

**CALIFORNIA COASTAL COMMISSION**

SAN DIEGO AREA
7575 METROPOLITAN DRIVE, SUITE 103
SAN DIEGO, CA 92108-4421
(619) 767-2370

July 26, 2018

W18e**TO: COMMISSIONERS AND INTERESTED PERSONS****FROM: KARL SCHWING, DEPUTY DIRECTOR, SAN DIEGO COAST DISTRICT
DEBORAH LEE, DISTRICT MANAGER, SAN DIEGO COAST DISTRICT
KANANI LESLIE, SENIOR COASTAL PLANNER, SD COAST DISTRICT
MELODY LASITER, COASTAL PROGRAM ANALYST, SD COAST DISTRICT****SUBJECT: STAFF RECOMMENDATION ON CITY OF CHULA VISTA LCP AMENDMENT
NO. LCP-6-CHV-18-0029-1 (Parcel 1-a) for Commission Meeting of August 8, 2018****SYNOPSIS**

The City of Chula Vista submitted Local Coastal Program (LCP) Amendment No. LCP-6-CHV-18-0029-1 on March 9, 2018. The subject LCP Land Use Plan (LUP) and Implementation Plan (IP) amendments were filed as complete on April 5, 2018. Pursuant to Section 30512 of the Coastal Act, the Commission must act on LUP amendments within 90 days of complete submittal or filing. However, pursuant to Section 30517 of the Coastal Act, the time limit for this amendment was extended for one year at the June 7, 2018 Commission hearing. As such, the last date for Commission action on this item is July 4, 2019. This report addresses the entire submittal.

SUMMARY OF AMENDMENT REQUEST

The City of Chula Vista proposes to amend the certified Chula Vista Bayfront Land Use Plan and the Chula Vista Bayfront Specific Plan, which serves as the City's implementation plan, to modify the land use designation and zoning for Parcel 1-a from Commercial Professional and Administrative to Commercial Visitor-Limited, in order to allow for a hotel or motel use on the site.

SUMMARY OF STAFF RECOMMENDATION

Staff is recommending approval of the amendments to the City's certified LUP and IP as submitted. The intent of the proposed LUP and IP amendments is to change the land use designation and zoning of an undeveloped parcel referred to as Parcel 1-a to allow only for a hotel or motel. Ancillary commercial visitor-serving uses, such as retail and restaurants, would be allowed within the hotel to serve hotel guests. Parcel 1-a is located west of Interstate 5, north of E street, and south of the "paper" D Street in the Sweetwater District of the City's Bayfront area.

The parcel is currently designated as Commercial-Professional and Administrative, which allows only office uses, which are not a priority use. Thus, the proposed land use designation change to Commercial-Visitor Limited would result in a new hotel or motel intended to serve visitors in an

area that historically was not available for this type of development. While the hotel development that is proposed on Parcel 1-a is not anticipated to be lower cost, it is proposed as moderate cost (priced at 82-120% of the California Average Daily Rate for hotels) and would make the bayfront area more accessible to the general public than an office would. Finally, the certified LUP contains policies that both encourage new overnight visitor accommodation developments to provide a range of rooms and room prices in order to serve all income ranges, and encourage and protect low cost visitor facilities. Thus, the certified LUP already contains policies to carry out the public access and visitor-serving policies of the Coastal Act.

The proposed implementation plan amendment is consistent with the LUP, as proposed to be amended, since both the land use designation and zoning of Parcel 1-a would be modified to allow for a hotel development. The design criteria for the parcel would remain unchanged, so that the new project will be compatible with the character and scale of surrounding development. The proposed IP amendment is also consistent with the goals and policies of the Land Use Plan that support the provision of visitor serving commercial uses, designation of visitor serving commercial areas in the vicinity of primary coastal access routes, and provision of a range of rooms to serve a variety of income ranges.

In conclusion, the LUP amendment, as submitted, is consistent with the Chapter 3 policies of the Coastal Act and the IP amendment, as submitted, is consistent with and adequate to carry out the provisions of the LUP, as proposed to be modified. Therefore, staff is recommending approval of both the LUP and IP amendments, as submitted.

