemed to limit any other rights or remedies available at law or in equity to the City or any other person or lawfully existing entity.

SECTION 2. This Ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the State CEQA Guidelines.

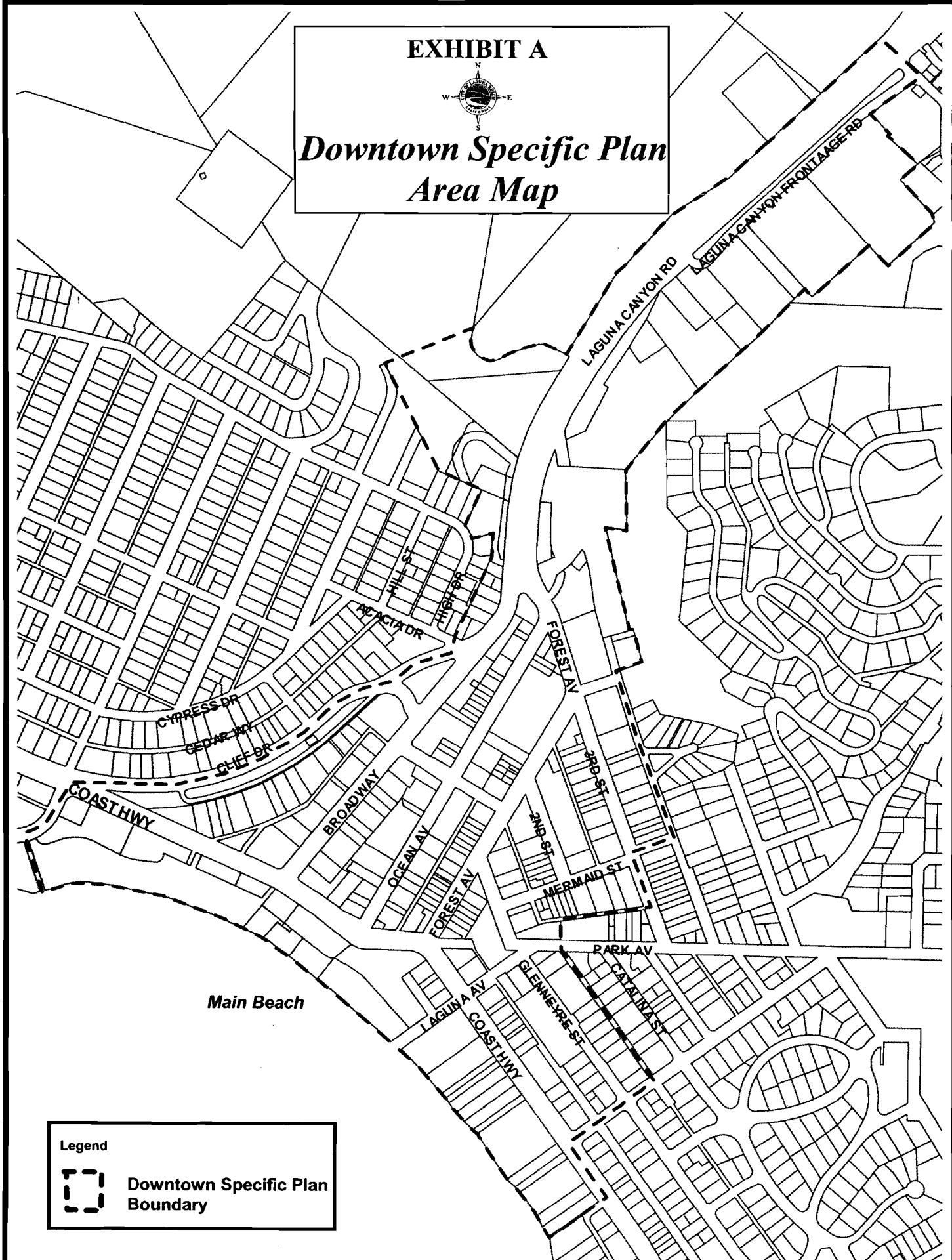
SECTION 3. If any portion of this Ordinance, or the application of any such provision to any person or circumstance, shall be held invalid, the remainder of this Ordinance to the extent it can be given effect, of the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby, and to this extent the provisions of this Ordinance are severable.

SECTION 4. This Ordinance is intended to be of Citywide effect and application. All ordinances and provisions of the Laguna Beach Municipal Code and Sections thereof inconsistent shall be and the same are hereby repealed to the extent of such inconsistency and no further.

