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# F10a

**Prepared July 24, 2015 (for August 14, 2015 Hearing)**

**To:** Commissioners and Interested Persons

**From:** Susan Craig, District Manager  
Ryan Moroney, Coastal Analyst

**Subject: Santa Cruz County LCP Amendment Number LCP-3-SCO-15-0008-1 Part B  
(Affordable Housing Update; Zoning Plan Amendment)**

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## SUMMARY OF STAFF RECOMMENDATION

Santa Cruz County proposes to amend two separate sections of its Local Coastal Program (LCP) Implementation Plan (IP): Section 13.10.215 (Zoning Plan Amendment) and Section 13.10.475-478 (Regional Housing Need “R” Combining District overlay). The proposed changes are part of a larger effort by the County to update its affordable housing regulations, with the overall goal of ensuring that the regulations are an effective tool for creating new affordable housing in the context of the current legal and economic environment. In addition, the amendment adds additional findings the County must make in order to rezone property, particularly for proposals to rezone property from non-residential to residential zoning districts.

Section 13.10.215 governs amendments to the County’s zoning plan. Under current Section 13.10.215, a rezoning from a nonresidential zone district to a residential district within the Urban Services Line (USL) requires that 40% of the new units or parcels be designated as “affordable.” The proposed amendment eliminates this requirement. The County found that the 40% affordability requirement is not effective because it is too onerous a standard for developers to meet, and therefore does not assist in creating new jobs, does not create affordable housing, and limits the County’s ability to effectively manage land resources. The County will instead rely on other non-LCP requirements to ensure that at least 15% of new housing units are affordable.

The amendment would also facilitate rezoning of property from nonresidential to residential by establishing additional criteria to authorize such rezoning. The primary LCP consistency issue associated with this amendment involves the potential loss of coastal priority uses, such as agriculture, coastal-dependent industry, and visitor-serving commercial development, to lower priority residential use by facilitating such conversions. Specifically, the Land Use Plan (LUP) expressly prohibits the conversion of coastal priority uses to uses of lower priority. **Suggested Modification No. 2** is therefore necessary to ensure that, for property located in the coastal zone, any proposed rezoning would not result in the loss or conversion of a coastal priority use.

**LCP-3-SCO-15-0008-1 Part B (Affordable Housing Update)**

Furthermore, **Suggested Modification No. 1** clarifies that any proposed zoning amendment must conform with and be adequate to carry out the provisions of the certified LUP.

The second proposed change is to Sections 13.10.475-478 of the IP, which establish the County’s Regional Housing Needs “R” Combining District Overlay, the purpose of which is to increase the supply of affordable housing. Sites designated with the “R” overlay are required to be developed at 20 units per acre, with 40% of the units affordable. In order to facilitate and incentivize such density, an applicant is entitled to certain incentives and concessions, such as increased height and reduced parking. The main change proposed by the amendment to these sections is to eliminate the 40% affordability requirement, because it is not necessary to meet the County’s inclusionary housing obligation and was determined by the County to not be supportable by the market. In terms of consistency with the LUP, the primary issue of concern here is with respect to potential impacts to coastal resources resulting from increased density and the allowable “incentives and concessions” in the “R” combining district such as relaxed parking requirements, height limits, lot coverage, etc. While there are currently no sites in the coastal zone designated with the “R” combining overlay (and this LCP amendment request does not include rezoning of any property into the “R” combining district at this time) the existing language does not expressly provide that the relaxation of such standards would still need to be consistent with the coastal resource protection policies of the LCP. Thus, **Suggested Modification No. 3** is required to ensure that any proposed incentives or concessions would specifically be subject to review for consistency with the LCP’s coastal resource protection requirements in the event a future rezoning of a property located in the coastal zone to the “R” combining overlay is authorized.

The County is in agreement with each of the suggested modifications, and, as modified, the proposed amendment does not raise issues of consistency with the County’s certified Land Use Plan (LUP). Staff therefore recommends that the Commission find the proposed amendments, if modified as recommended, are consistent with and adequate to carry out the policies of the LUP, and that the Commission approve the amendments with suggested modifications. The motion and resolution are found on page 3 below.

**Staff Note: LCP Amendment Action Deadline**

This proposed LCP amendment was filed as complete on July 14, 2015. The proposed amendment includes IP changes only and the 60-day action deadline is September 12, 2015. Thus, the Commission has until September 12, 2015 to take a final action on this LCP amendment.

