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F19b

Prepared May 21, 2015 for June 12, 2015 Hearing

To: Commissioners and Interested Persons

From: Susan Craig, District Manager
Kevin Kahn, District Supervisor

Subject: City of Pismo Beach LCP Amendment Number LCP-3-PSB-14-0830-3 (PDP and Affordable Housing)

SUMMARY OF STAFF RECOMMENDATION

The City of Pismo Beach proposes amendments to the Implementation Plan (IP) component of its certified Local Coastal Program (LCP) primarily to facilitate the development of affordable housing. First, affordable housing is proposed as a newly allowable use within the Retail Commercial (C-1) zoning district. Next, the amendment proposes a new Planned Development Permit (PDP) process to allow greater flexibility in site planning and design than that afforded by strict application of conventional zoning regulations in order to facilitate affordable housing, more innovative and desirable projects, and the efficient use of land. The amendment lists twelve types of projects that are defined as “outstanding development” that may be allowed flexibility of certain site development standards, such as affordable housing and development that provides additional amenities, including additional open space and public recreational amenities. The development standards from which outstanding development may seek flexibility include front, side, and rear setbacks in residential zoning districts; building heights in commercial and industrial areas; parking and loading requirements; lot coverage and floor area ratio standards; and lot size and width standards; all with specified maximums on the amount of flexibility allowed. For PDP approvals, the reviewing authority must make affirmative findings, including that: 1) the proposed development is allowable in the zoning district and meets all other applicable LCP standards; 2) there is a nexus between the outstanding development quality and the development standard flexibility being sought; 3) the development standards have been varied to the minimum extent necessary; and 4) the project’s design and configuration do not negatively impact coastal resources. Finally, the amendment adds a definition of “coastal resources” to the IP.

The proposed IP amendment in general is in conformance with and adequately implements the Land Use Plan’s policies. First, the amendment’s primary impetus to encourage affordable housing is consistent with both Land Use Plan and Coastal Act policies, since both seek to ensure that affordable housing is provided within the coastal zone. Furthermore, the

amendment's overall intention of proactively fostering infill development more broadly is consistent with the Coastal Act and Land Use Plan's policies that encourage new development to be located within existing developed areas, such as urbanized Pismo Beach. Furthermore, potential issues emanating from the potentially allowed development standard deviations, including the LUP's critically important public view, hazard setback, and coastal access protections, are addressed by the amendment's requirement that no deviation is allowed from Land Use Plan policies (the LUP is identified in the proposed amendment as the General Plan/Local Coastal Plan) or from the IP's overlay zone standards that help implement those policies. In essence, the PDP process is not allowed to circumvent the Land Use Plan's policies that protect Pismo Beach's specific sensitive coastal resources.

However, while the PDP process does not allow deviations from LUP policies, it would allow deviations from certain IP standards, and deviations from some of those more specific IP standards could result in development that is inconsistent with the LUP's more general policies. Modifications are therefore suggested to ensure that the IP, as amended, is consistent with and is still adequate to carry out the LUP. First, a suggested modification is added to limit affordable housing to the upper floors of C-1 buildings, as required by the LUP. Second, a suggested modification is added to state that there cannot be any relaxation of required parking available for public coastal access. Third, while the amendment lists lot size as a type of development standard that may be reduced, such an allowance could have large coastal resource impacts, including a doubling of density in certain zoning districts. Since the PDP process is meant to allow for minor deviations in zoning standards, not large increases in the amount of development potential in the coastal zone, a suggested modification deletes the lot size deviation allowance. Finally, other modifications help clarify certain terms, more clearly articulate required reviewing authority findings, require the PDP to be processed in conjunction with and as part of the required CDP process, and fix minor typographical errors. Overall, these suggested modifications add further clarity to the PDP process, and ensure that it does not lead to any inconsistencies with the LUP.

Staff has worked very closely with City staff on the proposed amendment and the suggested modification language, and the City has indicated it is in agreement with the staff recommendation. Staff recommends that the Commission approve the LCP amendment with suggested modifications. The required motions and resolutions to implement this recommendation begin on page 4 below.

Staff Note: LCP Amendment Action Deadline

This proposed LCP amendment was filed as complete on April 20, 2015. The proposed amendment affects the Implementation Plan (IP), and the 60-day action deadline is June 19, 2015. Thus, unless the Commission extends the action deadline (it may be extended by up to one year), the Commission has until June 19, 2015 to take a final action on this LCP amendment.

TABLE OF CONTENTS

I. MOTIONS AND RESOLUTIONS	4
II. SUGGESTED MODIFICATIONS	5
III. FINDINGS AND DECLARATIONS.....	5
A. DESCRIPTION OF PROPOSED LCP AMENDMENT	5
B. CONSISTENCY ANALYSIS.....	6
C. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)	10

EXHIBITS

Exhibit 1: Proposed IP Amendment

Exhibit 2: Proposed IP Amendment with Commission Suggested Modifications

I. MOTIONS AND RESOLUTIONS

Staff recommends that the Commission, after public hearing, approve the proposed LCP amendment with suggested modifications. The Commission needs to make two motions in order to act on this recommendation.