EXHIBIT A



Downtown Specific Plan Area Map



Main Beach

Legend



Downtown Specific Plan
Boundary

ORDINANCE NO. 1570

**AN ORDINANCE OF THE CITY COUNCIL OF LAGUNA BEACH,
CALIFORNIA, AMENDING CHAPTER 25.17 OF THE LAGUNA BEACH
MUNICIPAL CODE RELATING TO SECOND RESIDENTIAL UNIT
REGULATIONS**

WHEREAS, on March 28, and April 25, 2012, the Laguna Beach Planning Commission conducted legally noticed public hearings and, after reviewing and considering all documents, testimony and other evidence, voted to recommend that the City Council approve an amendment to Laguna Beach Municipal Code Chapter 25.17 regarding the processing and approval requirements for second residential units as required by State law; and

WHEREAS, on June 5, June 19, and July 17, 2012, the Laguna Beach City Council conducted a legally noticed public hearing and reviewed and considered all documents, testimony and other evidence presented; and

WHEREAS, the Laguna Beach City Council hereby finds that:

- The City receives an extensive influx of visitors during the year, which creates substantial traffic congestion and on-street parking problems, especially on weekends and during warm weather.
- The City is obligated to ensure adequate public and on-street parking for visitors in accordance with California Coastal Act policies.
- The City has zoned substantial areas for multi-family use (R-2 residential medium density and R-3 residential high density zones).
- The City allows residential uses in commercial zones and in the Downtown Specific Plan area.

- The City's multi-family zones are essentially built-out and in many instances exceed the allowable densities of the R-2, Residential Medium Density and R-3, Residential High Density Zones.
- Most of Laguna Beach is located in a very-high fire hazard zone and lost nearly 300 homes in a 1993 firestorm.
- While the preclusion of second residential units in multi-family zones may limit housing opportunities in the region, the factors identified above justify the adoption of such a prohibition in the R-2 and R-3 Zones to avoid the adverse effects on the community resulting from increases in adverse traffic, circulation and parking impacts.
- While the preclusion of parking within five feet of a side lot line may limit on-site parking locations for second residential units, this requirement is consistent with the City's Zoning Ordinance and is justified to ensure public safety access to structures during fires or other emergencies.

NOW, THEREFORE, the City Council of the City of Laguna Beach does ordain as follows:

SECTION 1. Chapter 25.17 ("Second Residential Units") of the Laguna Beach Municipal Code is hereby amended to read in its entirety as follows:

**Chapter 12.17
SECOND RESIDENTIAL UNITS**

Chapter Sections:

- | | |
|------------------|--|
| 25.17.010 | Purpose and intent. |
| 25.17.020 | General provisions. |
| 25.17.030 | Minimum requirements. |
| 25.17.040 | Coastal Development Permits for Second Residential Units. |

25.17.010 Purpose and intent.

In accordance with Sections 65852.1, 65852.2(a) and 65852.2(j) of the Government Code, this chapter is intended to authorize the establishment of second residential units in the R-1 Residential Low Density and R/HP Residential Hillside Protection single-family residential zones,

consistent with all of the provisions of this chapter. The purpose of this chapter is to establish housing opportunities for the community through the provision of second residential units that utilize existing housing resources and existing infrastructure. This chapter prescribes standards for the approval of second residential units to ensure that no avoidable adverse impacts on the public health, safety and general welfare result from the establishment of such units.

25.17.020 General provisions.

For the purposes of this chapter, a second residential unit means an attached or detached dwelling unit that provides complete and independent living accommodations and facilities for one or more persons on lots zoned for single-family residential use and shall be considered ancillary to the main residential building. A second residential unit that conforms to the requirements of this chapter shall not be considered to exceed the allowable density for the lot upon which such unit is proposed to be established and shall be deemed a residential use that is consistent with the existing general plan and zoning designations for the lot.

A second residential unit application shall comply with the standards outlined in this chapter and the zoning district in which the second residential unit is located. In the event of a conflict between the development standards set forth in the zone and the standards of this chapter, the provisions of this chapter shall take precedence.

25.17.030 Minimum Requirements

Each second residential unit approved pursuant to this chapter shall comply with the following standards and criteria:

- (A) The lot on which the second residential unit is proposed shall be zoned for single-family use within either the R-1 or the R/HP zones, and second residential units shall comply with the following criteria.
- (B) A second residential unit may be attached to or detached from the existing dwelling on the building site, with the exception of certain historic structures as described in Section 25.17.030(O). Attached and detached second residential units shall be allowed on lots having a minimum site area of 6,000 square feet, and may range in size from 275 square feet to a maximum of 640 square feet, as follows: The maximum second residential unit size shall be determined by multiplying the square-footage of the building site by seven percent (7%). (For example, a maximum second residential unit size of 420 square feet shall be allowable on a building site of 6,000 square feet, and a maximum second residential unit size of 640 square feet shall be allowable on a building site of 9,142 square feet or more.)
- (C) A second residential unit shall only be constructed in conjunction with or after the construction of a single-family residence on the same building site. An application to establish a second residential unit, whether attached or detached, shall require zoning plan check for compliance with applicable zoning standards and criteria; however, the application shall not be subject to the Design Review Board public hearing and approval process, with the following exceptions: 1) whenever a second residential unit is proposed in conjunction with the construction of a main residence, or in conjunction with construction modifications to an existing main residence that is subject to Design Review, or 2) whenever subsequent

additions and/or exterior modifications to an existing second residential unit is proposed, a Design Review Board public hearing and determination shall be required for the entire project; however, design review shall be limited to issues related to the main residence and subsequent additions/modifications to an existing second residential unit shall not result in the removal of or reduction in the size of the existing second residential unit.