**TABLE OF CONTENTS**

**I. MOTIONS AND RESOLUTIONS .....3**  
**II. SUGGESTED MODIFICATION .....4**  
**III. FINDINGS AND DECLARATIONS.....4**  
    A. DESCRIPTION OF PROPOSED LCP AMENDMENT ..... 4  
    B. CONSISTENCY ANALYSIS ..... 5  
    C. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)..... 10

## EXHIBITS

Exhibit 1: Proposed IP Amendment (in strikethrough/underline)

### 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 Major Amendment Number LCP-3-SCO-15-0008-1 Part B (Affordable Housing Update) as submitted by Santa Cruz County.*

***Resolution:** The Commission hereby denies certification of Implementation Plan Major Amendment Number LCP-3-SCO-15-0008-1 Part B (Affordable Housing Update) as submitted by Santa Cruz County 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-SCO-15-0008-1 Part B (Affordable Housing Update) if it is modified as suggested in this staff report.*

***Resolution:** The Commission hereby certifies Implementation Plan Major Amendment Number LCP-3-SCO-15-0008-1 Part B (Affordable Housing Update) to the Santa Cruz County 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*

## LCP-3-SCO-15-0008-1 Part B (Affordable Housing Update)

*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 Santa Cruz County accepts the suggested modifications within six months of Commission action (i.e., by February 14, 2016), by formal resolution of the Board of Supervisors, 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 County. Text in double cross-out and double underline denotes text to be added/deleted by the Commission.

1. Modify Section 13.10.215(D)(1) as follows:

The proposed zone district will allow a density of development and types of uses which are ~~consistent~~compatible with the objectives, policies and programs, and land-use designations of the adopted General Plan, and conforms with, and is adequate to carry out, the coastal resource protection provisions of the certified Land Use Plan ~~Local Coastal Program~~; and

2. Add the following provision to Section 13.10.215(D) immediately following subsection (3) as follows:

(4) For amendments located within the Coastal Zone, the proposed rezoning maintains and provides for priority uses consistent with Sections 2.22.1 and 2.22.2 of the certified Land Use Plan.

3. Add the following provision to Section 13.10.477(B) immediately following subsection (4) as follows:

(5) If located within the Coastal Zone, any allowed incentives and concessions must be found to be in conformity with the Local Coastal Program (including but not limited to sensitive habitat, agriculture, public viewshed, public recreational access and open space protections), and must protect coastal resources (as defined in Section 13.20.040).

## III. FINDINGS AND DECLARATIONS

### A. DESCRIPTION OF PROPOSED LCP AMENDMENT

## **LCP-3-SCO-15-0008-1 Part B (Affordable Housing Update)**

Santa Cruz County proposes to amend two separate sections of its IP (Sections 13.10.215 and Sections 13.10.475-478) related to affordable housing and zoning plan amendments, respectively. According to the County, the proposed affordable housing changes are intended to update the County's existing affordable housing regulations to ensure that they serve as an effective tool for creating such housing, and modify certain provisions to reflect the changed legal and economic environment in recent years with respect to affordable housing.<sup>1</sup> The proposed zoning plan amendment changes add additional criteria for the rezoning of non-residentially zoned property to a residential zone.

Section 13.10.215 governs amendments to the County's zoning plan. Under the current 13.10.215 provisions, a rezoning of a parcel from a nonresidential district to a residential district triggers the requirement that a minimum of 40% of all residential units or parcels resulting from the rezoning be "affordable." The proposed amendment would eliminate this requirement. The amendments to Section 13.10.215 also establish additional criteria to allow for rezoning, including 1) if the rezoning is in the best interest of the public health, safety or welfare; 2) a rezoning from nonresidential to residential use is appropriate due to low commercial potential; and 3) a rezoning from nonresidential to residential is appropriate to accommodate a mixed use development.

Sections 13.10.475-478 of the IP establish the "R" combining district and require a density of 20 residential units per acre in order to meet the requirements of the Regional Housing Needs Allocation as required by State Government Code Section 65584. This IP Section was originally approved by the Commission in October 2007. The key substantive change proposed by this amendment is to eliminate the requirement that all parcels designated under the "R" combining district provide 40% of the total number of units as affordable. Other proposed changes to these IP sections primarily consist of non-substantive, clarifying language.

Please see **Exhibit 1** for the proposed IP amendment text in strikethrough and underline.

### **B. CONSISTENCY ANALYSIS**

#### **Standard of Review**

The proposed amendment affects the IP components of the Santa Cruz County 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 LUP.