A. Deny the IP Amendment as submitted

Staff recommends a **YES** vote on the motion below. Passage of this motion will result in rejection of the IP amendment as submitted and adoption of the following resolution. The motion passes only by an affirmative vote of a majority of the Commissioners present.

***Motion:** I move that the Commission reject Implementation Plan Amendment Number LCP-3-PSB-14-0830-3 as submitted by the City of Pismo Beach.*

***Resolution:** The Commission hereby denies certification of Implementation Plan Major Amendment Number LCP-3-PSB-14-0830-3 as submitted by the City of Pismo 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 amendment 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 amendment as submitted.*

B. Certify the IP Amendment with Suggested Modifications

Staff recommends a **YES** vote on the motion below. Passage of this motion will result in certification of the amendment with suggested modifications and the adoption of the following resolution and the findings in this staff report. The motion to certify with suggested modifications passes only by an affirmative vote of a majority of the Commissioners present.

***Motion:** I move that the Commission certify Implementation Plan Major Amendment Number LCP-3-PSB-14-0830-3 if it is modified as suggested in this staff report.*

***Resolution:** The Commission hereby certifies Implementation Plan Major Amendment Number LCP-3-PSB-14-0830-3 to the City of Pismo Beach Local Coastal Program if modified as suggested and adopts the findings set forth in this staff report on the 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 that will result from certification of the Implementation Plan amendment if modified.*

II. SUGGESTED MODIFICATIONS

The Commission hereby suggests the following modifications to the proposed LCP amendment, which are necessary to make the requisite Coastal Act consistency findings. If the City of Pismo Beach accepts each of the suggested modifications within six months of Commission action (i.e., by December 12, 2015), by formal resolution of the City Council, the modified amendment will become effective upon Commission concurrence with the Executive Director's finding that this acceptance has been properly accomplished. Where applicable, text in ~~cross-out~~ format and text in underline format denotes proposed text to be added/deleted by the City. Text in ~~double cross-out~~ and double underline denotes text to be added/deleted by the Commission.

1. Amend the proposed IP amendment as shown in Exhibit 2.

III. FINDINGS AND DECLARATIONS

A. DESCRIPTION OF PROPOSED LCP AMENDMENT

The City proposes a variety of amendments to the IP component of its certified LCP (see Exhibit 1 for proposed LCP amendment text). The impetus for the proposed amendment is primarily to facilitate the development of affordable housing. First, affordable housing is proposed as a newly allowable use within the Retail Commercial (C-1) zoning district. This zoning district applies to parcels fronting major arterial streets, including Shell Beach Road (a frontage road that parallels Highways 101 and 1), as well as within the city's downtown commercial core.

Next, the amendment proposes a new Planned Development Permit (PDP) process. As stated in the amendment, the PDP's purpose is to allow greater flexibility in site planning and design than that afforded by strict application of conventional zoning regulations in order to facilitate affordable housing, more innovative and desirable projects, and the efficient use of land. The amendment lists twelve types of projects that are defined as "outstanding development" that may be allowed flexibility of certain site development standards. These outstanding developments include affordable housing, as well as development that provides additional amenities beyond that which is otherwise required by the LCP, such as additional open space, public recreational amenities, green buildings, public art, and solar panel installation. The amendment then lists the types of development standards from which outstanding development may seek flexibility, including front, side, and rear setbacks in residential zoning districts; building heights in commercial and industrial areas; parking and loading requirements; lot coverage and floor area ratio standards; and lot size and width standards; all with specified maximums on the amount of flexibility allowed. For example, while the IP normally allows a maximum of 55% lot coverage for development within the R-1 zoning district, the PDP process allows an outstanding development to potentially reach up to 75% lot coverage.

In addition, the amendment requires adherence to all applicable General Plan/Local Coastal Plan (i.e. Land Use Plan) policies, as well as all applicable standards listed in the IP's overlay zones for coastal access, floodplains, hazards protection, height limits, and views. These overlay zones provide additional standards for development located in areas of particular coastal resource concern, such as areas near the shoreline and bluffs and/or located in visually sensitive areas. For PDP approvals, the reviewing authority must make affirmative findings, including that the proposed use is allowable per the zoning district and meets all other LUP standards and

applicable IP overlay standards, that there is a nexus between the outstanding development quality and the development standard flexibility being sought, that the development standards have been varied to the minimum extent necessary in order to facilitate the outstanding quality of the development project, and that the project's design and configuration do not negatively impact coastal resources. Finally, the amendment adds a definition of "coastal resources" to the IP.

Please see Exhibit 1 for the proposed IP amendment text.

B. CONSISTENCY ANALYSIS

Applicable Land Use Plan Policies

The proposed amendment affects the IP component of the City of Pismo Beach LCP. The standard of review for IP amendments is that they must be consistent with and adequate to carry out the policies of the certified Land Use Plan (LUP).

