

CALIFORNIA COASTAL COMMISSION

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 Hearing Date: 6/7/18

STAFF REPORT: APPEAL – SUBSTANTIAL ISSUE

Appeal No.: A-5-VEN-18-0017

Applicant: Michael Targon

Agent: Brian Silveira & Associates

Local Government: City of Los Angeles

Local Decision: Approval with Conditions

Appellants: Matthew Royce & Margaret Molloy

Location: 3011 Ocean Front Walk, Venice, City of Los Angeles, Los Angeles County (APN 4226-023-004)

Project Description: Appeal of City of Los Angeles Coastal Development Permit No. DIR-2016-4749-CDP-MEL-SPP for the demolition of a 2-story, 5-unit residential structure, and construction of a 2-story with basement, 35-foot high, 3,139 sq. ft. single-family residence with 4-car garage.

Staff Recommendation: Determine that a substantial issue exists

SUMMARY OF STAFF RECOMMENDATION

Staff recommends that the Commission determine that a **substantial issue exists** with respect to the grounds on which the appeals have been filed because the City's decision that the approved development is consistent with the Chapter 3 policies of the Coastal Act is not supported by the findings of the local coastal development permit.

Two separate appeals of the local coastal development permit have been received. The first appeal, submitted by Matthew Royce, asserts that the City-approved single-family residence is not

consistent with the Community Commercial land use designation set forth for the site by the certified Venice Land Use Plan (LUP), or Coastal Act Section 30222, and that the development of the site should provide a mix of uses including a commercial component. Specifically, Royce's appeal contends that the City-approved single-family residence is inconsistent with Venice LUP Policy I.B.6 which calls for the development of community-serving commercial uses on the site. The City-approved project (demolition of the multi-unit residential structure and construction of a single residential unit) precludes an alternative project that would encourage locals to live and work in the same area. Section 30222 of the Coastal Act prioritizes visitor-serving uses that enhance public opportunities for coastal recreation over residential uses.

The second appeal, submitted by Margaret Molloy, raises several issues. First, Molloy's appeal contends that the City-approved development does not appear to comply with Venice Specific Plan guidelines for Community Commercial zoning because there is no habitable space provided on the Ocean Front Walk level of the proposed house. Molloy's appeal also raises concerns about the applicant changing the project plans several times during the local review process, and contends that the tenants may not have been properly notified of their rights under the Ellis Act prior to being removed.

The Venice LUP designates the project site as a Community Commercial land use which "...shall accommodate neighborhood and visitor-serving commercial and personal service uses" (LUP Policy I.B.6). The existing legal non-conforming residential use, built in 1965, contains five residential units: two moderate-sized dwelling units, and three studio flats (guest rooms). The proposed use is a single-family home. The proposed single-family residence does not conform with the use designation set forth in the Venice certified-LUP, and does not prioritize visitor-serving facilities that would otherwise enhance opportunities for coastal recreation pursuant to Coastal Act Section 30222. The findings of the local coastal development permit do not adequately address this fundamental conflict between the proposed residential project and the land use designation set forth in the certified LUP which carries out Section 30222 of the Coastal Act. Therefore, the appeals raise a substantial issue as to the proposed development's conformity with the Chapter 3 policies of the Coastal Act.

The motion to carry out the staff recommendation is on page 4.

Important Hearing Procedure Note: The Commission will not take testimony on this "substantial issue" recommendation unless at least three commissioners request it. The Commission may ask questions of the applicant, any aggrieved person, the Attorney General or the Executive Director prior to determining whether or not to take testimony regarding whether the appeal raises a substantial issue. If the Commission takes testimony regarding whether the appeal raises a substantial issue, testimony is generally and at the discretion of the Chair limited to 3 minutes total per side. Only the applicant, persons who opposed the application before the local government (or their representatives), and the local government shall be qualified to testify during this phase of the hearing. Others may submit comments in writing. If the Commission finds that the appeal raises a substantial issue, the de novo phase of the hearing will occur at a future meeting, during which the Commission will take public testimony.

