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DATE: October 26, 2018

TO: Coastal Commissioners and Interested Persons

FROM: Alison Dettmer, Deputy Director
Robert S. Merrill, North Coast District Manager
Melissa B. Kraemer, Supervising Analyst

SUBJECT: **County of Humboldt LCP Amendment No. LCP-1-HUM-18-0063-1
(Multifamily Development Rezone)**
For the Commission meeting of November 9, 2018 in San Francisco

SUMMARY OF STAFF RECOMMENDATION

Staff recommends that the Commission **approve** the proposed County of Humboldt Local Coastal Program Amendment (LCPA) Application No. LCP-1-HUM-18-0063-1 as submitted. The motions to accomplish this recommendation are found on [Page 4](#) of this staff report.

The subject LCPA proposes to change the land use plan and zoning designations of approximately 2.2 acres of land in the Myrtle town neighborhood immediately east of the City of Eureka from Commercial General (CG) to Residential Multi-Family (RM). The impetus for the proposed LCPA is the planned development of an affordable housing project (called Garden Apartments) that could involve the development of a 66-unit multifamily housing complex and the merger of the four lots.

The subject property is located in an existing developed area and is able to accommodate the range of other uses that potentially could be developed within the proposed RM designation and zoning district, including the contemplated high-density multifamily housing. In addition, there is an adequate supply of lower-cost visitor accommodations in the surrounding area, and therefore a proposed land use/zoning change that could facilitate an affordable housing project will not adversely affect the availability of priority visitor-serving lodging facilities. Finally, the proposed land use/zoning change from CG to RM raises no visual resource or public access and recreation issues, as the site is over a mile inland from Humboldt Bay and the ocean and in an existing developed neighborhood that includes a mix of single-family residential, multifamily residential, commercial general and public facility land uses.

LCP-1-HUM-18-0063-1 (Multifamily Development Rezone)

Therefore, staff is recommending the Commission approve the Land Use Plan (LUP) amendment as submitted, because the LUP amendment meets the requirements of, and is in conformity with, the Chapter 3 policies of the Coastal Act. Staff is also recommending the Commission approve the IP amendment as submitted, because the proposed IP amendment conforms with and is adequate to carry out the provisions of the certified LUP.

DEADLINE FOR COMMISSION ACTION

The County transmitted an application for LCP-1-HUM-18-0063-1 to the Commission on August 18, 2018. The LCP amendment submittal was filed as complete by the North Coast District Office on October 5, 2018. As the proposed amendment affects both the Land Use Plan and Implementation Plan portions of the LCP, the Commission has a 90-day deadline, or until January 3, 2019 to take a final action on the LCP amendment.

ADDITIONAL INFORMATION

For additional information about the LCP amendment, please contact Melissa Kraemer at the North Coast District Office at (707) 826-8950. Please mail correspondence to the Commission at the letterhead address.

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APPENDICES

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EXHIBITS

[Exhibit 1 – Regional Location Map](#)

[Exhibit 2 –Vicinity Map](#)

[Exhibit 3 – Assessor’s Parcel Map](#)

[Exhibit 4 – Existing Land Use Designation and Zoning](#)

[Exhibit 5 – Proposed Land Use Designation and Zoning](#)

[Exhibit 6 – County’s Adopted Resolution of Transmittal of LCP Amendment](#)

[Exhibit 7 – Adopted Ordinance for Rezone](#)

I. MOTIONS & RESOLUTIONS

Following a public hearing, staff recommends the Commission adopt the following resolutions and findings. The appropriate motion to introduce the resolution and the staff recommendation are provided prior to each resolution.

A. APPROVAL OF LUP AMENDMENT NO. LCP-1-HUM-18-0063-1 AS SUBMITTED

Motion 1 to certify the land use plan amendment as submitted:

I move that the Commission certify Land Use Plan Amendment No. LCP-1-HUM-18-0063-1 as submitted by the County of Humboldt.

Staff recommends a **YES** vote. Passage of this motion will result in certification of the land use plan amendment as submitted and adoption of the following resolution and findings. The motion to certify as submitted passes only upon an affirmative vote of a majority of the appointed Commissioners.

Resolution 1 to certify the land use plan amendment as submitted:

The Commission hereby certifies the Land Use Plan Amendment No. LCP-1-HUM-18-0063-1 as submitted by the County of Humboldt and adopts the findings set forth below on grounds that the land use plan as amended meets the requirements of and is in conformity with the policies of Chapter 3 of the Coastal Act. Certification of the land use plan amendment will meet the requirements of 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 amendment 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.

B. APPROVAL OF IP AMENDMENT NO. LCP-1-HUM-18-0063-1 AS SUBMITTED

Motion 2 to certify the implementation plan amendment as submitted:

I move that the Commission reject Implementation Plan Amendment No. LCP-1-HUM-18-0063-1 as submitted by the County of Humboldt.