#### **IP Amendment Consistency Analysis**

This request involves an amendment to the County Zoning Ordinance, which is certified as part of its LCP Implementation Plan. No change to the County's certified LCP Land Use Plan is

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<sup>1</sup> The proposed changes are the culmination of numerous public meetings (beginning in February of 2014) as well legal review and a nexus study (hereinafter "Nexus Study") prepared for the County to analyze the County's existing affordable housing regulations. The goal of the Nexus Study was to update the affordable housing regulations to ensure that they are an effective tool for creating new affordable housing in the context of the changed legal and economic environment in recent years. Most of the update involved amendments to Chapters 17.10 (Affordable Housing Requirement) and 17.12 (Residential Density Bonuses and Affordability Incentives) of the County Code, which are not part of the County's certified LCP.

## **LCP-3-SCO-15-0008-1 Part B (Affordable Housing Update)**

proposed.<sup>2</sup> The County's LUP contains numerous policies regarding maintaining coastal priority uses and protection of coastal resources while at the same time providing for higher residential density in areas with adequate services. However, the LUP has no policies that specifically require or encourage affordable housing. The following LUP policies are applicable to the proposed amendments:

### **Land Use Objective 2.22 Coastal Dependent Development**

*To ensure priority for coastal-dependent and coastal-related development over other development on the coast.*

#### **Land Use Policy 2.22.1 Priority of Uses within the Coastal Zone**

*Maintain a hierarchy of land use priorities within the Coastal Zone:*

*First Priority: Agriculture and coastal-dependent industry*

*Second Priority: Recreation, including public parks; visitor serving commercial uses; and coastal recreation facilities.*

*Third Priority: Private residential, general industrial, and general commercial uses.*

#### **Land Use Policy 2.22.2 Maintaining Priority Uses**

*Prohibit the conversion of any existing priority use to another use, except for another use of equal or higher priority.*

These policies establish a clear priority for agricultural, coastal dependent, recreational and visitor-serving uses over private residential use, identified as a lowest priority use.

### **Land Use Policy Objective 2.10 (Urban High Density Residential Designation)**

*To provide higher density residential development (10.9 to 17.4 units per net developable acre, except for those sites designated in the "R" combining district where the density would be 20 units per net developable acre) in areas within the Urban Services Line (USL). These areas shall be located where increased density can be accommodated by a full range of urban services and in locations near collector and arterial streets, transit service, and neighborhood, community, or regional shopping facilities.*

*Housing types appropriate to the Urban High Density designation may include: small lot detached houses, "zero lot line" houses, duplexes, townhomes, garden apartments, mobile home parks, and congregate senior housing.*

#### **Land Use Policy 2.10.3 Specific Density Determination**

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<sup>2</sup> Amendments to a certified LUP must be consistent with the Coastal Act. From the date of its enactment in 1976 until 1981, the California Coastal Act included specific policy language requiring the provision of affordable housing in the Coastal Zone for persons of low and moderate income. However, in 1981, the Legislature repealed the Commission's statutory authority to protect and provide affordable housing in the Coastal Zone. That said, Section 30604(g) demonstrates a Legislative intention that the Commission encourage the protection of existing affordable housing and the provision of new affordable housing in the coastal zone. However, as stated, the proposed amendment does not have an LUP component, thus Coastal Act Section 30604(g) is not the standard of review. Moreover, the LUP does not contain any policies or standards related to requiring or maintaining affordable housing.

*Consider terrain, adequacy of access, presence of significant environmental resources, the pattern of existing land use in the neighborhood, and unique circumstances of public value, for instance, the provision of very low or lower income housing in accordance with State law, in determining the specific density to be permitted within the Urban High Density Residential designation. (See chapter 8: Community Design.)*

**5.1.6 Development Within Sensitive Habitats**

*Sensitive habitats shall be protected against any significant disruption of habitat values; and any proposed development within or adjacent to these areas must maintain or enhance the functional capacity of the habitat. Reduce in scale, redesign, or, if no other alternative exists, deny any project which cannot sufficiently mitigate significant adverse impacts on sensitive habitats unless approval of a project is legally necessary to allow a reasonable use of the land.*

**5.2.3 Activities Within Riparian Corridors and Wetlands**

*Development activities, land alteration and vegetation disturbance within riparian corridors and wetlands and required buffers shall be prohibited unless an exception is granted per the Riparian Corridor and Wetlands Protection ordinance. As a condition of riparian exception, require evidence of approval for development from the US Army Corps of Engineers, California Department of Fish and Game, and other federal or state agencies that may have regulatory authority over activities within riparian corridors and wetlands.*

**5.2.4 Riparian Corridor Buffer Setback**

*Require a buffer setback from riparian corridors in addition to the specified distances found in the definition of riparian corridor. This setback shall be identified in the Riparian Corridor and Wetland Protection ordinance and established based on stream characteristics, vegetation and slope. Allow reductions to the buffer setback only upon approval of a riparian exception. Require a 10 foot separation from the edge of the riparian corridor buffer to any structure.*