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EXHIBITS

[Exhibit 1 – Vicinity Map](#)

[Exhibit 2 – City-approved Plans](#)

[Exhibit 3 – Appeals, 4/3-4/4/18](#)

[Exhibit 4 – City Letter of Determination, 2/13/18](#)

[Exhibit 5 – City Approval of Plans Modification, 4/6/18](#)

[Exhibit 6 – Revised Mello Act Determination Letter, 8/15/17](#)

[Exhibit 7 – City of Los Angeles Certificate of Occupancy, 1965](#)

I. MOTION AND RESOLUTION

Motion:

*I move that the Commission determine that Appeal No. A-5-VEN-18-0017 raises **NO substantial issue** with respect to the grounds on which the appeal has been filed under Section 30602 of the Coastal Act.*

Staff recommends a **NO** vote. Failure of the motion will result in a de novo hearing on the application and adoption of the following resolution and finding. Passage of this motion will result in a finding of No Substantial Issue and the local action will become final and effective. The motion passes only by an affirmative vote of the majority of the Commissioners present.

Resolution:

*The Commission hereby finds that **Appeal No. A-5-VEN-18-0017** presents a **SUBSTANTIAL ISSUE** with respect to the grounds on which the appeal has been filed under Section 30602 of the Coastal Act regarding consistency with Chapter 3 policies of the Coastal Act.*

II. APPELLANTS' CONTENTIONS

On April 3, 2018, Matthew Royce submitted an appeal for Local Coastal Development Permit (CDP) No. DIR-2016-4749-CDP-MEL-SPP ([Exhibit 3](#)). Royce's appeal contends that the proposed single-family residence is inconsistent with Venice LUP Policy I.B.6 which encourages mixed uses in an area designated for a Community Commercial land use. In addition, the appeal contends that approval of the project would negate the intent of mixed-use development that encourages local residents to live and work in the same area and does not prioritize visitor-serving uses that enhance public recreation opportunities along the coast, inconsistent with Coastal Act Section 30222. This would subsequently lead to higher traffic congestion and increased burden on coastal resources.

On April 4, 2018, Margaret Molloy submitted a separate appeal for the same local CDP and contends that the project does not comply with the Venice Specific Plan guiding development which is located in Community Commercial zones, C-1. Molloy further contends that plans were altered several times to include a mixed-use project that the appellants are opposing, and that the tenants were not properly notified to be removed under the Ellis Act. Molloy is appealing to the Coastal Commission to verify that the tenants were notified and, therefore, legally removed.

III. LOCAL GOVERNMENT ACTION

In 1965, the City issued a Certificate of Occupancy (C of O) for the multi-unit residential structure that currently occupies the beach-fronting lot ([Exhibit 7](#)). The 1965 C of O describes the structure as a "two-story, Type V, 14 x 84, Duplex and three guest rooms" for R-1 occupancy.

On December 12, 2016, the applicant submitted an application to the Department of City Planning to "demolish an existing 2,300 sq. ft. multi-family building and build a new two-story home with

basement in the dual jurisdiction coastal zone”. On April 12, 2017, the City’s Mello Act determination was inconclusive due to the lack of information provided. On August 15, 2017, a revised Mello Act determination issued by the City Housing and Community Investment Department found that the five residential units on the property were rented above moderate rates and were not affordable units ([Exhibit 6](#)). In addition, the City determined the proposed project to be categorically exempt in regards to CEQA (ENV-2016-4750-CE).

A public hearing was held on October 2, 2017 in which one member of the public (Robin Rudisill) spoke in support of the project. The Venice Neighborhood Council submitted a letter dated November 21, 2017 recommending denial of the project due to the loss of five residential units. Abundant Housing, an organization advocating for more housing and lower rents, submitted 37 letters opposing the proposed project.