- (D) The design of a second residential unit, including building form, materials, exterior finishes, color scheme and landscaping, shall be compatible with the main residence. A second residential unit shall be clearly subordinate to the main residence on the site by size, location and appearance, and the floor area of the second residential unit shall comprise no more than fifty (50) percent of the main residence floor area, up to the maximum set forth in Section 25.17.030(B).
- (E) The second residential unit application shall include a written summary explaining how the proposed second residential unit has been designed to comply with the City's Residential Design Guidelines.
- (F) The creation of a second residential unit through conversion of part or all of the existing floor area of the main residence shall be allowed provided that it complies with the standards outlined in this chapter and that the floor area of the second residential unit shall be no more than fifty (50) percent of the main residence floor area, up to the maximum set forth in Section 25.17.030(B).
- (G) An attached or detached second residential unit shall be limited to a single story and shall be no more than 12 feet above the adjacent grade elevation, including chimneys, skylights and other rooftop equipment. This height limitation shall not apply to the establishment of a ~~second residential unit within an existing structure, provided that no exterior building~~ additions, including new exterior above-grade stairs, are proposed. The addition of windows and doors shall be allowed in existing walls.
- (H) The second residential unit shall meet all applicable building and construction requirements set forth in Titles 14 and 17, and the zoning requirements of Title 25.
- (I) No more than one second residential unit shall be permitted on a single lot. At no time shall a lot contain a second residential unit and a guest house or guest room concurrently.
- (J) A minimum of one off-street parking space shall be provided on-site for a second residential unit, with the exception of low- or moderate-income second residential units as set forth in Sections 25.17.030(R) and (S). The required parking space may be uncovered and shall not be located closer than five feet to a side property line or within a required on-site turnaround area.
- (K) The main residence shall comply with the parking regulations set forth in Chapter 25.52, or other such applicable regulations, and shall have no less than two covered parking spaces at the time a second residential unit is developed/established.

- (L) A lot on which a second residential unit is proposed shall abut and have the right to the use of a street improved to the standards of design set forth in Chapter 21.12. A paved turnaround area or a device that enables motor vehicles to head into the street shall be provided in compliance with Section 25.53.004(C) whenever a second residential unit is proposed on any lot fronting on an arterial or a primary residential collector street.
- (M) A second residential unit shall utilize the same vehicular access that serves the main residence. If the lot abuts an alley, or is a "through lot" or a "corner lot" as defined in Section 25.08.022, access for both the main residence and the second residential unit shall be limited to one point or side of the lot for both dwelling units. The driveway approach or access ramp serving both residences shall be no more than 20 feet wide (excluding the driveway apron, if required) unless it is wider than 20 feet prior to the establishment of a second residential unit, in which case it shall not be widened further.
- (N) The building site coverage limitation shall include all structures, including the main residence, the second residential unit, garages, etc. The totality of the structure(s) on the lot shall not exceed the allowable building site coverage specified in the zone in which the second residential unit is proposed.
- (O) Second residential units shall not be attached to any "E" Exceptional or "K" Key rated historic structure, or to any structure listed on the Historic Register.
- (P) The addresses of both the main residence and second residential unit shall be clearly visible from the street.
- (Q) A second residential unit shall not be rented for less than 30 days, and shall not be converted at any time to short-term lodging pursuant to Chapter 25.23, as otherwise allowed in the R-1 zone.
- (R) All City building, planning, and zoning fees shall be refunded at the time of building permit finalization for the development of any second residential unit that the property owner limits by deed restriction, covenant and/or other instrument satisfactory to the City, to occupancy by low-income households for a minimum of 55 years, based on the income limits and applicable rental rates established annually by the State of California. As an additional incentive, no parking shall be required for low-income second residential units, provided that the main residence complies with Section 25.17.030(J). The City may impose conditions and penalties for noncompliance with the affordability restrictions, and such conditions may include monitoring and reporting requirements. The deed restriction, covenant and/or other instrument shall be approved by the City Attorney prior to recordation, and such restrictions shall not be amended or removed without the prior approval of the City Council.
- (S) Fifty percent of all City building, planning, and zoning fees shall be refunded at the time of building permit finalization for the development of any second residential unit that the property owner limits by deed restriction, covenant and/or other instrument satisfactory to the City, to occupancy by moderate-income households for a minimum of 55 years, based

on the income limits and applicable rental rates established annually by the State of California. As an additional incentive, no parking shall be required for second residential units, provided that the main residence complies with Section 25.17.030(J). The City may impose conditions and penalties for noncompliance with the affordability restrictions, and such conditions may include monitoring and reporting requirements. The deed restriction, covenant and/or other instrument shall be approved in form and content by the City Attorney prior to recordation, and such restrictions shall not be amended or removed without the prior approval of the City Council.