Staff recommends a **NO** vote on the foregoing motion. Failure of this motion will result in certification of the Implementation Plan Amendment No. LCP-1-HUM-18-0063-1 as submitted and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

Resolution 2 to certify the implementation plan amendment as submitted:

The Commission hereby certifies the Implementation Plan Amendment No. LCP-1-HUM-18-0063-1 as submitted by the County of Humboldt and adopts the findings set forth below on grounds that the implementation plan amendment conforms with, and is adequate to carry out, the provisions of the certified Land

Use Plan. Certification of the implementation plan amendment will meet the requirements of 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 amendment 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.

II. PROCEDURAL ISSUES

A. STANDARD OF REVIEW

The standard of review for land use plans and their amendments is found in Section 30512 of the Coastal Act. This section requires the Commission to certify an LUP or LUP amendment if it finds that it meets the requirements of Chapter 3 of the Coastal Act. Specifically, it states:

Section 30512 (c):

The Commission shall certify a land use plan, or any amendments thereto, if it finds that a land use plan meets the requirements of, and is in conformity with, the policies of Chapter 3 (commencing with Section 30200). Except as provided in paragraph (1) of subdivision (a), a decision to certify shall require a majority vote of the appointed membership of the Commission.

The standard of review for implementation plans and their amendments is found in Section 30513 of the Coastal Act. This section states in part:

The local government shall submit to the Commission the zoning ordinances, zoning district maps, and, where necessary, other implementing actions that are required pursuant to this chapter...

...The Commission may only reject ordinances, zoning district maps, or other implementing action on the grounds that they do not conform with, or are inadequate to carry out, the provisions of the certified land use plan. If the Commission rejects the zoning ordinances, zoning district maps, or other implementing actions, it shall give written notice of the rejection, specifying the provisions of the land use plan with which the rejected zoning ordinances do not conform, or which it finds will not be adequately carried out, together with its reasons for the action taken...

Pursuant to the above cited sections, to certify the proposed amendment to the LUP portion of the County of Humboldt LCP, the Commission must find that the LUP as amended meets the requirements of, and is in conformity with, the policies of Chapter 3 of the Coastal Act. To certify the proposed amendment to the IP portion of the County of Humboldt LCP, the Commission must find that the IP as amended would be in conformity with and adequate to carry out the policies of the certified LUP.

B. PUBLIC PARTICIPATION

Section 30503 of the Coastal Act requires public input in preparation, approval, certification and amendment of any LCP. The County Planning Commission held a public hearing on the proposed amendment on June 21, 2018, and the County Board of Supervisors held a public hearing on July 24, 2018. The hearings were noticed to the public consistent with sections 13551 and 13552 of Title 14 of the California Code of Regulations. Notice of the subject amendment has been distributed to all known interested parties.

C. PROCEDURAL REQUIREMENTS

Pursuant to Section 13551(b) of Title 14 of the California Code of Regulations, a local government's resolution for submittal to the Coastal Commission may specify that a LCP amendment will either require formal local government adoption after Commission approval, or state that it is an amendment that will take effect automatically upon the Commission's approval. In this case, the County's resolution of transmittal of the LCP amendment to the Commission for certification (Resolution No. 18-76) indicates that the amendment will take effect immediately upon certification by the Coastal Commission approval ([Exhibit 6](#)). Therefore, if the Commission certifies the LCP amendment as submitted, no further County action will be necessary to formally adopt the amendment. Should the Commission certify the LCP amendment subject to suggested modifications, final approval by the County and a determination by the Executive Director of compliance with Section 13544 of the Commission's regulations will be required in order for the amendment to take effect. Should the Commission deny the LCP amendment as submitted without suggested modifications, no further action is required by either the Commission or the County, and the proposed LCP amendment will not become effective.

III. AMENDMENT DESCRIPTION & BACKGROUND

A. AMENDMENT DESCRIPTION

Local Coastal Program Amendment (LCPA) Application No. LCP-1-HUM-18-0063-1 is a LCPA transmitted by Humboldt County proposing to change the land use plan and zoning designations of approximately 2.2 acres of land in the Myrtle town neighborhood immediately east of the City of Eureka from Commercial General (CG) to Residential Multi-Family (RM). The impetus for the proposed LCPA is the planned development of an affordable housing project (called Garden Apartments) that would involve the development of a 66-unit multifamily housing complex and the merger of the four lots that are the subject of this LCPA.

Although the impetus for the LCP amendment is the proposed development of a specific project, the Commission must consider the change in the range of uses that could be developed on the subject property under the proposed amendment. Approval of the LCP amendment does not guarantee that the housing project currently contemplated will be developed. Whether or not the contemplated housing project is developed, the LCP amendment will permanently change the range of allowable uses that could potentially be developed at the site.

B. BACKGROUND INFORMATION

The subject property affected by this LCPA include four legal lots totaling 2.2 acres on Hubbard Lane owned by Klm, LLC (APNs 016-152-020, 016-152-021, 016-152-022 and 016-222-001) ([Exhibits 1-3](#)). The subject property is not located between the first public road and the sea. The

site is an unincorporated urban area near the inland edge of the coastal zone approximately 1.5 miles from Humboldt Bay and 0.5-mile from Ryan Slough, an arm of Humboldt Bay. There are no environmentally sensitive habitat areas on or adjacent to the subject properties.