**5.10.2 Development Within Visual Resource Areas**

*Recognize that visual resources of Santa Cruz County possess diverse characteristics and that the resources worthy of protection may include, but are not limited to, ocean views, agricultural fields, wooded forests, open meadows, and mountain hillside views. Require projects to be evaluated against the context of their unique environment and regulate structure height, setbacks and design to protect these resources consistent with the objectives and policies of this section. Require discretionary review for all development within the visual resource area of Highway One, outside of the Urban/Rural boundary, as designated on the GP/LCP Visual Resources Map and apply the design criteria of Section 13.20.130 of the County's zoning ordinance to such development.*

**5.13.4 Zoning of Agricultural Resource Land**

*Maintain all lands designated as Agricultural Resource in the "CA", Commercial Agricultural Zone District, except for land in agricultural preserves zoned to the "AP", Agricultural Preserve Zone District or the "A-P", Agriculture Zone District and Agriculture Preserve Combining Zone District; timber resource land zoned to be "TP", Timber*

## **LCP-3-SCO-15-0008-1 Part B (Affordable Housing Update)**

*Production Zone District; or public parks and biotic conservation areas zoned to be "PR", Parks, Recreation and Open Space Zone District.*

### **5.11.5 Designation of Resource Conservation Lands (0-C)**

*(LCP) Designate Resource Conservation areas on the General Plan and LCP Land Use Maps to identify those lands which are publicly or privately held for conservation purposes. These preservation lands shall include significant open space lands in the rural areas of the County for the protection of natural resources and habitats, the managed production of resources, outdoor recreational opportunities and protection of public health and safety. Consider the following high priorities:*

*(a) Expansion of established preserves, parks or open space areas and connections between existing preserved lands.*

*(b) Areas with significant biological, scenic or other natural resource value which are not adequately protected by current County or other ordinances.*

These policies establish strong protections for coastal resources but also acknowledge the need for higher density housing in appropriate urbanized locations with adequate services to support such density.

### **Amendments to Section 13.10.215**

Under the currently certified LCP, a rezoning from a non-residential district to a residential district requires that a minimum of 40% of all residential units or parcels resulting from the rezoning be affordable. As discussed above, the proposed amendment to Section 13.10.215 would remove this 40% requirement. The County's rationale for this change was summarized in the Nexus study as follows:

*In an effort to encourage job growth and increase the amount of affordable housing, the County has adopted enhanced inclusionary requirements for residential projects built on properties that are rezoned from non-residential to residential, requiring such projects to designate 40% of on-site units as affordable to Very Low to Moderate Income Households. This requirement generally renders new residential development on rezoned sites financially infeasible, as evidenced by both the findings of the financial feasibility analyses and the lack of new projects that have been built under these requirements. While adopted with noble intentions, the policy is not effective. It does not directly assist in creating new jobs, it does not create affordable housing, and it limits the County's ability to effectively manage land resources.*

*Given these considerations, we recommend that the inclusionary requirements for these projects be changed. We recommend that these rezoned properties be subject to the standard 15% inclusionary obligation unless sufficient subsidy sources or incentives are made available so that it is financially viable to exceed a 15% inclusionary requirement. (Nexus Study, p. 3.)<sup>3</sup>*

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<sup>3</sup> Measure J still imposes a 15% affordability requirement, but is not part of the LCP.

## LCP-3-SCO-15-0008-1 Part B (Affordable Housing Update)

The County will continue to be required to provide affordable housing opportunities pursuant to County Code chapters 17.10 and 17.12, which are not certified as part of the LCP. Chapter 17.10 requires at least 15% of new housing units to be affordable pursuant to Measure J, which was passed by Santa Cruz County voters in 1978. Chapter 17.12 contains the Residential Density Bonus and Affordability Incentives intended to implement State law and to encourage the development of housing through provision of density and zoning concessions.

The primary issue associated with the proposed IP amendment's consistency with the LUP involves the potential conversion of a zoning district that provides for priority uses (as defined in Section 2.22.1 of the certified Land Use Plan) to another zoning district that provides for lower priority uses. The proposed amendments to subsection 13.10.215 (D)(3) provide additional reasons to justify a rezoning, which could potentially be from a coastal priority use to a lower priority use. Specifically, new subsections (D)(3)(f) & (g) allow for rezoning from non-residential to residential use, which is a "third" or lowest priority use under the LUP. Such a rezoning could be inconsistent with LUP Section 2.22.2, which prohibits the conversion of priority uses to another use unless that use is of equal or higher priority. **Suggested Modification No. 2** is therefore required to ensure that such a rezoning maintains and provides for priority uses in the Coastal Zone. **Suggested Modification No. 1** is also necessary to match the required standard of review for Implementation Plan zoning amendments as set forth in Coastal Act Section 30513, i.e. any proposed zoning amendment must conform with and be adequate to carry out the coastal resource protection provisions of the certified LUP.