12.17.040 Coastal development permits for second residential units. All of the provisions of Chapter 25.07 regarding the review and approval of coastal development permits in relation to second residential units are applicable, except that a public hearing as required by Sections 25.07.012(D) and (E) shall not be required. Public notice shall be provided as required in Section 25.07.014, except that the requirements of Section 25.07.014(B)(5) and (6) shall be replaced with a statement that no local public hearing will be held and that written comments on the proposed development may be submitted. The coastal development permit review criteria of Section 25.07.012(F)(1) through (9) shall be incorporated into the review of all second residential unit applications. Coastal development permit applications shall only be approved if the city's approving authority has reviewed the second residential unit development application and made the findings specified in Section 25.07.012(G).

Notwithstanding the local appeal provisions of Sections 25.05.070 and 25.07.016(A) or Chapter 2.02, coastal development permits for proposed second residential units that are defined as "appealable development" pursuant to Section 25.07.006(A) may be appealable to the coastal commission in accordance with the provisions of Section 25.07.014(B) without a discretionary appeal hearing by the city council.

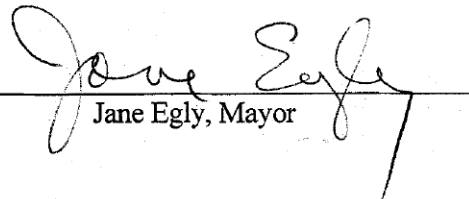
SECTION 2. The City Council finds that the adoption of this Ordinance is exempt from the provisions of the California Environmental Quality Act pursuant to Public Resources Code Section 21080.17 and Section 15282 of the State CEQA Guidelines, in that this Ordinance relates to the adoption of regulations for second residential units in single-family residential zones to implement the provisions of Sections 65852.1 and 65852.2 of the Government Code.

SECTION 3. This Ordinance is intended to be of Citywide effect. All ordinances and provisions of the Laguna Beach Municipal Code and Sections thereof inconsistent herewith shall be hereby repealed to the extent of such inconsistency and no further.

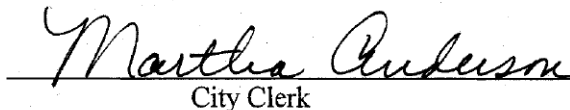
SECTION 4. This Ordinance shall take effect and be in full force and effect thirty days after the final approval by the City Council.

SECTION 5. The City Clerk of the City of Laguna Beach shall certify to the passage and adoption of this Ordinance, and shall cause the same to be published or posted as required by law in the City of Laguna Beach. This Ordinance shall become effective thirty (30) days from and after the date of its adoption by the City Council.

ADOPTED this 17th day of July, 2012.

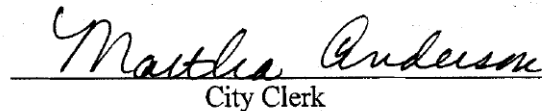

Jane Egly, Mayor

ATTEST:


City Clerk

I, Martha Anderson, City Clerk of the City of Laguna Beach, do hereby certify that the foregoing Ordinance No. 1570 was introduced at a regular meeting of the City Council on June 5, 2012 and was finally adopted at a regular meeting of the City Council of said City held on July 17, 2012, by the following vote:

AYES:	COUNCILMEMBER(S):	Boyd, Pearson, Rollinger, Egly
NOES:	COUNCILMEMBER(S):	Iseman
ABSENT:	COUNCILMEMBER(S):	None


City Clerk

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RESOLUTION NO. 12.062

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH, CALIFORNIA ADOPTING LOCAL COASTAL PROGRAM AMENDMENT 11-07 REGARDING MUNICIPAL CODE CHAPTER 25.17 (SECOND RESIDENTIAL UNITS) AND REQUESTING ITS CERTIFICATION BY THE COASTAL COMMISSION.

WHEREAS, after notice duly given pursuant to Government Code Section 65090 and Public Resources Code Sections 30503 and 30510, the Planning Commission of the City of Laguna Beach held public hearings to consider the adoption of Laguna Beach Local Coastal Program Amendment No. 11-07, and such amendment was recommended to the City Council for adoption; and

WHEREAS, the City Council after giving notice as described by law, held at least one public meeting regarding the proposed Laguna Beach Local Coastal Program Amendment No. 11-07, and the City Council finds that the proposed amendment is consistent with the Certified Laguna Beach Coastal Land Use Plan and Chapter 6 of the California Coastal Act; and

WHEREAS, the City Council of the City of Laguna Beach intends to implement the Local Coastal Program in a manner fully consistent with the California Coastal Act.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH DOES RESOLVE AND ORDER as follows:

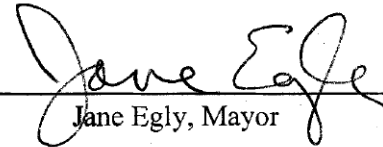
SECTION 1. That Laguna Beach Local Coastal Program Amendment No. 11-07 is hereby approved, consisting of an amendment to the second residential unit provisions of Municipal Code Chapter 25.17. A copy of the aforesaid ordinance is attached hereto as Exhibit "A" and is incorporated by reference as though fully set forth herein.