The surrounding neighborhood includes a mix of single-family residential, multi-family residential, commercial general and public facility land uses ([Exhibit 4](#)). The subject lots are served by a paved County road (Hubbard Lane) and public water and wastewater systems are provided by the Humboldt Community Services District.

The affected lots currently are planned and zoned for commercial general (CG) uses. Two of the lots are developed with single-family residences constructed in 1903 and 1946 respectively, and two lots currently are vacant. One of the vacant lots currently is being used for the storage of several recreational vehicles and other vehicles. Upon effective certification of the subject LCPA, the current property owner plans to demolish and remove all existing development, merge the four lots and redevelop the land with a 66-unit multifamily housing development project (called Garden Apartments, with 1-bedroom and 2-bedroom apartments, 87 parking spaces and a 1,500-square-foot community building for residents of the property). However, as mentioned above, whether this contemplated housing project is developed or not, the LCP amendment permanently changes the LUP designation and IP zoning district for the site, and the Commission therefore must consider the change in the range of all uses that the proposed redesignation and rezoning of the site could accommodate.

As summarized in Table 1 below, under the existing certified LCP, the existing Commercial General (CG) and the proposed Residential Medium-Density/Multi-Family (RM) land use and zoning designations provide for the following uses and standards:

Table 1. Certified LCP uses and standards allowed in the existing Commercial General (CG) and proposed Residential Multi-Family (RM) designations/zones. Overlapping uses and standards that are identical or allowed in both the CG and RM designations are shown in <u>underlined</u> text.			
<u>LUP Uses</u>		<u>IP Zone Standards</u>	
CG	RM	CG	RM
Purpose			
<i>To allow the integrated development of commercial districts or neighborhood commercial centers providing for the economic well-being and convenience of the community</i>	<i>To make effective use of limited urban land and provide for residential use of mobile homes in urban areas, consistent with availability of public services</i>	(Not specified)	

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Principal permitted uses¹			
Retail sales, retail services, office and professional uses	<u>Duplex, multiple unit and mobile home residential development for occupancy by individuals or families</u>	<u>Minor Utilities; Essential Services; Administrative, Non-Assembly Cultural; Retail Sales; Retail Services; Automotive Sales, Service & Repair; Office & Professional Service; Cottage Industry</u>	“Residential Multi-Family Principal Permitted Use”, which includes Multi-Family Residential, * Group Residential; and <u>Minor Utilities</u> to serve these uses *Per IP sec. 313-177.10, the Multi-Family Residential Use Type includes the residential occupancy of a <u>duplex, or multiple main building or buildings</u> by individuals or families on a non-transient basis...
Conditional permitted uses¹			
<u>Hotels, motels</u>	<u>Hotels, motels, boarding houses, mobile home development, single family residences, neighborhood commercial, guest houses, and office and professional private institutions</u>	<u>Caretaker Residence; Community Assembly; Health Care Services; Extensive Impact Civic Use; Oil & Gas Pipelines; Major Electrical Distribution Lines; Minor Generation & Distribution Facilities; Heavy Commercial; Warehousing Storage & Distribution; Transient Habitation; Research/Light Industrial; Coastal Access Facilities</u>	Single Family Residential where it can be shown that the property could be developed in the future with multifamily dwellings; Manufactured Home Parks; Essential Services; <u>Community Assembly; Non-Assembly Cultural; Public Recreation & Open Space; Oil & Gas Pipelines; Major Electrical Distribution Lines; Bed & Breakfast Establishments; Transient Habitation; Private Recreation; Timber Production; Fish & Wildlife Management; Watershed Management; Wetland Restoration; Coastal Access Facilities</u>
Maximum Density			
(Not specified)	8-30 units per acre	(Not specified)	A minimum of 1 dwelling unit per lawfully created lot... The maximum density shall be calculated as the total number of dwelling units divided by the total area within the lot and within one-half of any adjacent street
Minimum lot size			
(Not specified)		5000 square feet	5000 square feet
Minimum lot width			
(Not specified)		50 feet	50 feet
Minimum lot depth			
(Not specified)		Three times the lot width	Three times the lot width
Maximum ground coverage			
(Not specified)		(Not specified)	60%
Maximum structure height			
(Not specified)		45 feet	45 feet
Permitted main building types			
(Not specified)		<u>Ancillary Residential; Manufactured Home; Limited Mixed Residential – Non-Residential; Non-Residential Detached; Multiple Group</u>	<u>Single Detached (only one dwelling per lot); Manufactured Homes in manufactured home parks; Duplex, Multiple Dwellings and Multiple/ Group; Limited Mixed Residential – Non-Residential; Non-Residential Detached; Multiple Group</u>

¹ IP section 313-162 *et seq.*, Classification of Use Types, further defines each individual use type listed in the IP columns.

IV. FINDINGS FOR APPROVAL OF THE LUP AMENDMENT AS SUBMITTED

The subsections below discuss conformity with relevant Chapter 3 policies. The Commission hereby finds and declares as follows:

A. PLANNING AND SITING NEW DEVELOPMENT

Section 30250 of the Coastal Act states in applicable part (emphasis added):

(a) New residential, commercial, or industrial development, except as otherwise provided in this division, shall be located within, contiguous with, or in close proximity to, existing developed areas able to accommodate it or, where such areas are not able to accommodate it, in other areas with adequate public services and where it will not have significant adverse effects, either individually or cumulatively, on coastal resources...