On February 13, 2018, a joint determination by the Director of City Planning and Zoning Administrator approved Local Coastal Development Permit No. DIR-2016-4749-CDP-MEL-SPP and ZA-2017-1534-ZAA for the “demolition of an existing residential structure containing two dwelling units and three guest rooms and the construction of a new 3,139 sq. ft., two-story SFD with attached four-car garage, basement having no habitable rooms, and roof deck...” and approved reduction in front yard setback from 10 feet to 5 feet ([Exhibit 4](#)). The City’s action on the coastal development permit was not appealed at the local level.

The Commission’s South Coast District Office received the City’s Notice of Final Action on March 7, 2018, and the Commission’s twenty working-day appeal period was established. On April 3 and April 4, two separate appeals were filed within the twenty working-day period. On April 11, 2018, the Commission staff notified the City and the applicant of the appeal. Subsequent to the appeal submission, the Director of City Planning approved a request on April 6, 2018 to modify the project reading, “...construction of a new 3,139 sq. ft., two-story single-family dwelling with an attached 666 sq. ft. three (3) - car garage (instead of four), 844 sq. ft. basement...”([Exhibit 5](#)). The approved plans provided in the City file show a three-car garage.

IV. APPEAL PROCEDURES

Section 30600(b) of the Coastal Act provides that prior to certification of its Local Coastal Program (LCP), a local jurisdiction may, with respect to development within its area of jurisdiction in the coastal zone and consistent with the provisions of Sections 30604, 30620 and 30620.5, establish procedures for the filing, processing, review, modification, approval or denial of a coastal development permit. Pursuant to this provision, the City of Los Angeles developed a permit program in 1978 to exercise its option to issue local coastal development permits. Sections 13301-13325 of Title 14 of the California Code of Regulations provide procedures for issuance and appeals of locally issued coastal development permits. Section 30602 of the Coastal Act allows *any* action by a local government on a coastal development permit application evaluated under Section 30600(b) to be appealed to the Commission. The standard of review for such an appeal is the Chapter 3 policies of the Coastal Act. [Cal. Pub. Res. Code §§ 30200 and 30604.]

After a final local action on a local CDP application, the Coastal Commission must be noticed within five days of the decision. After receipt of such a notice which contains all the required information, a twenty working-day appeal period begins during which any person, including the applicant, the Executive Director, or any two members of the Commission, may appeal the local

decision to the Coastal Commission. [Cal. Pub. Res. Code § 30602.] As provided under section 13318 of Title 14 of the California Code of Regulations, the appellant must conform to the procedures for filing an appeal as required under section 13111 of Title 14 of the California Code of Regulations, including the specific grounds for appeal and a summary of the significant question raised by the appeal.

The action currently before the Commission is to find whether there is a “substantial issue” or “no substantial issue” raised by the appeal of the local approval of the proposed project. Sections 30621 and 30625(b)(1) of the Coastal Act require a *de novo* hearing of the appealed project unless the Commission determines that no substantial issue exists with respect to the grounds for appeal.

Commission staff recommends a finding of **substantial issue**. If the Commission decides that the appellants’ contentions raise no substantial issue as to conformity with Chapter 3 of the Coastal Act, the action of the local government becomes final. Alternatively, if the Commission finds that a substantial issue exists with respect to the conformity of the action of the local government with the Chapter 3 policies of the Coastal Act, the local CDP is voided and the Commission typically continues the remainder of the appeal hearing to a later date in order to review the coastal development permit as a *de novo* matter. [Cal. Pub. Res. Code §§ 30621 and 30625.] Section 13321 of the Coastal Commission regulations specifies that *de novo* actions will be heard according to the procedures outlined in Sections 13114 and 13057-13096 of the Commission’s regulations.