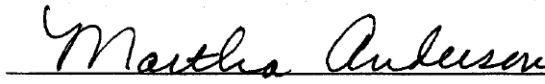
1 **SECTION 2.** That the California Coastal Commission is hereby requested to
2 consider, approve and certify Local Coastal Program Amendment 11-07.

3 **SECTION 3.** That pursuant to Section 13551(b) of the Coastal Commission
4 Regulations, Laguna Beach Local Coastal Program Amendment No. 11-07 will take effect
5 automatically upon Coastal Commission approval, as provided in Pubic Resources Code
6 Sections 30512, 30513 and 30519.
7

8 ADOPTED this 17th day of July, 2012.

9
10
11 ATTEST:


Jane Egly, Mayor


12
13 
14 City Clerk

15 I, MARTHA ANDERSON, City Clerk of the City of Laguna Beach, California, do
16 hereby certify that the foregoing Resolution No. 12.062 was duly adopted at a Regular
17 Meeting of the City Council of said City held on July 17, 2012, by the following vote:

18 AYES: COUNCILMEMBER(S): Boyd, Pearson, Rollinger, Egly

19 NOES COUNCILMEMBER(S): Iseman

20 ABSENT COUNCILMEMBER(S): None
21

22 
23 City Clerk of the City of Laguna Beach, CA
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- The City's multi-family zones are essentially built-out and in many instances exceed the allowable densities of the R-2, Residential Medium Density and R-3, Residential High Density Zones.
- Most of Laguna Beach is located in a very-high fire hazard zone and lost nearly 300 homes in a 1993 firestorm.
- While the preclusion of second residential units in multi-family zones may limit housing opportunities in the region, the factors identified above justify the adoption of such a prohibition in the R-2 and R-3 Zones to avoid the adverse effects on the community resulting from increases in adverse traffic, circulation and parking impacts.
- While the preclusion of parking within five feet of a side lot line may limit on-site parking locations for second residential units, this requirement is consistent with the City's Zoning Ordinance and is justified to ensure public safety access to structures during fires or other emergencies.

NOW, THEREFORE, the City Council of the City of Laguna Beach does ordain as follows:

SECTION 1. Chapter 25.17 ("Second Residential Units") is hereby amended to read in its entirety as follows:

Chapter 12.17 SECOND RESIDENTIAL UNITS

Chapter Sections:

- 25.17.010 Purpose and intent.**
- 25.17.020 General provisions.**
- 25.17.030 Minimum requirements.**
- 25.17.040 Coastal Development Permits for Second Residential Units.**

25.17.010 Purpose and intent.

In accordance with Sections 65852.1, 65852.2(a) and 65852.2(j) of the Government Code, this chapter is intended to authorize the establishment of second residential units in the R-1 Residential Low Density and R/HP Residential Hillside Protection single-family residential zones,

consistent with all of the provisions of this chapter. The purpose of this chapter is to establish housing opportunities for the community through the provision of second residential units that utilize existing housing resources and existing infrastructure. This chapter prescribes standards for the approval of second residential units to ensure that no avoidable adverse impacts on the public health, safety and general welfare result from the establishment of such units.

25.17.020 General provisions.

For the purposes of this chapter, a second residential unit means an attached or detached dwelling unit that provides complete and independent living accommodations and facilities for one or more persons on lots zoned for single-family residential use and shall be considered ancillary to the main residential building. A second residential unit that conforms to the requirements of this chapter shall not be considered to exceed the allowable density for the lot upon which such unit is proposed to be established and shall be deemed a residential use that is consistent with the existing general plan and zoning designations for the lot.

A second residential unit application shall comply with the standards outlined in this chapter and the zoning district in which the second residential unit is located. In the event of a conflict between the development standards set forth in the zone and the standards of this chapter, the provisions of this chapter shall take precedence.

25.17.030 Minimum Requirements

Each second residential unit approved pursuant to this chapter shall comply with the following standards and criteria:

(A) The lot on which the second residential unit is proposed shall be zoned for single-family use within either the R-1 or the R/HP zones.