Section 30250(a) of the Coastal Act, which is incorporated into section 3.11 of the certified LUP, requires that new development be located in or near existing developed areas that are able to accommodate it and where it will not result in significant adverse effects, either individually or cumulatively, on coastal resources. The proposed RM land use designation and zoning district for the subject property allows a maximum density of 30 units per acre. The planned Garden Apartments project, which is the impetus for this LCP amendment, represents the most intensive use (high-density multifamily residential, at maximum buildout) that could be permitted in the RM land use designation/zone where demands for services (sewer and water) would be greatest.

The subject lots are located in a developed urban area on the immediate outskirts of Eureka within the LUP-designated urban limit line. Water, wastewater disposal and street lighting services are provided by the Humboldt Community Services District. The HCSD, a public agency, sources its water from the Humboldt Bay Municipal Water District (which obtains its water from wells located in the bed of the Mad River east of Arcata), from the City of Eureka (which also obtains its water from the HBMWD's Mad River source), and from groundwater extracted from three 440-foot-deep wells owned by the HCSD located south of Eureka. The HCSD stores and distributes approximately 500 million gallons of water to over 8,000 customers annually. The HCSD has no current or projected capacity limitations for its water supply.² Therefore, considering the range of uses that could be accommodated under the proposed RM land use designation/zone, there are adequate water services to support the proposed LUP amendment consistent with Coastal Act section 30250(a).

The HCSD provides wastewater collection services to its customers, which include residential, multifamily and commercial customers. The HCSD has a contract with the City of Eureka for treatment and disposal of the collected wastewater to the City's Elk River wastewater treatment

² See page 19 of "2015 Urban Water Management Plan for Humboldt Community Services District." May 20, 2016. Prepared by Orrin Plocher and Stan Thiesen of Freshwater Environmental Services, Arcata, CA. Accessible at: http://humboldtcsd.org/sites/default/files/2015_UWMP_6-10-16.pdf.

facility. In 2014 the HCSD, in cooperation with the City, funded a major upgrade to the sewer system (the installation of the Martin Slough sewer interceptor and pump station project), which enabled the decommissioning of several outdated pump stations, thereby lowering the risk of sewer overflow. The HCSD has no current or projected capacity limitations for its wastewater collection, treatment or disposal. Therefore, considering the range of uses that could be accommodated under the proposed RM land use designation/zone, there are adequate wastewater services to support the proposed LUP amendment consistent with Coastal Act section 30250(a).

As described above, the subject site is on Hubbard Lane, a two-lane paved public road that is maintained by Humboldt County. Because of the site's infill location and access to services, any future development on the affected lands would concentrate development in an existing developed area able to accommodate it, with adequate services, consistent with Coastal Act section 30250(a).

In terms of traffic capacity, the County's CEQA document adopted for the contemplated Garden Apartments project at the subject property included an evaluation of traffic impacts associated with buildout of the lands to the maximum density of 30 units per acre that could be allowable if the lands were redesignated to RM. The County's analysis states that a 66-unit affordable housing development on the 2.2-acre site would generate 483 average daily trips (ADT), with 30 trips occurring during the AM peak hour and 37 trips occurring during the PM peak hour.

In terms of the vehicles miles traveled (VMT) metric, the project site is located in an area where the existing VMT of 6.97 miles³ is below the existing regional average daily VMT of 26.79 miles. Considering future traffic conditions that factor in a general increase in traffic based on Year 2040 County projections for residential and job growth, the increase in VMT (to 9.54 miles) for the "traffic analysis zone" in which the proposed RM lands are located (TAZ 121) remains below the projected regional average daily VMT (28.86 miles). Thus, the proposed land use designation/zoning change will not result in the addition of substantial VMT to the area, and the County's traffic analysis demonstrates that the carrying capacity of surrounding roads is sufficient to support future buildout of the subject lands to the maximum density of 30 units per acre that could be allowable if the lands are redesignated to RM. Furthermore, the traffic generated by development of the site will not affect vehicle access to the shoreline or parking for coastal access, since the nearest coastal access point (the City of Eureka's waterfront trail) is over one mile from the subject lands.

Finally, any future development on the subject property will require a coastal development permit with findings that the development is consistent with the certified LCP. The County's certified LUP includes Coastal Act section 30250(a) as LUP policy 3.11. In addition, LUP policy 3.11-B-2-c requires in part:

(c) ...no lands within the Urban Limit shall be developed or divided as allowed by the Area Plan, unless the following findings are made ...

³ Based on data from Caltrans, which provides data sets of VMT data per Traffic Analysis Zone, and according to the County's traffic analysis, the subject site is located in TAZ 121.