The appropriate resolutions and motions begin on Page 5. The findings for approval of the Land Use Plan Amendment as submitted begin on Page 6. The findings for approval of the Implementation Plan Amendment as submitted begin on Page 9.

BACKGROUND

The Chula Vista Bayfront Master Plan (CVBMP) is intended to guide development of an approximately 556-acre planning area covering 497 acres of land and 59 acres of water area adjacent to the San Diego Bay in the City of Chula Vista. The CVBMP, which includes both the San Diego Unified Port District's (Port) and the City of Chula Vista's land use jurisdiction, is divided into three geographic segments for planning purposes—the northern segment is the Sweetwater District, the middle segment is the Harbor District, and the southern segment is the Otay District. The proposed LCP amendment would affect Parcel 1-a in the Sweetwater District. Only a relatively small portion of the City's LCP land area is included within the boundaries of the CVBMP; the bulk of the CVBMP area is contained within the Port's jurisdiction.

ADDITIONAL INFORMATION

Further information on the City of Chula Vista LCP Amendment No. LCP-6-CHV-18-0029-1 may be obtained from Melody Lasiter, Coastal Planner, at (619) 767-2370.

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EXHIBITS

[Exhibit 1 – Location of Parcel 1-a](#)

[Exhibit 2 – Adopted Chula Vista Bayfront Land Use Plan Amendment](#)

[Exhibit 3 – Adopted Chula Vista Bayfront Specific Plan Amendment](#)

SUBSTANTIVE FILE DOCUMENTS

Chula Vista Bayfront Land Use Plan

Chula Vista Bayfront Specific Plan

Chula Vista Hotels: Accommodation Affordability Analysis

PART I. OVERVIEW

A. LCP HISTORY

The Commission certified the City of Chula Vista Local Coastal Program Land Use Plan (LUP), as submitted, on March 27, 1984. On January 25, 1985, the Commission certified the Bayfront LCP Implementation Program in the form of the Bayfront Specific Plan, Subdivision Ordinance, and Coastal Permit Processing Ordinance. Shortly after this certification, the City began issuing its own coastal development permits. Since the certification of the LCP, approximately eleven LCP amendments have been submitted for certification by the Commission. The most significant amendments came in 1993 when the City submitted a new land use plan and bayfront specific plan and rescinded its originally certified documents; and, in 2012, when the Commission adopted the Bayfront Master Plan, replacing the previous certified Land Use Plan and Implementation Plan in their entirety. The 2012 Bayfront Master Plan LCP has been amended once on March 11, 2015 to make corrections and minor revisions. The subject amendment is the second amendment to the 2012 Bayfront Master Plan LCP.

B. STANDARD OF REVIEW

The standard of review for land use plans, or 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) [substantial issue consideration], a decision to certify shall require a majority vote of the appointed membership of the Commission.

Pursuant to Section 30513 of the Coastal Act, the Commission may only reject zoning ordinances or other implementing actions, as well as their amendments, on the grounds that they do not conform with, or are inadequate to carry out, the provisions of the certified land use plan. The Commission shall take action by a majority vote of the Commissioners present. (Cal. Code of Regs., § 13542(b).)

In those cases when a local government approves implementing ordinances in association with a land use plan amendment and both are submitted to the Commission for certification as part of one LCP amendment, pursuant to Section 13542(c) of the Commission's regulations, the standard of review of the implementing actions shall be the land use plan most recently certified by the Commission.

C. PUBLIC PARTICIPATION

Section 30503 of the Coastal Act requires local governments to provide the public with maximum opportunities to participate in the development of the LCP amendment prior to its submittal to the Commission for review. The City held Planning Commission and City Council meetings on October 25, 2017 and December 5, 2017 respectively, with regard to the subject amendment request. All of those local hearings were duly noticed to the public. Notice of the subject amendment has been distributed to all known interested parties.