(B) A second residential unit may be attached to or detached from the existing dwelling on the lot, subject to the following criteria:

(1) ~~Attached second residential units shall be allowed on lots having a minimum area of 6,000 square feet, and shall be a minimum size of 300 square feet and a maximum size as follows:~~

a) ~~6,000—6,200 square foot lots: attached second residential units shall not exceed 450 gross square feet.~~

b) ~~6,201—6,500 square foot lots: attached second residential units shall not exceed 550 gross square feet.~~

c) ~~6,501—6,999 square foot lots: attached second residential units shall not exceed 600 gross square feet.~~

d) ~~7,000 square foot lots or larger: attached second residential units shall not exceed 640 gross square feet.~~

(2) ~~Detached second residential units shall be allowed on lots having a minimum area of 7,000 square feet, and shall be a minimum size of 300 square feet and a maximum size as follows:~~

- a) ~~7,000—7,500 square foot lots; detached second residential units shall not exceed 450 gross square feet.~~
 - b) ~~7,501—8,000 square foot lots; detached second residential units shall not exceed 510 gross square feet.~~
 - e) ~~8,001—8,500 square foot lots; detached second residential units shall not exceed 570 gross square feet.~~
 - d) ~~8,501 square foot lots or larger; detached second residential units shall not exceed 640 gross square feet.~~
- (1) Attached second residential units between 300 square feet and 1,000 square feet shall be allowed on lots having a minimum site area of 6,000 square feet, with the exception of certain historic structures as described in Section 25.17.030(N). The maximum attached second residential unit size shall be determined by multiplying the square-footage of the building site by eight percent (8%). (For example, a maximum attached second residential unit size of 480 square feet is allowable on a building site of 6,000 square feet, and a maximum attached second residential unit size of 1,000 square feet is allowable on a building site of 12,500 square feet or more.)
- (2) Detached second residential units between 300 square feet and 1,000 square feet shall be allowed on lots having a minimum area of 7,000 square feet. The maximum detached second residential unit size shall be determined by multiplying the square-footage of the building site by six and one-half percent (6.5%). (For example, a maximum detached second residential unit size of 455 square feet is allowable on a building site of 7,000 square feet, and a maximum detached second residential unit size of 1,000 square feet is allowable on a building site of 15,380 square feet or more.
- (C) A second residential unit shall only be constructed in conjunction with or after the construction of a single-family residence on the same property. An application to establish a second residential unit, whether attached or detached, shall require zoning plan check for compliance with applicable zoning standards and criteria; however, the application shall not be subject to the Design Review Board public hearing and approval process, with the following exceptions: 1) whenever a second residential unit is proposed in conjunction with the construction of a main residence, or in conjunction with construction modifications to an existing main residence that is subject to Design Review, or 2) whenever subsequent additions and/or exterior modifications to an existing second residential unit is proposed, a Design Review Board public hearing and determination shall be required for the entire project; however, design review shall be limited to issues related to the main residence and subsequent additions/modifications to an existing second residential unit shall not result in the removal of or reduction in the size of the existing second residential unit.
- (D) The design of a second residential unit, including building form, materials, exterior finishes, color scheme and landscaping, shall be compatible with the main residence. A second residential unit shall be clearly subordinate to the main residence on the site by size, location, and appearance, and the floor area of the second residential unit shall comprise no more than

fifty (50) percent of the main residence floor area, up to the maximum set forth in Sections 25.17.030(B)(1) or (2).

- (E) The creation of a second residential unit through conversion of part or all of the existing floor area of the main residence shall be allowed provided that it complies with the standards outlined in this chapter and that the floor area of the second residential unit shall be no more than fifty (50) percent of the main residence floor area, up to the maximum set forth in Sections 25.17.030(B)(1) or (2).
- (F) An attached or detached second residential unit shall be limited to a single story and shall be no more than 12 feet above the adjacent grade elevation, including chimneys, skylights and other rooftop equipment. This height limitation shall not apply to the establishment of a second residential unit within an existing residence, provided that no exterior building additions, including new exterior above-grade stairs, are proposed. The addition of windows and doors shall be allowed in existing walls.
- (G) The second residential unit shall meet all applicable building and construction requirements set forth in Titles 14 and 17, and the zoning requirements of Title 25.
- (H) No more than one second residential unit shall be permitted on a single lot. At no time shall a lot contain a second residential unit and a guest house or guest room concurrently.
- (I) A minimum of one off-street parking space shall be provided on-site for a second residential unit of 640 square feet or less, with the exception of low- or moderate-income second residential units, as set forth in Sections 25.17.030(Q) and (R). A second off-street parking space shall be provided on-site for second residential units more than 640 square feet. The required parking space(s) may be uncovered and shall not be located closer than five feet to a side property line or within a required on-site turnaround area.
- (J) The main residence shall comply with the parking regulations set forth in Chapter 25.52, or other such applicable regulations, and shall have no less than two covered parking spaces at the time a second residential unit is developed/established.
- (K) A lot on which a second residential unit is proposed shall abut and have the right to the use of a street improved to the standards of design set forth in Chapter 21.12. A paved turnaround area or a device that enables motor vehicles to head into the street shall be provided in compliance with Section 25.53.004(C) whenever a second residential unit is proposed on any lot fronting on an arterial or a primary residential collector street.
- (L) A second residential unit shall utilize the same vehicular access that serves the main residence. If the lot abuts an alley, or is a "through lot" or a "corner lot" as defined in Section 25.08.022, access for both the main residence and the second residential unit shall be limited to one point or side of the lot for both dwelling units. The driveway approach or access ramp serving both residences shall be no more than 20 feet wide (excluding the driveway apron, if required) unless it is wider than 20 feet prior to the establishment of a second residential unit, in which case it shall not be widened further.