- 1) *That water supply and adequate provision for sewage disposal, as required by the use at the density permitted in the Area Plan, is available to the development or division;*
- 2) *That the carrying capacity of major roads and of coastal access corridors is sufficient for all permitted uses, or that improvements to an adequate level can be provided at a cost affordable within the reasonable expectation of the County, or of an incorporated city where the Urban Limit surrounds the city.*
- 3) *That the proposed development or division meets all standards for the use designated in the Area Plan...*

For all the reasons discussed above, the proposed LCP amendment as submitted would designate as RM a property that is located in an existing developed area and is able to accommodate the range of other uses that potentially could be developed within the proposed RM designation and zoning district, including the contemplated high-density multifamily housing development, consistent with Coastal Act section 30250(a).

B. VISITOR-SERVING PRIORITY USES

Section 30213 of the Coastal Act, codified in part in LUP section 3.15, states in applicable part:

Lower cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided. Developments providing public recreational opportunities are preferred....

Section 30222 of the Coastal Act, codified in LUP section 3.15, states as follows:

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

Section 30223 of the Coastal Act, codified in LUP section 3.15, states as follows:

Upland areas necessary to support coastal recreational uses shall be reserved for such uses, where feasible.

Section 30254 of the Coastal Act, codified in LUP section 3.12, states in applicable part:

... Where existing or planned public works facilities can accommodate only a limited amount of new development, services to coastal dependent land use, essential public services and basic industries vital to the economic health of the region, state, or nation, public recreation, commercial recreation, and visitor-serving land uses shall not be precluded by other development.

The Coastal Act prioritizes certain land uses over other competing uses. Priority uses under the Coastal Act include visitor-serving facilities and particularly lower-cost visitor-serving facilities (sections 30213 and 30222), recreational facilities (sections 30213, 30220, 30221, 30222, 30223, 30234 and 30254), coastal-dependent uses (sections 30222, 30222.5 and 30254) and agriculture (sections 30212, 30222, 30241 and 30242). In addition, in cases where existing or planned public works facilities can accommodate only a limited amount of new development, Coastal Act section 30254 prioritizes “services to coastal dependent land use, essential public services and basic industries vital to the economic health of the region, state, or nation, public recreation, commercial recreation, and visitor-serving land uses.” Coastal Act section 30254 also directs in part that (1) public works facilities shall be designed and limited to accommodate development and uses permitted consistent with the Coastal Act, and (2) expansion of public works facilities shall not induce new development inconsistent with the Coastal Act. Essentially, the Coastal Act discourages “leapfrog” development (section 30250(a)) and prioritizes certain uses over other competing uses, especially in cases where service capacity is limited.

The proposed LCPA will convert land from a commercial designation and district (CG) to a residential designation and district (RM). Multifamily residential development is the principally permitted use (PPU) in the RM designation/zone. As summarized above, the Coastal Act prioritizes certain uses, such as visitor-serving lodging facilities and coastal recreation uses, over other uses, such as residential uses. Both the CG and RM land use/zone allow for some visitor-serving priority uses, including (as conditional uses) coastal access facilities, hotels and motels. In addition, the RM zone also allows for Bed and Breakfast Establishments (pursuant to a conditional use permit), another potential lower-cost lodging type for visitors. Thus, although multifamily residential will become the PPU, the proposed redesignation and rezone from CG to RM will add one additional conditional use to the range of conditionally permitted visitor-serving uses that potentially could be developed on the property consistent with the priority use provisions of sections 30213, 30222 and 30254 of the Coastal Act.

As stated above, the contemplated Garden Apartments project, which is the impetus for this LCP amendment, represents the most intensive use (high-density multifamily residential, at maximum buildout) that could be permitted in the RM land use designation/zone. The Commission therefore must consider whether there is an adequate supply of visitor lodging accommodations and other visitor-serving facilities in the surrounding area such that the change in land use/zoning would not adversely affect the availability of priority visitor-serving facilities, and particularly lower-cost lodging facilities, if the contemplated housing project is developed in the future rather than visitor-serving facilities.

Availability of visitor-serving lodging accommodations in the surrounding area

The County conducted a survey of hotels and motels in the Eureka and Arcata areas to assess the supply (including number of rooms offered and average room rates), occupancy rates, and availability of lower-cost visitor accommodations. Web searches performed in July of 2018 identified a total of 1,456 available rooms in 22 large hotels and motels within seven miles of the project site.⁴ As section 30213 states that lower-cost visitor facilities shall be protected,

⁴ Most lodging facilities are concentrated in Eureka along Broadway (Highway 101), downtown and in Old Town, within two to three miles of the subject site. Other accommodations are located in Arcata up to 7 miles north of the subject site.

encouraged, and, where feasible, provided, the County’s survey also investigates how many lower-cost accommodations are available in the area. The County also investigated the occupancy rates of all hotel rooms in the area. Such information is useful for determining whether there is a shortage of visitor accommodations relative to demand, and whether the proposed LCP amendment, which is driven by a specific housing project, would effectively reduce the opportunities to develop more visitor accommodation to address high demand.

Regarding what comprises lower-cost visitor accommodations in particular, the definition can vary significantly throughout the state. Relying on a fixed amount is problematic, because it does not factor in economic changes over time, and because different areas of the state are subject to different economic conditions. The County used a survey methodology similar to the methodology used by the City of Ventura and outlined during the Commission’s 2014 workshop on lower-cost visitor-serving accommodations.⁵ The County also coordinated with the Commission’s district and statewide planning staff on its methodology, which compares the average daily rate (ADR) of lower cost hotels in the area with the ADR of all types of hotels across the state. Under the methodology, lower-cost is defined as the average room rate of budget and economy hotels that have a room rate less than the statewide average daily room rate.