PART II. LOCAL COASTAL PROGRAM SUBMITTAL - RESOLUTIONS

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

- I. MOTION:** *I move that the Commission certify the Land Use Plan Amendment No. LCP-6-CHV-18-0029-1 for the City of Chula Vista as submitted.*

STAFF RECOMMENDATION TO CERTIFY:

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 TO CERTIFY LAND USE PLAN AMENDMENT AS SUBMITTED:

The Commission hereby certifies the Land Use Plan Amendment for the City of Chula Vista as submitted and adopts the findings set forth below on grounds that the land use plan will meet the requirements of and be in conformity with the policies of Chapter 3 of the Coastal Act. Certification of the land use plan complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the plan on the environment, or 2) there are no further feasible alternatives and mitigation measures that would substantially lessen any significant adverse impacts on the environment that will result from certification of the land use plan.

- II. MOTION:** *I move that the Commission reject the Implementation Program Amendment No. LCP-6-CHV-18-0029-1 for the City of Chula Vista as submitted.*

STAFF RECOMMENDATION OF CERTIFICATION AS SUBMITTED:

Staff recommends a **NO** vote. Failure of this motion will result in certification of the Implementation Program Amendment 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 TO CERTIFY IMPLEMENTATION PROGRAM AMENDMENT AS SUBMITTED:

The Commission hereby certifies the Implementation Program Amendment for the City of Chula Vista as submitted and adopts the findings set forth below on grounds that the Implementation Program Amendment will meet the requirements of and be in conformity with the policies of Chapter 3 of the Coastal Act, and certification of the Implementation Program 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 Program Amendment on the environment, or 2) there are no further feasible alternatives or mitigation measures that would substantially lessen any significant adverse impacts on the environment that will result from certification of the Implementation Program Amendment.

PART III. FINDINGS FOR APPROVAL OF THE CHULA VISTA LAND USE PLAN AMENDMENT, AS SUBMITTED**A. AMENDMENT DESCRIPTION**

The proposed LUP amendment is a project-driven amendment that would change the land use designation of Parcel 1-a from Commercial–Professional and Administrative, which allows for administrative office and support uses only, to Commercial–Visitor Limited (C-VL) to allow for a hotel or motel development. Parcel 1-a is an undeveloped lot located west of Interstate 5, north of E street, and south of the “paper” D Street in the Sweetwater District of the City’s Bayfront area ([Exhibit 1](#)). To support that a hotel or motel use is developed on the site, the amendment would add a new permitted land use designation, Commercial-Visitor Limited (C-VL), in the LUP, which would allow only hotel and motel uses, and retail and restaurants within the hotel interior. The proposed amendment also includes revisions to the text to identify that a private party, and not the City, owns Parcel 1-a; revisions to the Land Use Distribution Table (Table 3-1) to reflect the change in land use designation; and revisions to the text describing the Commercial–Visitor land use designation to clarify that restaurants, markets, snack bars, and retail shops are permitted uses within the hotel ([Exhibit 2](#)). The design criteria for Parcel 1-a, including building heights and required buffers, will remain unchanged.

B. CONFORMANCE WITH SECTION 30001.5 OF THE COASTAL ACT

The Commission finds, pursuant to Section 30512.2(b) of the Coastal Act, that the Land Use Plan as set forth in the preceding resolutions, is in conformance with the policies and requirements of Chapter 3 of the Coastal Act to the extent necessary to achieve the basic state goals specified in Section 30001.5 of the Coastal Act, which states:

The legislature further finds and declares that the basic goals of the state for the Coastal Zone are to:

- a) Protect, maintain and, where feasible, enhance and restore the overall quality of the coastal zone environment and its natural and manmade resources.
- b) Assure orderly, balanced utilization and conservation of coastal zone resources taking into account the social and economic needs of the people of the state.
- c) Maximize public access to and along the coast and maximize public recreational opportunities in the coastal zone consistent with sound resource conservation principles and constitutionally protected rights of private property owners.
- (d) Assure priority for coastal-dependent and coastal-related development over other development on the coast.
- (e) Encourage state and local initiatives and cooperation in preparing procedures to implement coordinated planning and development for mutually beneficial uses, including educational uses, in the coastal zone.

The Commission therefore finds, for the specific reasons detailed below, that the land use plan conforms with Chapter 3 of the Coastal Act or the goals of the state for the coastal zone with regards to LCP Amendment No. LCP-6-CHV-18-0029-1.