### ***Amendments to Sections 13.10.475-748 (R-Combining District)***

As discussed above, the key substantive change proposed by this amendment is to eliminate the "affordability requirement" that all parcels designated under the "R" combining district provide 40% of the total number of units as affordable. Again, this change was recommended by the County's Nexus Study:

*The primary purpose of the Regional Housing Need R Combining Districts is to provide for densities of 20 units per acre. These districts and densities are needed in order for the County to meet its regional housing needs assessment (RHNA) obligations. The 40% inclusionary obligation that applies to these districts addresses a policy objective but is not required to meet the County's housing element obligations.*

*The findings of the nexus analysis support, on average, a maximum inclusionary obligation (through 150% of AMI) of approximately 23%. This maximum falls short of the standard 40% inclusionary obligation for properties within the R-Combining Districts, although it has not yet been determined if this requirement must be justified by a nexus study. Additionally, the financial feasibility analysis indicates that the 40% inclusionary requirement is not financially feasible without County subsidies.*

*Given these considerations, we recommend that the inclusionary requirements of these districts be changed. We recommend that these properties be subject to the standard 15% inclusionary obligation unless sufficient subsidy sources are made*

## LCP-3-SCO-15-0008-1 Part B (Affordable Housing Update)

*available to development projects so that they can exceed the 15% inclusionary obligation. If the County desires to encourage additional affordable housing development in these areas, then one option to consider is to target available County resources to provide financial assistance to new affordable projects in these areas. (Nexus Study, p. 4.)*

The primary issue of concern with respect to this amendment relates to potential impacts to coastal resources resulting from increased density and the allowable “incentives and concessions” in the “R” combining district, such as relaxed parking requirements, height limits, lot coverage, etc. However, the current LCP amendment request does not include rezoning of any property into the “R” combining district. The County has five sites currently zoned with an “R” combining district overlay, none of which are located in the Coastal Zone. Thus, if and when the County wishes to rezone a site in the coastal zone with an “R” combining district overlay, the County will need to apply for a separate LCP amendment to do so. At that time, the potential impacts to coastal resources (e.g. sensitive habitats, visual impacts, agriculture, public access, etc.) raised by to the proposed rezoning will be evaluated by the Commission. Moreover, if the Commission approves the future rezoning of a site into the “R” combining district overlay, existing IP Section 13.10.477(E)(1) specifies that a CDP would be required for development of the site, and that the provisions of Chapter 13.20 (the County’s Coastal Zone regulations) would apply. Thus, any proposed project would be required to go through a coastal permitting process through the County at the project level. However, in order to clarify and ensure that any proposed incentives or concessions (e.g., additional building height, reductions in parking requirements, etc.) provided by the “R” combining district overlay would specifically be subject to review for consistency with coastal resource protection, **Suggested Modification No. 3** is needed. This modification ensures that any allowed incentives and concessions must be found to be in conformity with the LCP and must protect coastal resources (including but not limited to sensitive habitat, agriculture, public viewshed, public recreational access and open space protections). As modified, the proposed IP amendment can be found consistent with and adequate to carry out the certified LUP.

### **C. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

Santa Cruz County determined that the proposed IP amendments were exempt from review under the California Environmental Quality Act. The Coastal Commission’s review and development process for LCPs and LCP amendments has been certified by the Secretary of Resources as being the functional equivalent of the environmental review required by CEQA. Specifically, 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 LCP amendments. The Coastal Commission and 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. Nevertheless, the Commission is required, in approving an LCP amendment submittal, to find that the approval of the proposed

## **LCP-3-SCO-15-0008-1 Part B (Affordable Housing Update)**

LCP, as amended, does conform with CEQA provisions, 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 alternative or feasible mitigation measures available which would substantially lessen any significant adverse impact which the activity may have on the environment. CEQA Guidelines Sections 13542(a), 13540(f), and 13555(b).