If there is no motion from the Commission to find no substantial issue, it will be presumed that the appeal raises a substantial issue and the Commission will schedule the *de novo* phase of the public hearing on the merits of the application at a subsequent Commission hearing. In this *de novo* public hearing on the merits of the application, the standard of review is the Chapter 3 policies of the Coastal Act. The certified Venice Land Use Plan (LUP) is used as guidance. Sections 13110-13120 of Title 14 of the California Code of Regulations further explain the appeal hearing process.

If the Commission decides to hear arguments and vote on the substantial issue question, those who are qualified to testify at the hearing, as provided by Section 13117 of Title 14 of the California Code of Regulation, will have three minutes per side to address whether the appeal raises a substantial issue. The only persons qualified to testify before the Commission at the substantial issue portion of the appeal process are the applicant, persons who opposed the application before the local government (or their representatives), and the local government. Testimony from other persons must be submitted in writing. The Commission will then vote on the substantial issue matter. It takes a majority of Commissioners present to find that the grounds for the appeal raise no substantial issue.

V. SINGLE/DUAL PERMIT JURISDICTION AREAS

Section 30601 of the Coastal Act provides details regarding the geographic areas where applicants must also obtain a coastal development permit from the Commission in addition to obtaining a local coastal development permit from the City. These areas are considered Dual Permit Jurisdiction areas. Coastal zone areas outside of the Dual Permit Jurisdiction areas are considered Single Permit Jurisdiction areas. Pursuant to Section 30600(b) of the Coastal Act, the City of Los Angeles has been granted the authority to approve or deny coastal development permits in both jurisdictions, but all of the City’s actions are appealable to the Commission. The proposed project site is located within the *Dual Permit Jurisdiction Area*.

VI. FINDINGS AND DECLARATIONS

A. PROJECT DESCRIPTION & LOCATION

The project, according to the City-approved plans dated November 2, 2017, is to demolish a two-story, 19-foot high, 2,300 sq. ft., five-unit residential structure and construct a two-story, 35-foot high, 3,139 sq. ft. single-family residence with an 844 sq. ft. non-habitable basement, 666 sq. ft. attached three-car garage and an approximately 100 sq. ft. roof access structure with 1,653 sq. ft. roof deck and 42-inch high deck railings. The on-site parking spaces will be accessed through the rear alley (Speedway). The proposed front yard setback is 5 feet from the Ocean Front Walk property line, the rear yard setback is 8 feet from the Speedway property line for a concrete driveway apron, and the side yard setbacks are 3 feet on each side ([Exhibit 2](#)).

The subject site is a beach-fronting property located between Ocean Front Walk (the Venice Boardwalk) and Speedway ([Exhibit 1](#)). There is an approximately 500 feet wide sandy beach between the property and the ocean. The Venice Pier is approximately 114 feet away. The property is located in the Marina Peninsula subarea of Venice and is designated Community Commercial in the Venice certified-LUP. The property is a 90' x 28' lot totaling 2,520 sq. ft. that is currently developed with a two-story, 2,300 sq. ft., duplex with three guest rooms built in 1965. No historic resources have been identified on site. A mix of multi-story, multi-family housing, commercial structures, and visitor-serving uses characterize this neighborhood.

B. FACTORS TO BE CONSIDERED IN SUBSTANTIAL ISSUES ANALYSIS

Section 30625(b)(1) of the Coastal Act states that the Commission shall hear an appeal of a local government action carried out pursuant to Section 30600(b) unless it finds that no substantial issue exists as to conformity with Chapter 3 of the Coastal Act. The term “substantial issue” is not defined in the Coastal Act or its implementing regulations. Section 13115(b) of the Commission’s regulations simply indicates that the Commission will hear an appeal unless it “finds that the appeal raises no significant question.” In previous decisions on appeals, the Commission had been guided by the following factors:

1. The degree of factual and legal support for the local government’s decision that the development is consistent of inconsistent with the relevant provisions of the Coastal Act;
2. The extent and scope of the development as approved or denied by the local government;
3. The significance of the coastal resources affected by the decision;
4. The precedential value of the local government’s decision for future interpretations of its LCP; and,
5. Whether the appeal raises local issues, or those of regional or statewide significance.