The County consulted Smith Travel Research (STR) as a basis for comparison of local rates with statewide average prices.⁶ Room rates that are below 75% of the statewide ADR are classified as “lower cost.” “Moderate cost” rooms are those with prices between 75% and 125% of the statewide average; and “higher cost” rooms are those with rates that are 125% above the statewide average. The 2018 STR statewide ADR is \$167.91, with lower cost facilities calculated at \$125.93 or less; moderate cost facilities ranging from \$125.93 to \$209.89, and high cost facilities at \$209.89 and above. The 2018 STR calculated ADR for the Eureka/Crescent City region is \$100.80, which is significantly lower than the statewide ADR of \$167.91. By this measure, Eureka’s average prices fall within the lower cost limits for visitor-serving lodging accommodations.

In addition to comparing regional average prices with statewide average prices, the County also evaluated peak-season occupancy rates by surveying a total of nine “lower-cost” (based on the above rates) hotels and motels in the surrounding area (in Eureka and Arcata, within approximately seven miles of the subject site) on July 17-18, 2018 (22 facilities) and on September 5, 2015 (eight additional facilities).⁷ The nine lower cost hotels/motels included in the survey have a total of 409 lower-cost units available for visitors.⁸ The peak-season⁹ average occupancy rate for these low-cost units was calculated at 69% (ranging from as low as 30% for Days Inn Eureka to as high as 86% for Days Inn Arcata), whereas the peak-season average

⁵ See <https://documents.coastal.ca.gov/reports/2014/12/W3-12-2014.pdf>.

⁶ See <https://www.visitcalifornia.com/>.

⁷ The County contacted a total of 30 hotels and motels in the area for the survey, but only nine were responsive to the survey. Although this survey set is relatively small, it is larger than the data averages for the region provided by the STR website, which includes pricing data for only six properties in its Economy Class for this region.

⁸ The nine hotels/motels included in the survey are (in Eureka): Laguna Inn (32 units), Days Inn by Wyndham (37 units), Motel 6 (99 units), America’s Best Value Inn (25 units), Heritage Inn (21 units) and Lamplighter Motel (25 units); and (in Arcata): Days Inn & Suites (57 units), Hotel Arcata (32 units) and Motel 6 (81 units).

⁹ “Peak season” is defined as summer or by month (May-October), as provided by the responder.

occupancy rate for moderate-cost units was calculated at 89%.¹⁰ Furthermore, the proportion of Economy Class hotels and motels in the surrounding area relative to all price classes of hotels and motels in the surrounding area is relatively large (46%). Applying the 69% occupancy rate to this proportion of available lower-cost units, the County calculated that on average, on any given night during peak season, there are 199 available lower-cost hotel and motel rooms that go unused.

Finally, the County reported that several survey respondents stated that lower cost units frequently are used as seasonal worker housing. The County also cited the City of Eureka's 2014-2019 Housing Element, which lists a number of older (mostly 1950s-era) low-cost motels with rooms that are documented to be used for permanent housing rather than overnight lodging.¹¹ Thus, if a high-density lower-cost residential development ultimately is pursued for the redesignated/rezoned lands, such affordable housing could contribute to the availability of lower-cost visitor accommodations in the area by reducing the demand for lower-cost housing (and for the low-cost motels being used for seasonal and permanent housing).

Given that (1) the peak summer average occupancy rate for moderate-cost accommodations of 89% demonstrates the availability of visitor accommodations even during the peak period, (2) the peak summer average occupancy rate of 69% for lower-cost units demonstrates the availability of lower-cost accommodations during the peak period, and (3) the relatively large proportion of economy class hotels and motels in the area relative to all price classes of hotels and motels (46%), the Commission finds that there is an adequate supply of both visitor-serving accommodations in general and lower-cost visitor accommodations in the surrounding area. Therefore, the proposed LUP amendment as submitted is consistent with the policies of the Coastal Act that protect and prioritize visitor-serving accommodations.

Other types of visitor-serving facilities

In addition to visitor-serving accommodations, Coastal Act section 30213 also requires that recreational facilities shall be protected, encouraged, and, where feasible, provided. Developments providing public recreational opportunities are preferred. Similarly, section 30222 of the Coastal Act, also codified in LUP section 3.15, states that the use of private lands suitable for visitor-serving commercial recreational facilities designed to *enhance public opportunities for coastal recreation* shall have priority over private residential, general industrial, or general commercial development. Finally, section 30233 of the Coastal Act, codified in LUP section 3.15, requires that upland areas necessary to support coastal recreational uses shall be reserved for such uses, where feasible.