The County's LCP Amendment consists of an Implementation Plan (IP) amendment. The Commission incorporates its findings on land use plan conformity into this CEQA finding as if it were set forth in full. This report has discussed the relevant coastal resource issues with the proposal, and has concluded that the proposed LCP amendment, as modified, is not expected to result in any significant adverse impact on the environment. As such, there are no additional feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse environmental effects which approval of the amendment, with incorporation of the suggested modifications, would have on the environment within the meaning of CEQA. Thus, the proposed amendment, if modified as recommended, will not result in any significant environmental effects for which feasible mitigation measures have not been employed consistent with CEQA Section 21080.5(d)(2)(A).

Article VIII-A. Regional Housing Need R Combining District

13.10.475 Purposes of the Regional Housing Need R Combining District.

The purpose of the Regional Housing Need R Combining District is to increase the supply of affordable housing by designating sites for development at 20 units per acre in order to meet the requirements of the regional housing needs allocation as required by State Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the California Government Code Section 65584. Development projects on sites designated with the Regional Housing Need R Combining District shall be required to provide 40 percent of the units as affordable housing, as defined in SCCC 17.10.030(B)(1) and (B)(6). [Ord. 4878 § 1, 2007].

13.10.476 Designation of the Regional Housing Need R Combining District.

The Regional Housing Need R Combining District shall only be applied to those parcels designated by the Board of Supervisors in advance of housing element adoption, as part of the housing element or as part of the implementation of housing element policies. [Ord. 4878 § 1, 2007].

13.10.477 Use and development standards in the Regional Housing Need R Combining District.

(A) Site Selection Criteria. For sites to be designated under the Regional Housing Need R Combining District, the site must meet the following criteria: be approved by the Board of Supervisors based on the County's housing needs.

~~(1) Site must be identified by the County to satisfy the regional housing need. A private landowner may not apply for designation under the Regional Housing Need R Combining District without the concurrence of the Board of Supervisors prior to application.~~

(B) Development Standards.

(1) Density. Sites designated under the Regional Housing Need R Combining District shall be developed at 20 units per acre. Development at the required density shall be by right for sites zoned as provided in Section 13.10.478. For the purposes of calculating density under these provisions, the developable area of each site designated under the Regional Housing Need R Combining District shall be determined at the time the site is designated. Such developable acreage shall be calculated in accordance with SCCC 13.10.700-D definition of "developable land" and SCCC 13.10.700-S definition of "site area, net" except that roadways and driveways shall be included in the developable acreage

calculation for the purposes of determining net developable acreage. The number of potential units will be determined by multiplying the developable acreage by 20. Where such calculation results in a fractional number, the number of units shall be determined by rounding down to the nearest whole number.

(2) Master Planning. Where contiguous or adjacent parcels are designated under the Regional Housing Need R Combining District, any development proposal for one parcel may be required to include a master plan for development of all contiguous or adjacent parcels which are also designated under the Regional Housing Need R Combining District. The purpose of the master plan is to define interior circulation patterns, exterior site access, fire access to all parcels, infrastructure improvements, common area location and amenities.

(3) Incentives and Concessions. ~~Development~~ Residential projects proposed under the Regional Housing Need R Combining District will be entitled to all of the following alternative development standards: if the applicant requests any incentives or concessions under Chapter 17.12, each of these alternative development standards shall be considered as one incentive or concession if incorporated into the residential project.

(a) Parking requirements: 1.5 spaces per studio or one-bedroom units; 2.0 spaces for two-bedroom units; 2.5 spaces for three-bedroom units; 3.0 spaces per four-bedroom units. An additional 20 percent of the total number of parking spaces is required to accommodate guest parking. Modifications of these standards can be approved for individual sites in the R Combining District as part of an approved PUD for each site, based on unique site and design factors;

(b) Height (up to 35 feet measured from pre-construction natural grade) and up to three stories exclusive of subsurface parking. Modifications of these standards can be approved for individual sites in the R Combining District as part of an approved PUD for each site, based on unique site and design factors;

(c) ~~Lot limits on lot coverage and floor area ratio do not apply; and~~

(d) ~~Reduced size~~ Size of affordable units not less than 70 percent of the average size of the market rate units (see SCCC 17.10.032(A)(4)), and reduction in average number of bedrooms

ATTACHMENT 2  
EXHIBIT A

~~(see SCCC 17.10.032(A)(3)) 0.5 bedroom less than the average number of bedrooms in the market rate units;~~

(e) Clustering of affordable units;

(f) Where garages are provided for market rate units, garages are not required for affordable units, but in such cases affordable units shall have a minimum of 218 cubic feet of private storage space per unit which shall be accessed from the outside of the unit; and