The proposed amendment primarily affects the IP's siting and design standards, including those for height, lot coverage, setback, and parking. As such, the amendment affects LCP policies pertaining to allowable land uses, public view protection, public coastal access, and hazards avoidance. Applicable LUP policies include:

Land Use Element Policy LU-2: Residential Uses

Residential land uses include the categories of Low, Medium and High density. Specific policies for residential uses are:

a. Variety of Residential Land Uses Encouraged

In order to provide a variety of housing choices for all income groups and create residential areas with distinctive identity a wide variety of densities and housing types shall be encouraged.

Land Use Element Policy LU-5: Commercial Uses

b. Secondary Residential Uses Encouraged

Residential uses are encouraged on upper floors in all commercial areas. Secondary residential use may be required in selected areas. See also: Design Element D-2 Building and Site Design Criteria.

Safety Element Policy S-3: Bluff Setbacks

All structures shall be set back a safe distance from the top of the bluff in order to retain the structures for a minimum of 100 years, and to neither create nor contribute significantly to erosion, geologic instability or destruction of the site or require construction of protective devices that would substantially alter natural landforms along bluffs and cliffs.

The City shall determine the required setback based on the following criteria:

- a. For development on single-family residential lots subdivided prior to January 23, 1981, the minimum bluff setback shall be 25 feet from the top of the bluff (bluff-top is defined as the point at which the slope begins to change from near horizontal to more vertical). A geologic investigation may be required at the discretion of the City Engineer, and a greater setback may be applied as the geologic study would warrant.*

- b. *For all other development, a geologic study shall be required for any development proposed.*

Parks, Recreation, and Access Element Policy PR-23: Lateral Bluff-Top Open Space and Access Required

Bluff-Top Access Dedication---To ensure public safety, provide for protection of fragile ocean bluff-tops, and permit enjoyment by the public of oceanfront amenities and recreation, all development on the bluff edge should be required to dedicate in fee or by an easement in perpetuity a bluff-top conservation and public access zone. The width of the area to be dedicated shall be a distance equal to the estimated 100-year bluff retreat plus a minimum of 25 feet additional inland from that line. In certain areas the width of the bluff-top dedication should be greater as provided in the land use element. Existing single-family lots on the bluff less than 10,000 feet in area are exempted from requirements of dedication of the bluff-top area, if another lateral public access route (beach, sidewalk or separate path) is or will be available nearby so as to provide for continuity of the Coastal Trail. The extent of the bluff retreat shall be determined through a site-specific geological study conducted by a qualified registered geologist. The dedication should be made to the City of Pismo Beach or other appropriate public agency as determined by the city.

Encroachments into the bluff-top conservation and lateral access zone shall be limited to roadway extensions which incorporate public parking opportunities. Such encroachments shall not extend more than a depth of 35 feet into the conservation and public access zone. Development of structures shall be prohibited within the zone, except for public amenities such as walkways, benches, and vertical beach access stairs. Landscaping and irrigation of these areas shall be designed to avoid or minimize bluff-top erosion problems. (See also Land Use Policies B-3, C-2, D-5, E-6, F-3, G-7, H-10 and J-3.)

Design Element Policy D-23: U.S. 101 Freeway

The U.S. 101 Freeway, also known as El Camino Real, is hereby designated as a Pismo Beach scenic highway. The portion of this highway within Pismo Beach provides travelers with the only ocean view between the Golden Gate Bridge (San Francisco) and Gaviota, a distance of over 300 miles. The scenic views include the City and ocean on one side and the Pismo Foothills on the other. To implement this policy the City shall:

- a. *Request CALTRANS to designate the U.S. 101 Freeway as a state Scenic Highway.*
- b. *Request San Luis Obispo County to designate the U.S. 101 Freeway as a County Scenic Highway.*
- c. *Require design review of all projects within 200 feet of the edge of the CALTRANS right-of-way for their visual qualities as seen from the road.*
- d. *Require that new commercial signs, sound walls and other new developments be modified in height, size, location or design so that existing “blue water” ocean views from U.S. Highway 101 will not be blocked, reduced or degraded; the same policy shall also apply with respect to existing open views from U.S. Highway 101 to the scenic upper slopes, generally above the 200 ft. contour, which provide the visual backdrop for the City. Exceptions will be allowed only for 1) residential or visitor serving commercial structures where no other use of the property is feasible, and 2)*

signs, utility structures and public buildings where there is no feasible alternative and all appropriate mitigation measure are applied to minimize adverse visual impacts.

The certified Land Use Plan includes numerous policies that specify the types of uses allowed and the required coastal resource protection standards they must meet. First, the LUP's Land Use Element encourages a broad range of housing opportunities for people of various income levels in order to create distinctive, diverse neighborhoods. Housing is designated as an allowable use in areas with residential land use designations, but also is allowed within commercial areas as long as the residential units are located on the upper floors of a mixed-use building. This requirement ensures that mixed-use development is fostered within the city's walkable, denser commercial districts, including downtown, but not at the expense of Coastal Act and Land Use Plan priority visitor-serving commercial development.