- (M) The building site coverage limitation shall include all structures, including the main residence, the second residential unit, garages, etc. The totality of the structure(s) on the lot shall not exceed the allowable building site coverage specified in the zone in which the second residential unit is proposed.
- ~~(N) One of the residential dwellings on a lot on which a second residential unit is proposed shall be for the exclusive occupancy of the owner of the lot and shall not be rented or leased as long as the second residential unit exists.~~
- (N) Second residential units shall not be attached to any "E" Exceptional or "K" Key rated historic structure or to any structure listed on the Historic Register.
- (O) The addresses of both the main residence and second residential unit shall be clearly visible from the street.
- (P) A second residential unit shall not be rented for less than 30 days, and shall not be converted at any time to short-term lodging pursuant to Chapter 25.23, as otherwise allowed in the R-1 zone.
- (Q) All City building, planning, and zoning fees shall be refunded at the time of building permit finalization for the development of any second residential unit that the property owner limits by deed restriction, covenant and/or other instrument satisfactory to the City, to occupancy by low-income households for a minimum of 55 years, based on the income limits and applicable rental rates established annually by the State of California. As an additional incentive, no parking shall be required for low-income second residential units of 640 square feet or less and one on-site parking space shall be required for second residential units more than 640 square feet, provided that the main residence complies with Section 25.17.030(J). The City may impose conditions and penalties for noncompliance with the affordability restrictions, and such conditions may include monitoring requirements. The deed restriction, covenant and/or other instrument shall be approved by the City Attorney prior to recordation, and such restrictions shall not be amended or removed without the subsequent approval of the City Council.
- (R) Fifty percent of all City building, planning, and zoning fees shall be refunded at the time of building permit finalization for the development of any second residential unit that the property owner limits by deed restriction, covenant and/or other instrument satisfactory to the City, to occupancy by moderate-income households for a minimum of 55 years, based on the income limits and applicable rental rates established annually by the State of California. As an additional incentive, no parking shall be required for second residential units of 640 square feet or less and one on-site parking space shall be required for second residential units more than 640 square feet, provided that the main residence complies with Section 25.17.030(J). The City may impose conditions and penalties for noncompliance with the affordability restrictions, and such conditions may include monitoring requirements. The deed restriction, covenant and/or other instrument shall be approved by the City Attorney prior to recordation, and such restrictions shall not be amended or removed without the subsequent approval of the City Council.

(S) The second residential unit application shall include a written summary explaining how the proposed second residential unit has been designed to comply with the City's Residential Design Guidelines.

- ~~(A) The second residential unit shall meet all applicable building and construction requirements set forth in Titles 14 and 17 that apply to the construction of single family detached dwellings, as appropriate, including but not limited to sewer and utility services.~~
- ~~(B) No more than one second residential unit shall be permitted on a single lot.~~
- ~~(C) The lot on which the second residential unit is proposed to be established shall only contain an existing single family dwelling. At no time shall the lot be allowed to contain a guest house or guest room and second residential unit concurrently.~~
- ~~(D) The lot on which the second residential unit is proposed shall be zoned for single family use (R1, residential low density or R/HP, residential hillside protection zones).~~
- ~~(E) Where the existing single family dwelling on the lot constitutes a nonconforming structure, any second residential unit shall be subject to the provisions of Chapter 25.56.~~
- ~~(F) The residential dwelling and proposed second residential unit shall comply with the parking regulations set forth in Chapter 25.52 or other such applicable regulations.~~
- ~~(G) The second residential unit may be rented but may not be sold separately from the residential dwelling on the lot.~~
- ~~(H) The second residential unit may be attached to or detached from the existing dwelling on the lot. Detached second residential unit shall comply with the following Development standards:
 - ~~(1) Such unit shall utilize the same vehicular access which serves the existing dwelling unit. If the parcel is a "through lot" as defined in Section 25.08.022, access for both the single family home and the second residential unit shall be limited to one point or side of the lot for both dwelling units;~~
 - ~~(2) The lot shall have a minimum area of nine thousand square feet.~~~~
- ~~(I) The design of the second residential unit shall be subject to the design review regulations set forth in Section 25.05.040. The design of the second residential unit should be such that the subject property maintains a single family appearance.~~
- ~~(J) Except as otherwise specifically provided, additions to the existing residential dwelling for the purpose of establishing a second residential unit shall comply with the zoning requirements and property development standards for the zone within which the lot is located and in effect at the time the application is accepted as complete. This compliance shall include any regulations concerning maximum lot or building site coverage.~~