(g) Maintain standard riparian buffer but eliminate 10-foot additional riparian construction buffer; (h) ~~For projects eligible for concessions under State density bonus law, a project developer may request additional concessions as set forth in Chapter 17.12 SCCC.~~

~~(4) Affordability Requirements under the Regional Housing Need R Combining District. All development proposals on parcels designated under the Regional Housing Need R Combining District shall be required to provide 40 percent of the total number of units as affordable: 15 percent shall be affordable under the requirements for all development projects in SCCC 17.10.030(B)(1) and an additional 25 percent shall be affordable under the requirements for enhanced affordable units as described in SCCC 17.10.030(B)(6). The number of affordable units at each affordability level will be calculated upon determination of the developable acreage of a site. Where fractional numbers result, a fractional in lieu fee will be required for the fractional amount that is attributable to the 15 percent affordability requirement. For fractional numbers in the 25 percent enhanced affordable category, affordable housing obligation will be derived by rounding to the nearest whole number, such that 0.5 will be rounded up.~~

~~(5) Encourage energy efficiency, and environmentally sensitive design and building materials. [Ord. 4878 § 1, 2007].~~

(4) Developments shall encourage energy efficiency, and environmentally sensitive design and building materials. [Ord. 4878 § 1, 2007].

**13.10.478 By-right development.** Amended Ord. 5160

~~When required by State law, notwithstanding~~ Notwithstanding the requirements of the residential uses chart in SCCC 13.10.322, ~~when required by State law, and~~ in the event that the current adopted housing element includes a program to rezone sites to appropriate densities to address the inadequacy of suitably zoned sites

ATTACHMENT 2  
EXHIBIT A

required to meet the regional housing need, those sites identified to fulfill that program shall be developed ~~developable~~ by right, in that the use and density for the site are not discretionary. For these sites, the following standards and alternative process shall also apply:

(A) The developable acreage of the site will be determined and the site will be assigned a number of units equivalent to 20 units per acre at the time the site is designated under the Regional Housing Need R Combining District.

(B) Environmental review, as required by the California Environmental Quality Act, will be completed as part of the process for rezoning of such sites into the Regional Housing Need R Combining District. No further environmental review ~~is~~ will be necessary for development of the sites except for development projects requiring a coastal permit or those requiring approval of a tentative map (see subsection (E)(1) and (2) of this section).

(C) A planned unit development permit outlining site-specific development standards and any CEQA mitigation measures will be adopted, in accordance with SCCC 18.10.180 et seq., for each site at the time the site is rezoned into the R Combining District.

(D) Development proposals shall undergo a design review process and public hearing limited to design issues only. No discretionary permit is necessary for the density or use of the site. For development proposals under these "by-right" provisions, applicants must apply for a ~~Level IV~~ design review and site development permit which shall be acted upon by the Board of Supervisors.

(E) If a coastal permit or tentative map approval is required, it must be included in the application.

(1) Coastal Permit Requirements. Where a site is located in the Coastal Zone and requires a coastal permit for development, the provisions of Chapter 13.20 SCCC apply. Wherever possible, the environmental review performed at the time the site was designated under the Regional Housing Need R Combining District will be utilized in the processing of the coastal permit.

(2) Subdivisions. Development that includes approval of a tentative map is subject to the provisions of the Subdivision Map Act and Chapter 14.01 SCCC. Where a tentative map is proposed, the public hearing may be expanded to address findings necessary under the Subdivision Map Act. Wherever possible the environmental review performed at the time the site was designated under the Regional Housing Need R Combining District will be utilized in the processing of the subdivision. [Ord. 4878 § 1, 2007].

ATTACHMENT 2  
EXHIBIT A

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13.10.215 Zoning plan amendment.

(A) Amendment Policy. The County zoning plan and map are intended to reflect a comprehensive, detailed appraisal, assessment and projection of the County's present and future needs for land-use allocation various types of land uses and developments, which are shown broadly on the adopted General Plan and Local Coastal Program Land Use Maps and Zoning Maps. In order to maintain a stable, desirable, well-balanced pattern of development throughout the unincorporated County area, amendments to the zoning plan and map are to be discouraged and made only upon adequate justification.