Finally, all development must meet the LUP's coastal resource protection standards, including those for hazards avoidance, coastal access, and visual resources protection. For example, development must be set back from coastal bluffs for 100 years' worth of erosion, or a minimum of 25 feet. In some parts of the coastal zone, development must be set back from the bluff edge a minimum of an additional 25 feet in order to allow for a blufftop conservation and public access zone, an LUP-envisioned recreation area that extends laterally along the edge of the City's bluffs. Finally, the LUP designates Highway 101 as a scenic highway, and prohibits new development from blocking, reducing, or degrading existing blue water views of the ocean from the highway. A proposed development's height, size, location, and design must be modified to ensure conformance with this critically important LUP visual protection performance standard. Therefore, the LUP designates housing, particularly affordable housing, as an important land use within the coastal zone, and then offers a series of standards that all development must meet in order to implement Coastal Act requirements.

Analysis

The proposed IP amendment is mostly in conformance with and generally adequate to implement the Land Use Plan's policies. First, the amendment's primary impetus to encourage affordable housing is consistent with both Land Use Plan and Coastal Act¹ policies, since both seek to ensure that affordable housing is provided within the coastal zone. Furthermore, the amendment's overall intention of proactively fostering infill development more broadly is consistent with the Coastal Act and Land Use Plan's policies that encourage new development to be located within existing developed areas. Pismo Beach is an existing urbanized city where development, in general, does not implicate certain sensitive coastal resources, such as agriculture, as is the case in more rural locales. Thus, the proposed PDP's general tenet of encouraging affordable housing within the City's urban neighborhoods is consistent with the LUP.

¹ While not a legal standard of review for this IP amendment, Coastal Act Section 30604(f) states: "The commission shall encourage housing opportunities for persons of low and moderate income," and Coastal Act Section 30604(g) states: "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."

Furthermore, potential issues emanating from the potentially allowed development standard deviations, including the critically important public view, hazard setback, and coastal access provisions discussed previously, are addressed by the amendment's requirement in Section 17.121.035(A) that "[t]he Planned Development Permit shall not be considered for flexibility of standards and/or requirements specified in Sections 17.066 (Coastal Access Overlay Zone), 17.075 (Floodplain Overlay Zone), 17.078 (Hazards and Protection Overlay Zone), 17.081 (Height Limitations Overlay Zone), 17.096 (View Consideration Overlay Zone), or any development standards specified in the General Plan/Local Coastal Plan." The General Plan/Local Coastal Plan referenced in this section is the City's LUP, so this provision effectively prohibits deviation from Land Use Plan policies or from the IP's overlay zone standards that help implement those policies. For example, while the PDP process allows for reductions in front and rear setbacks, the project must still meet the LUP's minimum 100-year/25-foot bluff setback requirement. In addition, while projects may be allowed a minor increase in height, they must still be found consistent with the LUP's Highway 101 blue water view protections. In essence, the PDP process is not allowed to circumvent the Land Use Plan's policies that protect Pismo Beach's specific sensitive coastal resources. Additionally, the amendment requires the reviewing authority to make findings that the development standard has been varied to the minimum extent necessary to facilitate the outstanding development, and that there is a nexus between the proposed development and the flexibility being sought. These provisions will ensure that the PDP process is being used in a manner that facilitates projects that provide bona fide public benefits and therefore will prevent any potential abuse of the process.

However, certain modifications are necessary in order to ensure complete LUP consistency. First, while the amendment proposes to allow affordable housing in the C-1 zoning district, it does not explicitly prohibit housing on the ground floor of C-1 buildings. The LUP allows housing within commercial areas, but reserves the ground floor for commercial uses. While the requirement of 17.121.035(A) that PDPs cannot deviate from the LUP would prevent approval of affordable housing on the ground floors buildings in the C-1 zone, not stating this explicitly in the amendment could lead to some confusion about what is allowed in the C-1 zone. Therefore, a suggested modification is added to limit affordable housing to the upper floors of C-1 buildings.

Second, while the PDP process allows for a reduction in required parking as a type of development standard that may be relaxed, such a reduction could lead to loss of spaces for public coastal access, inconsistent with LUP policies that require public access parking and that maximize coastal access. Therefore, a suggested modification is added to state that parking may be reduced, but there cannot be any relaxation of required parking available for public coastal access.

Third, while the amendment lists lot size as a type of development standard that may be reduced, such an allowance could have large coastal resource impacts due to increases in density. For example, the amendment proposes to potentially allow a reduction in minimum lot area to 10,000 square feet in the R-4 (Hotel-Motel and Visitor Serving) zoning district, where the IP ordinarily requires 20,000-square-foot minimum lot sizes. The PDP process could therefore be used to double allowable density. Since the PDP process is meant to allow for minor deviations in zoning standards, not large increases in the amount of development potential in the coastal zone, a suggested modification deletes the lot size deviation allowance.

Fourth, two suggested modifications help clarify certain terms, including the types of public recreational amenities, community benefits, and green build project components that may qualify as outstanding development. Other modifications more clearly articulate required reviewing authority findings (including that the PDP approval offers a greater public benefit than would be otherwise required by the underlying zoning requirements, and that the project meets all applicable Land Use Plan and overlay zone requirements), require the PDP to be processed in conjunction with and as part of the required CDP process, and fix minor typographical errors. Overall, these suggested modifications add further clarity to the PDP process, and ensure that it is consistent with the LUP. See **Exhibit 2** for the Commission's proposed modifications.