Even when the Commission chooses not to hear an appeal, appellants nevertheless may obtain judicial review of the local government’s coastal permit decision by filing petition for a writ of mandate pursuant to Code of Civil Procedure, Section 1094.5.

Staff is recommending that the Commission find that **a substantial issue exists** with respect to whether the local government action conforms to the provisions of Chapter 3 of the Coastal Act for the reasons set forth below.

C. SUBSTANTIAL ISSUE ANALYSIS

Coastal Act Section 30222 Private lands; priority of development purposes, states:

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.

Coastal Act Section 30252 Maintenance and enhancement of public access, states, in relevant part:

The location and amount of new development should maintain and enhance public access to the coast by ... (2) providing commercial facilities within or adjoining residential development or in other areas that will minimize the use of coastal access roads...(4) providing adequate parking facilities or providing substitute means of serving the development with public transportation, (5) assuring the potential for public transit for high intensity uses such as high-rise office buildings, and by (6) assuring that the recreational needs of new residents will not overload nearby coastal recreation areas by correlating the amount of development with local park acquisition and development plans with the provision of onsite recreational facilities to serve the new development.

Coastal Act Section 30253(d) and 30253(e) Minimization of adverse impacts, states, in part:

New development shall...minimize energy consumption and vehicle miles traveled [and] where appropriate, protect special communities and neighborhoods that, because of their unique characteristics, are popular visitor destination points for recreational uses.

According to the City of Los Angeles Department of Recreation and Parks, Ocean Front Walk (the Venice Boardwalk) is the second most-visited destination in Southern California after Disneyland, averaging over ten million visitors per year¹². During the certification of the Venice Land Use Plan (LUP) in 2001, it designated approximately 160 acres of commercial and related parking uses in the Venice coastal zone to provide a mix of housing, retail, jobs and recreational opportunities for residents to live and recreate near work. Given the specific conditions surrounding the subject site and the diverse development pattern of Venice, it is appropriate to use the certified LUP policies as guidance in determining whether or not the project is consistent with Sections 30222, 30252, and 30253 of the Coastal Act.

The project site, which fronts the boardwalk and is just inland of the Venice Pier, is designated as a Community Commercial land use by the certified Venice LUP.

Venice Certified Land Use Plan Policy **I.B.6**. Community Commercial Land Use, states:

¹ City of Los Angeles, Department of Recreation and Parks. 2016. "Venice Beach". <https://www.laparks.org/venice>.

² Venice Chamber of Commerce website. 2017. <http://venicechamber.net/visitors/about-venice/>

The areas designated as Community Commercial on the Land Use Policy Map (Exhibits 9 through 12) will accommodate the development of community- serving commercial uses and services, with a mix of residential dwelling units and visitor-serving uses. The Community Commercial designation is intended to provide focal points for local shopping, civic and social activities and for visitor-serving commercial uses. They differ from Neighborhood Commercial areas in their size and intensity of business and social activities. The existing community centers in Venice are most consistent with, and should be developed as, mixed-use centers that encourage the development of housing in concert with multi-use commercial uses. The integration and mixing of uses will increase opportunities for employees to live near jobs and residents to live near shopping. Overnight visitor-serving uses, such as hotels and youth hostels, are preferred uses in the Community Commercial land use category.

Uses/Density: Community commercial uses shall accommodate neighborhood and visitor-serving commercial and personal service uses, emphasizing retail and restaurants; and mixed residential/commercial use with retail on the ground floor and personal services and residential uses on upper floors. Drive-thru facilities and billboards shall be prohibited in the Community Commercial land use category. On a commercial lot, residential uses shall not exceed one unit per 800-1200 square feet of lot area.