- ~~(K) The lot on which the second residential unit is proposed to be established shall abut and have the right to the use of a street improved to the standards of design set forth in Chapter 21.12.~~
- ~~(L) One of the residential dwellings on a lot on which the second residential unit is proposed to be established shall be for the exclusive occupancy of the owner of the lot and shall not be rented or leased as long as the second residential unit exists.~~
- ~~(M) A minimum of one covered and one uncovered off street parking space shall be provided for the second residential unit in addition to whatever number of parking spaces is required to be provided for the existing single family dwelling on the lot.~~
- ~~(N) The lot on which the second residential unit is proposed to be established must comply with the existing minimum lot size requirements of the zone in which the lot is located in effect at the time the application for a second residential unit is accepted as complete.~~
- ~~(O) The floor area of any new exterior construction proposed for a second residential unit application including, but not limited to, additions to the existing single family residence and construction of a detached structure shall not exceed six hundred forty square feet.~~
- ~~(P) The property on which the second residential unit is proposed shall include a single family residence. (Ord. 1427 1 (part), 2003).~~

12.17.040 Coastal development permits for second residential units. All of the provisions of Chapter 25.07 regarding the review and approval of coastal development permits in relation to second residential units are applicable, except that a public hearing as required by Sections 25.07.012(D) and (E) shall not be required. Public notice shall be provided as required in Section 25.07.014, except that the requirements of Section 25.07.014(B)(5) and (6) shall be replaced with a statement that no local public hearing will be held and that written comments on the proposed development may be submitted. The coastal development permit review criteria of Section 25.07.012(F)(1) through (9) shall be incorporated into the review of all second residential unit applications. Coastal development permit applications shall only be approved if the city's approving authority has reviewed the second residential unit development application and made the findings specified in Section 25.07.012(G).

Notwithstanding the local appeal provisions of Sections 25.05.070 and 25.07.016(A) or Chapter 2.02, coastal development permits for proposed second residential units that are defined as "appealable development" pursuant to Section 25.07.006(A) may be appealable to the coastal commission in accordance with the provisions of Section 25.07.014(B) without a discretionary appeal hearing by the city council.

Hotels/Motels in Laguna Beach

Name	Address	No. of Rooms	Room Rates
Aliso Creek Inn	31106 Coast Hwy	62	\$89-\$369
Arabella Laguna	506 N Coast Hwy	8	\$142-\$377
Art Hotel	1404 N Coast Hwy	28	\$83-\$174
Best Western Laguna Brisas	1600 S Coast Hwy	66	\$99-\$399
Capri Laguna Inn	1441 S Coast Hwy	50	\$109-\$425
Carriage House	1322 Catalina St	6	\$160-\$225
Casa Laguna Inn & Spa	2510 S Coast Hwy	22	\$159-\$649
Coast Inn			
Crescent Bay Inn	1435 N Coast Hwy	29	\$69-\$159
Holiday Inn	696 S Coast Hwy	54	\$109-\$329
Hotel Laguna	425 S Coast Hwy	65	\$130-\$350
Hotel Seven4One	741 S Coast Hwy	12	\$2500-\$8500 (entire location overnight)
Inn at Laguna Beach	211 N Coast Hwy	70	\$199-\$529
InVogue	690 S Coast Hwy	14	\$133-\$399
La Casa Del Camino	1289 S Coast Hwy	36	\$129-\$329
Laguna Beach Inn	2020 S Coast Hwy	24	\$149-\$209
Laguna Beach Motor Inn	985 N Coast Hwy	22	\$79-\$159
Laguna Cliffs Inn	475 N Coast Hwy	36	\$149-\$389
Laguna Riviera Beach Resort	825 S Coast Hwy	41	\$123-\$435
Laguna Shores	419 N Coast Hwy	35	\$117-\$175
Laguna Surf	611 S Coast Hwy	25	\$185-\$400
Manzanita Cottages	732 Manzanita Dr	5	\$185-\$360
Montage	30801 Coast Hwy	250	\$495-\$1095, \$6500 (villa)
Pacific Edge Hotel	647 S Coast Hwy	129	\$79-\$400
Seacliff Laguna Inn	1661 S Coast Hwy	27	\$110-\$255
Sunset Cove Villas	683 Sleepy Hollow Dr	8	\$235-\$695
Surf & Sand Resort	1555 S Coast Hwy	167	\$495-\$705
The Tides Inn	460 N Coast Hwy	21	\$89-\$285
Travelodge	30806 Coast Hwy	43	\$99-\$240