As modified, the proposed IP amendment is consistent with and adequate to carry out the policies of the certified Land Use Plan.

C. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Section 21080.9 of the California Public Resources Code (within CEQA) exempts local government 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. Therefore, local governments are not required to prepare an EIR in support of their proposed LCP amendments, although the Commission can and does use any environmental information that the local government submits in support of its proposed LCPA. The Commission's LCP review and approval program has been found by the Resources Agency to be the functional equivalent of the environmental review required by CEQA, pursuant to CEQA Section 21080.5. Therefore the Commission is relieved of the responsibility to prepare an EIR for each LCP amendment.

Nevertheless, the Commission is required, in approving an LCP amendment submittal, to find that the approval of the proposed LCP, as amended, does conform with certain CEQA provisions, including the requirement in Section 21080.5(d)(2)(A) that the amended LCP will not be approved or adopted as proposed if there are feasible alternative or feasible mitigation measures available that would substantially lessen any significant adverse impact which the activity may have on the environment. See also, CEQA Guidelines Sections 13542(a), 13540(f), and 13555(b).

The City's LCP amendment consists of an Implementation Plan (IP) amendment. As part of its local action on the subject LCP amendment, the City of Pismo Beach prepared an Initial Study and a Negative Declaration. The Commission incorporates its findings on Land Use Plan conformity into this CEQA finding as if it is set forth in full. As discussed herein, the Implementation Plan amendment as originally submitted does not conform with and is not adequate to carry out the policies of the certified LUP. The Commission, therefore, has suggested modifications to bring the Implementation Plan amendment into full conformance with the certified Land Use Plan. As modified, the Commission finds that approval of the LCP amendment will not result in significant adverse environmental impacts within the meaning of CEQA. Absent the incorporation of these suggested modifications to effectively mitigate potential resource impacts, such a finding could not be made.

ORDINANCE NO. O-2014-005

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PISMO BEACH
ADDING TO AND AMENDING OF THE PISMO BEACH MUNICIPAL CODE TITLE 17, THE
1983 ZONING CODE/LOCAL COASTAL LAND USE PROGRAM SECTIONS 17.042.020C,
17.121.035 REGARDING PLANNED DEVELOPMENT PERMITS AND SECTION
17.006.0280 CREATING A COASTAL RESOURCES DEFINITION.**

WHEREAS, the City of Pismo Beach initiated amendments to Municipal Code Title 17 1983 Zoning Code/Local Coastal Land Use program related to the project noted above; and

WHEREAS, a duly-noticed Planning Commission public hearing on the project was held on November 27, 2012; and

WHEREAS, a duly-noticed City Council public hearing on the project was held on April 16, 2013, March 4, 2014, and April 15, 2014; and

WHEREAS, the City Council approved a Negative Declaration for the Project with the adoption of Resolution No. R-2014-020.

NOW, THEREFORE, BE IT ORDAINED by the Pismo Beach City Council as follows:

SECTION 1. FINDINGS

The City Council makes the following findings:

1. The amendments (the Project) are consistent with the goals and policies of the General Plan/Local Coastal Program; specifically Housing Element Policies HE-13, 16, 17, 20, 31 and 33.
2. The Project consists of amendments to the Pismo Beach Municipal Code Title 17 1983 Zoning Ordinance and Local Coastal Program.
3. An Environmental Initial Study was completed and a Negative Declaration approved for the Project and the City Council therefore finds that no further study is needed.
4. The Project is consistent with the Coastal Act.

SECTION 2. ACTION

The City Council does hereby:

1. Certify that the amendments to the Local Coastal Program are intended to be carried out in a manner fully in compliance with Division 20 of the Public Resources Code, otherwise known as the Coastal Act.
2. Approve the Project as attached hereto as **Exhibit A** and incorporated hereto and incorporated herein by reference.

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Exhibit A (Proposed IP Amendment)
LCP-3-PSB-14-0830-3 (PDP and Affordable Housing)
Page 1 of 6

3. Directs staff to forward the amendments to the Local Coastal Program (LCP) to the California Coastal Commission for certification following approval of the second reading. The LCP amendments shall take effect immediately upon Coastal Commission certification, consistent with Public Resources Code Sections 30512, 30513, and 30519.