Matthew Royce's appeal contends that the proposed project does not provide visitor serving uses as designated by the Venice LUP for community commercial areas, and is inconsistent with the Coastal Act in prioritizing visitor serving uses in a popular public destination point such as Ocean Front Walk. In addition, the appeal contends that approval of the project would preclude local residents from living and working in the same area which does not prioritize visitor-serving uses and is inconsistent with Coastal Act Section 30222.

Since the passage of the California Coastal Act in 1972 and certification of the Venice LUP in 2001, all development for properties located within the coastal zone became subject to review for impacts to coastal resources. Such resources include increased traffic flow impacting public access and community character. The Marina Peninsula Community Commercial area, in which the subject site is located, is an area of special interest as specified in the LUP and defined in Section 30116 of the Coastal Act as "*special communities or neighborhoods which are significant visitor destination areas*". Ocean Front Walk is particularly unique because it is a focal point for pedestrian-related activities such as open air vendors, athletic facilities, short-term rentals, and ocean-related activities.

The commercial frontage along Washington Blvd from Ocean Front Walk to Via Dolce/Grand Canal connects to the Venice Pier area with primarily visitor-serving commercial uses (Policy I.B.6.a). The City describes the existing use of the subject site as two dwelling units with three guest rooms and two existing parking spaces. The building and its use has not been significantly altered since construction and occupancy in 1965 and is, therefore, considered pre-Coastal. The current five units on-site are nonconforming (in terms of current zoning and parking requirements) but are allowed to be maintained as a legally permitted development. However, the proposed redevelopment of the site would result in a new structure and, therefore, is subject to current land use regulations including the policies of the certified LUP for the area (Policy I.E.5).

The current LUP's density requirements describe that one unit per 1,200 square feet of lot area is allowed, and a maximum density of two units per lot (smaller than 4,000 square feet) are allowed (Policy I.A.7.c). The lot area is 2,520 sq. ft. and therefore, allows up to two dwelling units pursuant to LUP guidelines. The proposed project is one dwelling unit as described by the City. The lot immediately to the north is a condominium and the lot immediately to the south is a restaurant. The remaining lots on the northern part of the block appear to be used for residential purposes. However, the proposed project does not conform with the use requirements which specifically designated this block as a use that prioritizes "*Visitor-serving and personal services emphasizing retail and restaurants*". Proposed uses such as retail and restaurant with residential units above are consistent with the intent of the Coastal Act to allow for increased recreational, business, and social activities along the coast for both residents and visitors. The proposed use is a single-family home; a private residential development that does not provide commercial and visitor-serving facilities, which is not consistent with the land use policy (I.B.6) set forth by the certified LUP or Coastal Act Section 30222's requirement to protect such properties for visitor-serving commercial recreational facilities.

The mixture of residential dwelling units and visitor-serving uses will increase opportunities for residents to shop, live, work, and recreate within the same area, thereby enhancing pedestrian related activities in popular destination points such as Ocean Front Walk, the beach and Venice Pier. Such mixed-use development can minimize vehicle miles traveled in the Beach Impact Zone (as described in the LUP and Coastal Act Section 30252 relating to traffic and public versus private access along the coast), consistent with Section 30253(d) and would help to relieve traffic congestion and increased burdens on coastal resources. Therefore, the appeal raises a substantial issue with respect to the grounds on which the appeal has been filed as to conformity with Section 30222 of the Coastal Act and Section I.B.6 of the Venice certified-LUP.

Margaret Molloy's appeal contends that the Venice Specific Plan includes guidelines for the proposed project's use of the ground floor in a C-1 designated area, and that the plans were altered several times to include a mixed use project that the appellants are opposing. The appellant also asserts that the tenants were not properly notified under the Ellis Act to vacate the units. The final approved plans submitted by the City show a single-family residence and do not include any commercial components. In addition, the allegations related to the project's inconsistency with the Venice Specific Plan and Ellis Act are not valid grounds for appeal to the Coastal Commission, and therefore the appellant's contentions relating to the altered plans, Venice Specific Plan and Ellis Act raise no substantial issue.

