

**CALIFORNIA COASTAL COMMISSION**

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# W18c

## ADDENDUM

December 14, 2021

TO: Coastal Commissioners and Interested Parties

FROM: South Coast District Staff

SUBJECT: **ADDENDUM TO ITEM W18c, MAJOR LCP AMENDMENT REQUEST NO. LCP-5-LGB-20-0052-2 FOR THE COMMISSION MEETING OF WEDNESDAY, DECEMBER 15, 2021.**

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### I. CORRESPONDENCE RECEIVED

As of December 13, 2021 morning, Commission staff has received 17 letters in support, and 101 letters in opposition to staff's recommendation. The City of Laguna Beach has submitted an email in response to the concerns related to historic resources. Copies of public correspondence received and the City's response are available online on the Agenda under the Correspondence Tab for this item, as well as in the record file at the South Coast District Office in Long Beach.

The correspondents in opposition to the LCP amendment and staff's recommendation are concerned that the changes to the Downtown Specific Plan (DSP) will drastically reduce protections to historic resources (from local Historic Inventory and Historic Register listing 65 properties to only a local Historic Register listing 27 properties) and that such removal could be detrimental to community character; remove all references to the City of Laguna Beach's local Historic Resources Inventory; allow replacement of nonconforming historic buildings up to the nonconforming height; allow and promote second story additions to historic buildings; eliminate Heritage Committee review for projects involving properties that are listed on the local Historic Inventory; and reduce parking requirements for many businesses, which will eliminate an incentive for property owners to preserve their buildings and place them on the Historic Register. Other correspondents argue the reduction in parking requirements for certain business in the downtown area will have a negative impact to public access. Some correspondents are concerned about suggested modifications to remove references to the Landscape and Scenic Highways Resource Document.

The City's Historic Preservation Ordinance is currently under review and is pending certification. This ordinance contains the policies and regulations relevant to historic

preservation. The City believes, and Commissions staff agrees, it is not the role of the DSP to regulate historic preservation throughout the city, and changes to the DSP do not change what the City would be obligated to do with existing historic resources in the downtown specific plan area until or unless the Historic Preservation Ordinance is certified by the Commission. Therefore, the removal of any references to the City's Historic Inventory and the update to the historic resources list in the proposed DSP is not anticipated to have an adverse impact on community character. The City has indicated that the proposed changes to the DSP do not modify the historic status of any property, and if a property has been determined to be a historic resource in a manner consistent with California law and meets the criteria for the State Register, it will continue to be protected pursuant to CEQA. In addition, impacts to community character will continue to be determined on a case-by-case basis through the coastal development permit process. Additionally, the DSP update does not replace other zoning codes of the certified Implementation Plan (IP) applicable to historic resources. The Historic Preservation Ordinance LCP amendment request is being processed and will be brought forth at a separate hearing and that ordinance affects historic resources citywide including downtown specific plan area and beyond the downtown area.

With regard to the allegation that the DSP update eliminates Heritage Committee review, staff would note that the DSP did not establish, and the updated DSP will not eliminate, the Heritage Committee process. Regarding comments on CEQA, one comment letter states that the Coastal Commission erred in relying on the City's Negative Declaration and erred in finding the DSP amendment consistent with CEQA. This is in part because the commenter believes the Heritage Committee would be eliminated. This Committee will not be eliminated, so this concern is unfounded. Additionally, demolitions or substantial alterations of historic buildings are not "reasonably foreseeable indirect physical changes in the environment" that would result from an updated DSP. To demolish or substantially alter a historic building, the project would still be required to be consistent with the City's Historic Preservation Ordinance and would need a coastal development permit. The commenters also fault Staff's published staff report for not including reference to potential historic resource impacts. As the City wrote in its own correspondence replying to these comments, the change in the DSP to omit references to the Historic Inventory will not change the historic status of any property, and no additional CEQA review is necessary.

Regarding comments about the replacement of nonconforming historic buildings and the promotion of second story additions to historic buildings, the City has clarified that the "updated DSP does not include new standards or provisions that would allow nonconforming structures to be replaced or reconstructed up to the nonconforming height and does not specifically allow or promote second-story additions to historic buildings." The City has indicated that the City Council ultimately decided not to approve any height increases or allowances to rebuild non-conforming buildings in-kind. However, the DSP update would newly allow second-story additions in the CBD-Office District for certain uses but any effect such additions might have to a historic structure would still need to be addressed through the local process consistent with the historic preservation policies of the certified LCP, which are not being changed through this amendment. In addition, this DSP update does not replace other codes of the certified IP applicable to nonconforming structures.

With regard to the newly proposed parking ratio, as stated in the Commission staff report, the City is proposing a new parking requirement for certain non-residential uses, such as office, retail, and food service, which would be three (3) spaces for each 1,000 square feet

of gross floor area, regardless of the type of use that occupies the space (this is termed a "blended rate approach"). Uses that have a high demand for parking, such as places of assembly, recreational uses, cultural and educational uses, and visitor accommodations (i.e., hotels) would still be required to meet standards as identified in Chapter 25.52 (Parking Requirements) of the certified IP. As addressed in the staff report, the new parking ratio was based on the City's 2017 Parking Actual Demand Study, prepared by IBI Group, which concludes that based on actual parking demand for the downtown area the parking ratio was observed to be approximately three (3) parking spaces per 1,000 square feet of gross commercial floor area. In addition, Commission staff is suggesting some modifications to ensure the proposed IP amendment will conform with and will be adequate to carry out the public access (including public parking) and priority-of-use policies of the certified LUP.

Despite these changes, existing non-conforming historic structures are allowed to remain even with a lack of parking and reducing the parking standards makes it easier for historic structures to come into conformity. Commission staff does not agree that the change to the parking standard incentivizes demolition of historic structures. The certified DSP currently states: "Placement on the Register provides property owners with significant preservation incentives such as parking reduction, setback flexibility, building code deviations and density bonuses. Structures placed on the Historic Register are subject to the provisions and incentives set forth in the Historic Preservation Ordinance, established as LBMC Chapter 25.45." Generally, parking reductions are offered as incentives to help preserve historic structures. This is further evident by that fact that the certified DSP currently offers parking reductions to structures placed on the City's Historic Register in the CBD Central Bluffs District as a parking incentive; and the updated DSP will maintain this incentive. The incentives set forth in the Historic Preservation Ordinance, such as further parking reductions, will continue to apply in addition to the new reduced parking ratio proposed in the updated DSP.

Regarding references to the Landscape and Scenic Highways Resource Document, Commission staff is suggesting modifications to remove any reference to documents that are not part of the certified LCP, but this does not mean these documents do not remain in effect for the City's other processes. When the DSP states "refer to City standards", it means refer to such documents. Keeping such references adds complications. For example, if the Landscape and Scenic Highways Resource Document is updated, the certified LCP would refer to the version that was in effect when it was certified and the updated version; or if the Landscape and Scenic Highways Resource Document is deleted, the certified LCP would reference nothing.

Therefore, Commission staff does not recommend making changes to the staff report.