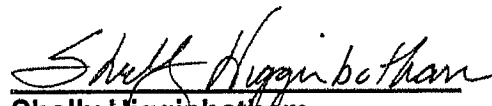
INTRODUCED at a regular meeting of the City Council held this 15th day of April, 2014, on motion of Council Member Waage, seconded by Council Member Howell, and on the following roll call vote, to wit:

AYES: 3 Council Members: Waage, Howell, Higginbotham
NOES: 0 Council Members:
ABSENT: 2 Council Members: Reiss, Vardas
ABSTAIN: 0 Council Members:

UPON MOTION OF Mayor Pro Tem Waage, seconded by Council Member Vardas the foregoing resolution was passed, approved and adopted by the City Council of the City of Pismo Beach this 6th day of May 2014, by the following roll call vote:


AYES: 3 Council Members Waage, Vardas, Higginbotham
NOES: 0
ABSENT: 2 Council Members Howell, Reiss
ABSTAIN: 0

APPROVED:




Shelly Higginbotham
Mayor

ATTEST:



Elaina Cano, CMC
City Clerk

APPROVED AS TO FORM:



David Fieishman
City Attorney

Exhibit A

Added Ordinance Language, indicated by *Italics and Underlining*
Language added as a result of California Commission staff recommendation, indicated by ***Bold Italics and Underlining***

17.006 Definitions

17.006.0280 Coastal Resources. Include but are not limited to public access and public access facilities and opportunities, recreation areas and recreational facilities and opportunities (including for recreational water-oriented activities), public views, natural landforms, marine resources, watercourses (e.g., rivers, streams, creeks, etc.) and their related corridors, water bodies, (e.g. wetlands, estuaries, lakes, etc.) and their related uplands, ground water resources, biological resources, environmentally sensitive habitat areas, agricultural lands, and archaeological or paleontological resources.

17.042.020 Permitted Uses

C. Affordable housing as a secondary use.

17.121.035 - Planned Development Permit

- A. The Planned Development Permit is intended to provide a process for allowing greater flexibility in site planning and design than afforded by the general development standards of this Zoning Code, to encourage more innovative and desirable projects, workforce, affordable and senior housing, development of non-conforming lots, and efficient use of land than may be possible through strict application of conventional zoning regulations. The Planned Development Permit shall not be considered for flexibility of standards and/or requirements specified in Sections 17.066 (Coastal Access Overlay Zone), 17.075 (Floodplain Overlay Zone), 17.078 (Hazards and Protection Overlay Zone), 17.081 (Height Limitations Overlay Zone), 17.096 (View Consideration Overlay Zone), or any development standards specified in the General Plan/Local Coastal Plan.**
- B. Applicability. Planned Development Permits may be authorized for any outstanding development project in any zoning district. While subject to the City's health and safety standards specified in the International Building code, flexibility of the application of following Zoning Code development standards may be considered up to the limits identified in this Section:**
- 1. Structure location and setbacks, yard areas, and open spaces in the R-1, R-2, R-3, R-4, R-R zoning districts subject to the indicated limits:**
 - a. Front setback may be reduced to 10% of the lot depth but no less than 5'.**
 - b. Side setback may be reduced to 7% of the lot width but no less than 3'.**
 - c. Street side setback shall be a minimum of 7'.**
 - d. Rear setback may be reduced to 7% of the lot depth.**

2. Building height may exceed 20% of the maximum specified in General Plan Policy D-2a for 50% of the building footprint. This exception, inclusive of exceptions to building heights specified in Section 17.102.010, can only be considered for development in the Downtown Commercial Core Planning area and General Plan/Local Coastal Plan areas designated for Commercial, Resort Commercial, Public/Semi Public and Industrial land uses.
3. Parking and loading requirements, ingress and egress location; parking requirements may be reduced up to 50% from those specified in Section 17.108.020. Loading requirements, ingress, and egress may be determined by the Planning Commission.
4. Fences, walls and screening noted in Section 17.102.120 (1 and 2) may be exceeded by up to 50%.
5. Landscaping requirements may be no less than 15% of a total lot area in residential zones and 7% of a lot area in commercial or other zoning districts.
6. Lot coverage not to exceed:
 - a. R-1, R-2, R-3, R-4, and R-R zoning districts – 75%.
 - b. C-1, C-2 and G zoning districts – 90%.
 - c. C-M zoning district – 50%.
7. Total building area/Floor area ratio as follows:
 - a. R-1 zoning district - 86% of the first 2,700 square feet of lot area plus 70% percent of any lot area in excess of 2,700 square feet,
 - b. R-2 zoning district - 90% for multi-family housing, single-family houses shall be the same as the R-1 zoning district.
 - c. R-3, R-4 and R-R zoning districts - 135% except that single family houses shall be the same as the R-1 zoning district.
 - d. C-1, C-2 and G zoning districts - 220%.
 - e. C-M zoning district - 70%.
8. Lot size
 - a. R-1, R-2, R-3 and R-R zoning districts - No less than 3,500 square feet.
 - b. R-4 zoning district - No less than 10,000 square feet.
 - c. C-M zoning district - No less than 7,000 square feet.
9. Lot width
 - a. R-1, R-2, R-3 and R-R – No less than 40'
 - b. C-M – No less than 50'

C. Outstanding Development Qualifications. The qualifications for outstanding development will include one of the following for each request for flexibility of any single development standard:

1. For non-residential development:

- a. Additional and improvement of open space exceeding 15% of the required Zoning Code minimum.
- b. A public recreational amenity.
- c. An enhanced pedestrian, bicycle, and/or vehicle connectivity element exceeding the minimum established by the Municipal Code.
- d. On-site public art subject to City approval as a part of the Planned Development Permitting process.
- e. Solar panel installation.
- f. Building construction that meets or exceeds provisions outlined in Title 24: Energy Efficiency Standards for Residential and Nonresidential Buildings.
- g. Workforce, affordable and senior housing residential dwelling units as a part of a mixed use project.
- h. Other community benefits.