Applying the five factors listed in the prior section clarifies that the appeal raises a "substantial issue", and therefore, does meet the substantiality standard of Section 30625(a).

The first factor is the degree of factual and legal support for the local government's decision that the development is consistent with the relevant provisions of the Coastal Act. The City of Los Angeles Chapter 3 findings reference impacts to public services, infrastructure, sensitive environment, and coastal access. The City's findings also state that the project is consistent with the intent and purpose of the Venice LUP and Specific Plan. However, findings of the local coastal development permit do not adequately address this fundamental conflict between the proposed residential project and the land use designation set forth in the certified LUP which carries out Section 30222 of the

Coastal Act. The City's approval of the proposed single-family residence conflicts with the requirement of Section 30222 that gives priority to visitor-serving facilities and commercial mixed uses in a popular visitor destination area, such as this site which is designated for commercial use by the certified LUP. Although the neighborhood block contains both residential and commercial uses, the proposed single family residence does raise a substantial issue in regards to conformity with the Venice LUP and Chapter 3 policies of the Coastal Act. Thus, there is inadequate factual and legal support for the City's decision.

The second factor is the extent and scope of the development as approved by the local government. The extent and scope of the locally approved development is clear because the City-approved plans demonstrate that the project involves demolition of a multi-unit structure and construction of a single-family residence.

The third factor is the significance of the coastal resources affected by the decisions. Coastal access and recreation are significant coastal resources to be protected. The provision of visitor-serving commercial recreational facilities in appropriate locations, as identified by the certified Venice LUP, encourages and provides for coastal access and recreation. The LUP encourages the development of neighborhood and visitor serving facilities in this location near the pier and boardwalk. The project proposes a single-family residence in an area designated as community commercial. The proposed use would also eliminate five residential units, replacing it with just one residential unit, thereby reducing opportunities for residents to live near jobs and recreational areas which are encouraged to effectively reduce traffic flow and increase pedestrian activities (LUP I.B.6), thereby causing significant impacts to coastal resources.

The fourth factor is the precedential value of the local government's decisions for future interpretations of its LCP. The City does not currently have a certified LCP, but it does have a certified Land Use Plan (LUP). The proposed development does not provide any commercial component, where such uses are encouraged by the relevant Coastal Act sections and the certified Venice LUP. This project, as proposed, could prejudice the ability of the City to prepare an LCP that is in conformity with Chapter 3 of the Coastal Act.

The final factor is whether the appeal raises local issues, or those of regional or statewide significance. The City's approval of a single-family residence in a commercial land use area in Venice does raise potential issues of statewide significance. The Coastal Act codifies a number of statewide policies to encourage development that enhances public opportunities for and access to coastal recreation. The LUP implements these statewide policies and has specifically sought to encourage visitor-serving commercial uses in this area near the highly popular Venice Boardwalk coastal destination, by designating an area where people can live, work, and recreate without having to travel great distances. Thus, the appeals' allegations that the project does not comport with the LUP policies encouraging visitor-serving commercial uses in this area do raise matters of regional and statewide concern.

In conclusion, the appeals raise substantial issues under the Coastal Act and LUP because the findings of the local coastal development permit do not adequately address the fundamental conflict between the proposed residential project and the Community Commercial land use designation set forth in the certified LUP which carries out Sections 30222, 30252 and 30253 of the Coastal Act. The City-approved project does not include a mixed-use, visitor-serving commercial component as

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encouraged by the LUP policies which designated specific areas of the Venice coastal zone for public recreation opportunities along the coast. Therefore, Commission staff recommends that the Commission find that the appeals raise a substantial issue as to the project's conformity with the Chapter 3 policies of the Coastal Act.