C. CONFORMITY OF THE CHULA VISTA LUP WITH CHAPTER 3

Section 30210 of the Coastal Act states:

In carrying out the requirements of Section 4 of Article X of the California Constitution, maximum access, which shall be conspicuously posted, and recreational opportunities shall be provided for all the people consistent with public safety needs and the need to protect public rights, rights of private property owners, and natural resource areas from overuse.

Section 30213 of the Coastal Act states, in 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 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.

Section 30222 of the Coastal Act establishes visitor-serving commercial recreational facilities, including overnight accommodations, as a priority use over general commercial development, including offices. The proposed amendment can be found consistent with Chapter 3 of the Coastal Act, because it will allow for the development of visitor-serving overnight accommodations on Parcel 1-a. Parcel 1-a is currently designated as Commercial-Professional and Administrative, which only allow for office uses, which are not a priority use. Thus, the proposed land use designation change to Commercial-Visitor Limited would result in a new hotel or motel intended to serve visitors in an area that historically was not available for this type of development.

The City has not yet received design plans for the subject hotel but it is anticipated that the hotel would consist of two hotel buildings with approximately 120 rooms, along with the associated parking, landscaping, and circulation improvements. Consistent with Policy NR.9.G of the certified LUP, at the time project specific development is proposed, shading impacts, appropriate setbacks, step backs, and/or height reductions will be analyzed as part of the necessary environmental review for the permit application.

According to the City, the hotel development that is proposed on Parcel 1-a is not anticipated to be lower cost; however, it will be moderate cost (priced at 82-120% of the California Average Daily Rate for hotels) and more accessible to the general public than an office. As part of the amendment application, the City provided an inventory of existing hotels, as well as their room rates, to demonstrate that a large number of the hotels within the City are low or moderate cost; however, none of these existing hotels are located in the Coastal Zone. Thus, the designation of the site for a moderate cost hotel or motel would enhance the ability of the general public to access this portion of the coast and bay.

Further, the certified LUP sets forth the following policy that addresses new development that provides overnight visitor accommodations:

Policy LU.5.5.E Lower cost visitor and recreational facilities shall be protected, encouraged and provided where feasible. Priority shall be given to the development of visitor serving and commercial recreational facilities designed to enhance public

opportunities for coastal recreation over private residential, general industrial, or general commercial development. A range of room types, sizes, and room prices should be provided in order to serve a variety of income ranges. On land designated Commercial Visitor, only Commercial Visitor uses shall be permitted.

The above certified LUP policy both encourages new overnight visitor accommodation developments to provide a range of rooms and room prices in order to serve all income ranges, and encourages and protects low cost visitor facilities. Thus, the certified LUP already contains policies to carry out the requirements of Section 30213. Therefore, the LUP amendment is consistent with the Chapter 3 policies of the Coastal Act and the Commission can approve the LUP amendment, as submitted.

PART IV. FINDINGS FOR APPROVAL OF THE CHULA VISTA IMPLEMENTATION PLAN AMENDMENT, AS SUBMITTED

A. AMENDMENT DESCRIPTION

The Bayfront Specific Plan is part of the City's certified Implementation Plan (IP), and consists of seven separate chapters of the City's Zoning Code. Specifically, the proposed amendment would add language to Section 19.84.002 to identify Commercial-Visitor Limited (C-VL) as a Commercial Zone land use and identify the permitted uses within C-VL, which include restaurants, retail shops, and bars that are located in the hotel interior only ([Exhibit 3](#)). As with the LUP, the proposed changes to the City's certified IP are intended to allow for the development of a hotel or motel on Parcel 1-a.

B. FINDINGS FOR APPROVAL

The standard of review for LCP implementation submittals or amendments is their consistency with and ability to carry out the provisions of the certified LUP.

a) **Purpose and Intent of the Ordinance.** Section 19.84.002 of the Bayfront Specific Plan describes permitted uses in Commercial Zones.

b) **Major Provisions of the Ordinance.** The proposed amendment adds text to Section 19.84.002 identifying Commercial-Visitor Limited (C-VL) as a Commercial Zone land use and identifying the permitted uses within C-VL.

c) **Adequacy of the Ordinance to Implement the Certified LUP Segments.**

The City of Chula Vista has applicable policies within its certified LUP that state:

Objective LU.1 New Bayfront development should encourage a mixed-use development combining visitor serving commercial/recreational uses, public parks, and residential. The mixed use character of the Bayfront will: 1) minimize the traffic impact of

development on the surrounding roadway system by splitting the peak hour traffic between trip origins and destinations; and 2) significantly expand public access and use of the Bayfront.