2. For residential development:

- a. Addition of a secondary dwelling unit.
- b. Solar panel installation
- c. Green build project components
- d. Construction of workforce, affordable or senior housing

D. Project Review. Each Planned Development Permit application shall be analyzed by the Director to determine the implications of the proposed changes of site design standard, and to ensure that the application will result in an exemplary project characterized by more efficient and environmentally sensitive use and development of land than would otherwise be achieved utilizing standard development requirements. The application shall also be reviewed to verify that the project is otherwise consistent with all other applicable provisions of this Zoning Code. The Director shall prepare a report and recommendation on the proposal to the Planning Commission.

E. Notice and hearings. The Planning Commission shall hold a public hearing in compliance with Section 17.121.210. The Planning Commission may approve or disapprove the Planned Development Permit.

F. Findings, decision, conditions. The Planning Commission shall identify findings upon which the decision to approve or deny the Planned Unit Development Permit. The Planning Commission may approve a Planned Development Permit application with or without conditions, if all of the following findings are made:

1. The proposed use is a permitted or conditional use within the applicable zoning district and complies with all applicable provisions of this Zoning Code that are not the subject of the Planned Development Permit application;
2. The proposed use is consistent with the General Plan/Local Coastal Plan;
3. The approval of the Planned Development Permit for the proposed use is in compliance with the California Environmental Quality Act (CEQA); and

4. The location and operating characteristics of the proposed use are compatible with the existing and anticipated future land uses in the vicinity.
 5. The project's design and configuration do not **negatively** impact coastal resources.
 6. The Planning Commission identifies a nexus between the outstanding development quality and the requirement for the flexibility being sought.
 7. The development standards as specified for the project have been varied to the minimum extent necessary in order to facilitate the outstanding quality of the development project.
- G. Expiration. A Planned Development Permit shall be exercised within two years from the date of approval or the permit shall become void, unless an extension is approved consistent with 17.121.160.

17.006 Definitions

17.006.0280 Coastal Resources. Include but are not limited to public access and public access facilities and opportunities, recreation areas and recreational facilities and opportunities (including for recreational water-oriented activities), public views, natural landforms, marine resources, watercourses (e.g., rivers, streams, creeks, etc.) and their related corridors, water bodies (e.g., wetlands, estuaries, lakes, etc.) and their related uplands, ground water resources, biological resources, environmentally sensitive habitat areas, agricultural lands, and archaeological or paleontological resources.

17.042.020 Permitted Uses

C. Affordable housing as a secondary use (i.e., upper floors of C-1 buildings).

17.121.035 – Planned Development Permit

- A. The Planned Development Permit is intended to provide a process for allowing greater flexibility in site planning and design than afforded by the general development standards of this Zoning Code; to encourage more innovative and desirable projects; workforce, affordable and senior housing; ~~development of non-conforming lots,~~ and efficient use of land than may be possible through strict application of conventional zoning regulations. The Planned Development Permit shall not be considered for flexibility of standards and/or requirements specified in Sections 17.066 (Coastal Access Overlay Zone), 17.075 (Floodplain Overlay Zone), 17.078 (Hazards and Protection Overlay Zone), 17.081 (Height Limitations Overlay Zone), 17.096 (View Consideration Overlay Zone), or any development standards specified in the General Plan/Local Coastal Plan.
- B. Applicability. Planned Development Permits may be authorized for any outstanding development project in any zoning district. While subject to the City's health and safety standards specified in the International Building Code, flexibility of the application of the following Zoning Code development standards may be considered up to the limits identified in this Section:
1. Structure location and setbacks, yard areas, and open spaces in the R-1, R-2, R-3, R-4, and R-R zoning districts are subject to the indicated limits:
 - a. Front setback may be reduced to 10% of the lot depth but no less than 5'.
 - b. Side setback may be reduced to 7% of the lot width but no less than 3'.
 - c. Street side setback shall be a minimum of 7'.
 - d. Rear setback may be reduced to 7% of the lot depth.
 2. Building height may exceed 20% of the maximum specified in General Plan Policy D-2a for 50% of the building footprint. This exception, inclusive of exceptions to building heights specified in Section 17.102.010, can only be considered for development in the Downtown Commercial Core Planning area and General Plan/Local Coastal Plan areas designated for Commercial, Resort Commercial, Public/Semi Public and Industrial land uses.