Regarding these other types of visitor-serving facilities, such as commercial recreational uses or facilities designed to enhance public opportunities for coastal recreation, given the site's distance

¹⁰ The rate for moderate cost facilities was based on 2017 data compiled by BAE Economics for the City of Eureka: https://legistarweb-production.s3.amazonaws.com/uploads/attachment/pdf/201336/Attachment_1_-_Eureka_C2F_Economics_Study_FINAL_5-21-18.pdf

¹¹ Only one of the Eureka motels in this category overlapped with hotels/motels included in the County's survey. See Table 4-15 (page 72) of the below link, which shows that 187 of 407 rooms at 15 Eureka motels were being used for long-term occupancy in 2013: http://www.hcd.ca.gov/community-development/housing-element/docs/eureka_5th_draft012914.pdf

from shoreline access points (over 2.5 miles to trails and boating access near Old Town) coupled with the abundance of existing available visitor-serving and other retail facilities in Myrtle town and Downtown and Old Town Eureka, the subject site is not needed to support coastal recreational uses. Therefore, the proposed LUP amendment as submitted is consistent with the policies of the Coastal Act that protect and prioritize recreational facilities. Also, as discussed in Finding IV-A above, there are adequate water and wastewater services to support the proposed land use change/rezone consistent with Coastal Act sections 30250(a) and 30254.

C. VISUAL RESOURCES

Section 30251 of the Coastal Act states in applicable part:

The scenic and visual qualities of coastal areas shall be considered and protected as a resource of public importance. Permitted development shall be sited and designed to protect views to and along the ocean and scenic coastal areas, to minimize the alteration of natural land forms, to be visually compatible with the character of surrounding areas, and, where feasible, to restore and enhance visual quality in visually degraded areas....

As mentioned, the site is within an urban area near the inland edge of the coastal zone boundary. The subject property is not designated as a Coastal Scenic Area or Coastal View Area under the certified LUP. There are no views of the ocean or bay available from the subject lands, from surrounding neighborhood lands or from nearby public vantage points along Hubbard Lane or Myrtle Avenue. Moreover, as the subject parcel is flat, landform alteration is not at issue for the future development of the site.

Both the existing certified CG land use designation and the proposed RM designation allow for structures to be built as tall as 45 feet. As described in more detail above, both districts allow similar overlapping uses (including community assembly, oil and gas pipelines, major electrical distribution lines, transient habitation and coastal access facilities) and main building types (including manufactured homes, limited mixed residential/non-residential, and multiple group). Because the subject land is within an urban infill area surrounded by a mix of existing single-family residential, multifamily residential, commercial general and public facility development, the increased potential for future multifamily residential development on the affected lands under the proposed RM designation will not reduce the potential compatibility of the subject property with the character of the surrounding area.

Finally, any future development on the subject site will be subject to the visual resource protection policies of the certified LUP. The certified LUP incorporates Coastal Act section 30251 as LUP policy 3.40. Any future development of the property will have to conform to this policy and all the LUP visual resources protection policies.

For all of these reasons, the proposed LUP Amendment is consistent with Coastal Act section 30251.

V. FINDINGS FOR APPROVAL OF THE IP AMENDMENT AS SUBMITTED

The Commission hereby finds and declares as follows:

To approve the amendments to the County's Implementation Plan (IP), the Commission must find that the IP as amended would be in conformity with and adequate to carry out the policies of the certified LUP as amended.

A. CONFORMITY WITH THE RM LAND USE DESIGNATION

Under the proposed amendment, the subject lands (four lots) will be rezoned from Commercial General (CG) to Residential Multi-Family (RM). Section 4.10-A of the certified LUP describes the intent of and allowable uses in the corresponding land use designation (also called RM, for Residential/Medium-Density) as follows:

Urban Land Use Designations

...

RM: RESIDENTIAL/MEDIUM DENSITY

Purpose. *To make effective use of limited urban land and provide for residential use of mobile homes in urban areas, consistent with availability of public services.*

Principal Use. *Duplex, multiple unit and mobile home residential development for occupancy by individuals or families.*

Conditional Uses. *Same as RH [which includes hotels, motels, boarding houses, mobile home development, single family residences, and neighborhood commercial], plus guest houses, office and professional private institutions, and neighborhood commercial.*

Gross Density. *8-30 units per acre*

Sections 313-6.2 and 313-163.1.9.6 of the County's certified IP describe the allowable uses of the RM district consistent with the existing certified RM land use designation. Similar to the RM land use designation, which allows "duplex, multiple unit and mobile home residential development...", the RM zoning district allows for a similar principal use, which is the "Multi-Family Residential Use Type." This use type, as defined in IP section 313-163.1.9.6, includes both "multi-family residential" and "group residential" as allowed uses. These use types are further defined in IP sections 313-177 as including "...the residential occupancy of a duplex, or multiple main building or buildings by individuals or families on a non-transient basis..." (Multi-Family Residential) and "the residential occupancy, for compensation, by groups of persons or individuals by pre-arrangement for definite periods..." (Group Residential).

In addition, the RM land use designation and RM zoning district both allow for similar conditionally allowed uses, including transient habitation (e.g. hotels, motels, bed and

breakfasts); mobile home parks; and single-family residential (“where it can be shown that the property could be developed in the future with multifamily dwellings”). Therefore, the proposed RM rezone as submitted conforms with and is adequate to carry out the RM land use designation provisions of the certified LUP.