(1) ~~To further this intention and to address the housing needs of County residents, the County shall require that within the urban services line, any rezoning from a nonresidential zone district to a residential zone district meet the following criteria:~~

~~(a) A minimum of 40 percent of all residential units or parcels resulting from the rezoning shall be affordable. At least one-half of the affordable units shall be affordable to low income households. For parcels on which 100 or more units will be created, the units affordable to low income households shall include at least one-half that are affordable to very low income households, resulting in a minimum of 10 percent of the total units being available to very low income households. If more than 10 percent of the units will be constructed for very low income households, the aggregate of very low and low income affordable units must total a minimum of 20 percent of the total units. All required affordable units shall be located on-site. If the calculation of the affordable housing obligation under SCCC 17.10.030(B) results in any fractional obligation above a whole unit, the project developer shall contribute funds equivalent to the fractional amount to the Measure J Trust Fund as provided in SCCC 17.10.034.~~

~~(b) These affordable units shall meet the requirements of Chapter 17.10 SCCC, as applicable.~~ (B) Amendment Initiation. Amendment to the zoning plan or map may be initiated by a resolution of intention adopted by the Board of Supervisors upon its own motion or upon the recommendation of the Planning Commission, or an application by a property owner or other interested party having the owner's authorization.

(C) Amendment Procedures. Amendments to the County zoning plan or map shall be processed as an approval Level VII project legislative action requiring a recommendation by the Planning Commission and approval by the Board of Supervisors pursuant to Chapter 18.10 SCCC and in accordance with the requirements of this section.

ATTACHMENT 2  
EXHIBIT A

(D) Planning Commission Recommendation. After a public hearing, which may be continued from time to time, the Planning Commission shall send a written recommendation to the Board within 90 days after the first notice of the hearing, unless the time limit has been extended by mutual agreement of the applicant and the Commission. The Commission's recommendation shall include the reasons for the recommendation, the relationship of the proposed zoning amendment to the General Plan, and a statement regarding compliance with the California Environmental Quality Act. The Planning Commission shall recommend approval of a rezoning only if it determines that:

- (1) The proposed zone district will allow a density of development and types of uses which are ~~consistent~~ compatible with the objectives, policies, programs, and land-use designations of the adopted General Plan and Local Coastal Program; and
- (2) The proposed zone district is ~~appropriate to~~ compatible with the level of utilities and community services available to the land; and
- (3) One or more of the following findings can be made:
  - (a) The character of development in the area where the land is located has changed or is changing to such a degree that the public interest will be better served by a different zone district;
  - (b) The proposed rezoning is necessary to provide for a community-related use which was not anticipated when the zoning plan was adopted;
  - (c) The present zoning is the result of an error; or
  - (d) The present zoning is inconsistent with designation on the General Plan; or
  - (e) The proposed rezoning is in the best interests of the public health, safety, or welfare; or
  - (f) A rezoning from non-residential to residential use is appropriate in that the site has low commercial potential as reflected by existing vacancies, or outdated low value improvements, or low employment density, or low market demand for commercial use of the site; or
  - (g) A rezoning from non-residential to residential use is appropriate in that the site will be rezoned to accommodate a mixed use development that will accommodate both commercial

## ATTACHMENT 2 EXHIBIT A

and residential uses, and/or the site will accommodate housing type(s) that are needed to house the local workforce in support of the local economy.

(E) Planning Commission Recommendation Against Amendment. If the Planning Commission recommends against a proposed amendment, their action shall be final unless the matter is subsequently considered upon appeal or special consideration by the Board of Supervisors, or unless the action is being processed concurrently with a project ~~which~~ that requires Level VII approval review by the Board of Supervisors.

(F) Board of Supervisors Action. The Clerk of the Board shall set a public hearing before the Board of Supervisors within 30 days after the receipt of the report recommending a zoning amendment from the Planning Commission. The Board may approve, modify, or disapprove the Planning Commission's recommendation; provided, that any modification of the proposed zoning amendment (including the imposition of regulations which are less restrictive than those proposed by the Commission or changes in proposed dwelling density or use) which was not previously considered by the Planning Commission shall be referred to the Planning Commission for ~~the~~ its report and recommendation. The Planning Commission is not required to hold a public hearing on the referral, and ~~the~~ its failure to respond within 40 days shall ~~constitute~~ be deemed to be approval of the proposed modification. Any public hearing of the Board of Supervisors may be continued from time to time ~~as determined~~ by the Board.

(G) Finality of Action on Amendments. No new application for a zoning amendment shall be filed for the same or substantially the same purpose or project on the same parcel within one year after its denial without the consent of the Planning Commission if no appeal was made, or without the consent of the Board of Supervisors if denied by the Board. A denial without prejudice shall allow the filing of a new application at any time for the same or substantially the same purpose or project. [Ord. 5119 § 2, 2012; Ord. 4843 § 1, 2006; Ord. 4817 § 2, 2006; Ord. 4783 § 3, 2005; Ord. 4767 § 3, 2004; Ord. 4764 § 3, 2004; Ord. 3593 § 1, 1984; Ord. 3432 § 1, 1983].