3. Parking and loading requirements, ingress and egress location; parking requirements may be reduced up to 50% from those specified in Section 17.108.020, so long as there is no reduction in parking available for public coastal access. Loading requirements, ingress, and egress may be determined by the Planning Commission.
 4. Fences, walls and screening noted in Section 17.102.120 (1 and 2) may be exceeded by up to 50%.
 5. Landscaping requirements may be no less than 15% of a total lot area in residential zones and 7% of a lot area in commercial or other zoning districts.
 6. Lot coverage not to exceed:
 - a. R-1, R-2, R-3, R-4, and R-R zoning districts – 75%.
 - b. C-1, C-2 and G zoning districts – 90%.
 - c. C-M zoning districts – 50%.
 7. Total building area/Floor area ratio as follows:
 - a. R-1 zoning district – 86% of the first 2,700 square feet of lot area plus 70% percent of any lot area in excess of 2,700 square feet.
 - b. R-2 zoning district – 90% for multi-family housing, and single-family houses shall be the same as the R-1 zoning district.
 - c. R-3, R-4 and R-R zoning districts – 135% except that single family houses shall be the same as the R-1 zoning district.
 - d. C-1, C-2 and G zoning districts – 220%.
 - e. C-M zoning district – 70%.
 - ~~8. Lot size:~~
 - ~~a. R-1, R-2, R-3 and R-R zoning districts – No less than 3,500 square feet.~~
 - ~~b. R-4 zoning district – No less than 10,000 square feet.~~
 - ~~c. C-M zoning district – No less than 7,000 square feet.~~
 9. Lot width:
 - a. R-1, R-2, R-3 and R-R zoning districts – No less than 40’.
 - b. C-M zoning district – No less than 50’.
- C. Outstanding Development Qualifications. The qualifications for outstanding development will include one of the following for each request for flexibility of any single development standard:
1. For non-residential development:
 - a. Additional and improvement of open space exceeding 15% of the required Zoning Code minimum.
 - b. A public recreational amenity exceeding the requirements of the City’s General Plan/Local Coastal Plan and Zoning Code, including but not limited to a public plaza area, beach access facility (examples: stairway, bluff top trail, or accessible

- lift), bicycle service and storage area, or other public recreational amenity of similar scope and public value determined by the Planning Commission to enhance public recreational opportunities.
- c. An enhanced pedestrian, bicycle, and/or vehicle connectivity element exceeding the minimum established by the Municipal Code.
 - d. On-site public art subject to City approval as a part of the Planned Development Permitting process.
 - e. Solar panel installation.
 - f. Building construction that meets or exceeds provisions outlined in Title 24: Energy Efficiency Standards for Residential and Nonresidential Buildings.
 - g. Workforce, affordable and senior housing residential dwelling units as a part of a mixed use project.
 - h. Other community benefits including but not limited to public restrooms, sand showers, public full body showers with private enclosures, private dressing areas for public use, affordable overnight accommodations assured by deed restrictions, or other amenities determined by the Planning Commission to provide a community benefit not addressed in C.1. a-g.
2. For residential development:
 - a. Addition of a secondary dwelling unit.
 - b. Solar panel installation.
 - c. Green build project components exceeding those required by Title 24: Energy Efficiency Standards for Residential and Nonresidential Buildings.
 - d. Construction of workforce, affordable or senior housing.
- D. Project Review. Each Planned Development Permit application shall be analyzed by the Director to determine the implications of the proposed changes of site design standard, and to ensure that the application will result in an exemplary project characterized by more efficient and environmentally sensitive use and development of land than would otherwise be achieved utilizing standard development requirements. The application shall also be reviewed to verify that the project is otherwise consistent with all other applicable provisions of this Zoning Code. The Director shall prepare a report and recommendation on the proposal to the Planning Commission.
- E. Notice and hearings. The Planning Commission shall hold a public hearing in compliance with Section 17.121.210 and 17.124. The Planning Commission may approve or disapprove the Planned Development Permit in conjunction with and as part of the required coastal development permit.
- F. Findings, decision, conditions. The Planning Commission shall identify findings upon which the decision to approve or deny the Planned ~~Unit~~ Development Permit. The Planning Commission may approve a Planned Development Permit application with or without conditions, if all of the following findings are made:
1. The proposed use is a permitted or conditional use within the applicable zoning district and complies with all applicable provisions of this Zoning Code that are not the subject of the Planned Development Permit application;

2. The proposed use is consistent with the General Plan/Local Coastal Plan;
 3. The approval of the Planned Development Permit for the proposed use is in compliance with the California Environmental Quality Act (CEQA); ~~and~~
 4. The location and operating characteristics of the proposed use are compatible with the existing and anticipated future land uses in the vicinity.
 5. The project's design and configuration do not negatively impact coastal resources.
 6. The Planning Commission identifies a nexus and proportionality between the outstanding development quality and the requirement for the flexibility being sought.
 7. The development standards as specified for the project have been varied to the minimum extent necessary in order to facilitate the outstanding quality of the development project.
 8. The Planned Development Permit offers a greater public benefit than would be otherwise required by the underlying zoning requirements.
 9. The development meets all applicable General Plan/Local Coastal Plan policies and overlay zone requirements.
- G. Expiration. A Planned Development Permit shall be exercised within two years from the date of approval or the permit shall become void, unless an extension is approved consistent with 17.121.160.