

**CALIFORNIA COASTAL COMMISSION**

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September 26, 2018

**Th13d****TO: COMMISSIONERS AND INTERESTED PERSONS****FROM: JOHN AINSWORTH, EXECUTIVE DIRECTOR****SUBJECT: CITY OF SAN DIEGO DE MINIMIS LOCAL COASTAL PROGRAM  
AMENDMENT No. LCP-6-SAN-18-0065-3 (Fee Exemptions) FOR  
COMMISSION REVIEW AT ITS MEETING OF October 10-12, 2018**

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The Coastal Act was amended January 1, 1995 to provide for a more streamlined method to review amendments to local coastal programs. Section 30514(d) allows the Executive Director to make a determination that a proposed LCP amendment is de minimis in nature. The Executive Director must determine that the proposed amendment: 1) has no impact, either individually or cumulatively, on coastal resources; 2) is consistent with the policies of Chapter 3; and 3) does not propose any change in land use or water use or any change in the allowable use of property. Section 30514(d) requires the local government to notice the proposed de minimis LCP amendment 21 days prior to submitting it to the Executive Director either through: 1) publication in a newspaper of general circulation; 2) posting onsite and offsite the area affected by the amendment; or 3) direct mailing to owners of contiguous property. If the Executive Director makes the determination that the proposed amendment qualifies as a “de minimis” amendment and finds the public notice measures have been satisfied, such determination is then reported to the Commission for its concurrence.

**PROPOSED AMENDMENT**

On August 22, 2018, the City of San Diego’s LCP amendment request was filed in the San Diego Coast District office. The request was submitted as a separate de minimis LCP amendment and involves proposed exemptions for companion units (ADUs) and junior units (JrADUs) from assessments for Development Impact Fees (DIF) and Facility Benefit Assessment (FBA) Fees. Specifically, the proposed amendment modifies Section 142.0640 (b), Impact Fees for Financing Public Facilities, of Chapter 14 of the City’s Land Development Code which serves, in large part, as the City’s certified Implementation Plan. The proposed revisions are shown in ~~strikeout~~/underline in the attached Ordinance Number O-20934. The proposed amendment only affects the certified implementation plan and was properly noticed.

## **DISCUSSION**

The proposed amendment includes revisions to the City of San Diego's financing programs for the development of public facilities and improvements. Specifically, the proposal would exempt companion units and junior units from being assessed for development impact fees (DIF) or facility benefit assessment (FBA) fees. Last year, the City brought forward its updated regulations for these accessory dwelling units and the Commission approved the LCP amendment as submitted in February 2018 (LCP-6-SAN-17-0078-3).

Subsequent to those actions, the City Council continued to review potential barriers to the use of the updated regulations. Although recent studies show that half of all San Diegans cannot find affordable, market-rate rental housing and 60% of the population cannot afford home ownership, the development of companion units remains low in the City. Therefore, the Council sought ways to incentivize the expanded development of companion units which should inherently be more affordable given their smaller size. One measure identified was to reduce regulatory and/or permitting fees and thus stimulate the development of accessory units. Therefore, the City is proposing to exempt companion and junior units from having to pay development impact fees or facility benefit assessment payments. While this measure will reduce funding for public facilities, the City noted that accessory dwelling units were never factored into DIF/FBA calculations; so, any collected monies were always additional funds and there was no net loss in projected public funding. In any case, even if there was a financial impact, the City has determined that incentivizing the development of companion and junior units is an equally important objective and has submitted the subject amendment.

The proposed revision to the Land Development Code (IP) does not change the allowable uses of any coastal zone property, any land uses or the resource protection regulations of the City. The proposed amendment does not have any potential to impact, either individually or cumulatively, coastal resources. Therefore, the proposed amendment is consistent with Chapter 3 of the Coastal Act and can be supported.

## **CONSISTENCY WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

Section 21080.5 of the California Environmental Quality Act (CEQA) exempts local government from the requirement of preparing an environmental impact report (EIR) in connection with its local coastal program. The Commission's LCP review and approval program has been found by the Resources Agency to be functionally equivalent to the EIR process. Thus, under CEQA Section 21080.5, the Commission is relieved of the responsibility to prepare an EIR for each LCP.

For its action, the City found the activity is not a project as defined by CEQA Section 21065 and State CEQA Guidelines Section 15378(b)(4), as it is a government fiscal activity which does not involve any commitment to a specific project that may result in a

potentially significant physical impact on the environment. Further, it was determined that this activity is not subject to CEQA, pursuant to Section 15060(c)(3).

Nevertheless, the Commission is required in an LCP submittal or, as in this case, an LCP amendment submittal, to find that the LCP, or LCP, as amended, does conform with CEQA provisions. In the case of the subject LCP amendment request, the Commission finds that approval of the de minimis LCP amendment, as submitted, would not result in any significant adverse environmental impacts under the meaning of the California Environmental Quality Act.

### **DETERMINATION**

The Executive Director determines that the City of San Diego LCP amendment is de minimis. Based on the information submitted by the City, the proposed LCP amendment will have no impact, either individually or cumulatively, on coastal resources. It is consistent with the policies of Chapter 3 of the Coastal Act. The amendment does not propose any change in land use or any change in the allowable use of property. The City has properly noticed the proposed amendment. As such, the amendment is de minimis pursuant to Section 30514(d).

**MOTION:**     *I move that the Commission concur with the Executive Director's determination that the LCP amendment, as submitted, is de minimis.*

### **STAFF RECOMMENDATION:**

The Executive Director recommends that the Commission **concur** in this determination. Unless three or more members of the Commission object to this determination, the amendment shall become effective and part of the certified LCP ten (10) days after the date of the Commission meeting.