Objective LU.5.5 Lower cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided.

Policy LU.5.5.A Visitor Commercial designated land that supports visitor serving commercial land uses and activities, such as hotels/motels, entertainment attractions, restaurants, and shopping within the City of Chula Vista shall be encouraged and provided. Visitor serving commercial areas have been and shall be designated in the vicinity of primary coastal access routes, particularly in proximity to the bay. Development standards for the Visitor Commercial designation shall encourage pedestrian activity through the design and location of building frontages and parking provisions. Visitor serving commercial uses shall fit the character and scale of the surrounding community.

Policy LU.5.5.E Lower cost visitor and recreational facilities shall be protected, encouraged and provided where feasible. Priority shall be given to the development of visitor serving and commercial recreational facilities designed to enhance public opportunities for coastal recreation over private residential, general industrial, or general commercial development. A range of room types, sizes, and room prices should be provided in order to serve a variety of income ranges. On land designated Commercial Visitor, only Commercial Visitor uses shall be permitted.

Policy LU.5.5.G Where a new hotel or motel development would consist of entirely high cost overnight accommodations, after thorough consideration of a supply/demand analysis within the Chula Vista Bayfront Master Plan and South Bay area, in-lieu fees or comparable mitigation may be required as a condition of approval for a coastal development permit, to ensure a range of overnight accommodations are provided within the Chula Vista Bayfront Master Plan and South Bay area. High cost is defined as those hotels with daily room rates 25% higher than the statewide average for coastal areas.

The mitigation payment would be to provide funding for the establishment of lower cost overnight visitor accommodations within the City of Chula Vista or South Bay coastal area. The monies and accrued interest shall be used for the above-stated purpose, in consultation with the CCC Executive Director. Any development funded by this account will require review and approval by the Executive Director of the Coastal Commission and a coastal development permit.

Policy LU.5.5.H: If removal or conversion of lower or moderate cost overnight accommodations is proposed in the City's coastal zone, the inventory shall be replaced with units that are of comparable cost with the existing units to be removed or converted. The City shall proactively work with hotel/motel operators and offer incentives to maintain and renovate existing properties.

If replacement of lower or moderate cost units is not proposed (either on-site or elsewhere in the City within 5 miles of the coast), then the new development shall be required to pay, as a condition of approval for a coastal development permit, a mitigation payment to provide significant funding for the establishment of lower cost overnight visitor accommodations within Chula Vista, preferably, or within South San Diego County, for each of the low or moderate units removed/converted on a 1:1 basis.

The proposed implementation plan amendment is consistent with the LUP, as proposed to be amended, since both the land use designation and zoning of Parcel 1-a would be modified to allow for a hotel development. The design criteria for the parcel would remain unchanged, so that the new project will fit the character and scale of the surrounding community. The proposed IP amendment is also consistent with the goals and policies of the Land Use Plan that support the provision of visitor serving commercial uses, designation of visitor serving commercial areas in the vicinity of primary coastal access routes, and provision of a range of rooms to serve a variety of income ranges. The proposed amendment would broaden opportunities for visitors to the Chula Vista Bayfront to stay overnight, and would provide for a priority use where it does not currently exist. No changes are being proposed to any certified land use standards cited above and a coastal development permit will still be required for any development on Parcel 1-a. Therefore, the Commission finds the amendment, as submitted, conforms with and is adequate to carry out the certified land use plan, as amended.

PART V. CONSISTENCY WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Section 21080.9 of the California Environmental Quality Act (CEQA) exempts local governments 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 submission.

The City concluded that the proposed LCP amendment would not result in a substantially changed project, and would not result in new impacts or changed circumstances that would require a new environmental document. Therefore, the City determined that the environmental review completed at the time of the original adoption of the Chula Vista Bayfront Master Plan applied to the LCP amendment.

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 LCP amendment, as submitted, would not result in significant adverse environmental impacts under the meaning of the California Environmental Quality Act.