B. CONFORMITY WITH THE VISITOR-SERVING POLICIES OF THE LUP

The certified LUP has incorporated as LUP policies the priority use policies of the Coastal Act cited above, including sections 30213, 30222 and 30254. The LUP requires the City to continue to provide for and encourage visitor-serving uses. As described in Finding IV-B above, the proposed zoning change from CG to RM will not preclude use of the subject property for visitor-serving lodging. Further, it would result in one additional type of visitor-serving use that is permissible on the site with a conditional use permit (Bed and Breakfast Establishments). As discussed in Finding IV-B, the impetus for the proposed amendment to redesignate and rezone the subject property is a housing project, which, if built, would reduce the inventory of land available for the development of visitor-serving accommodations. As also discussed in Finding IV-B, there is an adequate supply of both visitor-serving accommodations in general and lower-cost visitor accommodations in particular in the surrounding area to accommodate demand. Regarding other types of visitor-serving facilities, such as commercial recreational uses or facilities designed to enhance public opportunities for coastal recreation, given the site’s distance from shoreline access points (over 2.5 miles to trails and boating access near Old Town) coupled with the abundance of existing available visitor-serving and retail facilities in Myrtle town and Downtown and Old Town Eureka, the subject site is not needed to support coastal recreational uses. Therefore, the IP amendment conforms with and is adequate to carry out the visitor-serving policies of the certified LUP.

C. CONFORMITY WITH THE HOUSING POLICIES OF THE LUP

The County’s Housing Element is not part of its certified LCP, but the certified LCP does include some policies related to housing. LUP section 3.16-B-1 requires the following with respect to affordable housing:

Housing opportunities for persons of low and moderate income shall be protected, encouraged, and provided, where feasible. New housing in the Coastal Zone shall be developed in conformity with the goals, policies, standards, and programs of the Humboldt County Housing Element.

The County’s most recent Housing Element¹² specifies that the County shall increase the inventory of lots in the affordable multifamily housing inventory to accommodate 77 additional units that are affordable to lower income households pursuant to Government Code Section 65583(c)(1)(A). The Housing Element indicates that the increase in inventory may be accomplished by any necessary rezoning to R-3 (inland areas) and RM (coastal zone).

The proposed density under the proposed IP amendment is 30 units per acre, which is assumed to result in housing affordable to lower income households according to Standard H-S12 in the Housing Element. Unlike in many urban parts of the state where residential units in high-density

¹² The County’s current Housing Element, approved May 13, 2014, can be accessed here: <https://humboldt.gov/574/Housing-Element>

housing complexes can be as unaffordable as residential units in low-density residential developments, residential units in high-density multifamily housing project in Humboldt County (a rural county) tend to rent at rates that are affordable.

The subject property is part of a group of 64 lots “nominated by property owners for potential rezoning” to increase the inventory of multi-family affordable housing units according to the CEQA document adopted by the County in July of 2018 for the subject LCP amendment and the planned Garden Apartments project.

The proposed LCP amendment will encourage affordable housing on the subject property consistent with the certified LUP, because the RM designation identifies multifamily residential as the principally permitted use, while single family residences will require a use permit. Therefore, the IP as amended to rezone approximately 2.2 acres of property from CG to RM will encourage affordable housing opportunities in conformance with LUP section 3.16-B-1, and the IP as amended is consistent with and adequate to carry out the housing policies of the certified LUP.

VI. CALIFORNIA ENVIRONMENTAL QUALITY ACT

On July 24, 2018 the County adopted a Mitigated Negative Declaration for the “project” involving (a) the redesignation/rezone of the four subject lots from CG to RM; (b) the merger of the four lots; and (c) the development of a 66-unit multi-family housing complex, on-site community center, and 87 onsite parking spaces.

As set forth in section 21080.9 of the California Public Resources Code, 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. Instead, the CEQA responsibilities are assigned to 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, 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 alternatives or feasible mitigation measures available that would substantially lessen any significant adverse impact which the activity may have on the environment [14 CCR §§ 13542(a), 13540(f), and 13555(b)].

The County’s LCP Amendment consists of both Land Use Plan (LUP) and Implementation Plan (IP) amendments. The Commission incorporates its findings on Coastal Act and LUP conformity

into this CEQA finding as it is set forth in full. As discussed throughout the staff report and hereby incorporated by reference, the LUP amendment has been found consistent with the Coastal Act, and the IP amendment has been found to be in conformity with, and adequate to carry out, the provisions of the LUP portion of the certified LCP. This staff report has discussed the relevant coastal resource issues with the proposal and has addressed issues raised by public comment, and concludes that approval of the LCP amendment will not result in significant adverse environmental impacts within the meaning of CEQA. Further, future individual projects would require CDPs. Throughout the coastal zone, specific impacts to coastal resources resulting from individual development projects are assessed through the coastal development review process; thus, an individual project's compliance with CEQA would be assured. Therefore, the Commission finds that there are no other feasible alternatives or mitigation measures which would substantially lessen any significant adverse impact which the activity may have on the environment [14 CCR §§ 13542(a), 13540(f), and 13555(b)].