

CALIFORNIA COASTAL COMMISSION

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W16b

Date: July 27, 2022

To: **COMMISSIONERS AND INTERESTED PERSONS**

From: **JOHN AINSWORTH, EXECUTIVE DIRECTOR**

Subject: **CITY OF SAN DIEGO DE MINIMIS LOCAL COASTAL PROGRAM AMENDMENT
LCP-6-SAN-21-0090-3 (Moderate Income Housing) FOR COMMISSION REVIEW AT
ITS MEETING OF AUGUST 10, 2022**

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

If three or more commissioners object to the de minimis LCP amendment determination, then the amendment shall be set for a future public hearing; if three or more commissioners do not object to the de minimis determination, then the amendment is deemed approved, and it becomes a certified part of the LCP ten days after the date of the Commission meeting (August 10, 2022).

PROPOSED AMENDMENT

The City of San Diego's LCP amendment request was filed on January 10, 2022. At the February 2022 hearing, the Commission approved a one-year time extension on the 60 working day time limit, and as such, the latest the Commission can take action on this item is the March 2023 hearing.

The City adopted an ordinance to change its affordable housing regulations to extend development incentives beyond the current "very low income" and "low income" categories of housing to include "moderate income housing," defined as any household whose

income exceeds 80 percent but does not exceed 120 percent of the median income as adjusted for household size per federal and state authorities.

The changes include an incentive that once a development in a Transit Priority Area (TPA) reaches fifty percent density for very low income or low income housing – with their related density bonuses for those categories of housing – if a development then adds a further ten percent of moderate income housing, it may receive an additional twenty-five percent density bonus. Eligible affordable housing must still be deed restricted affordable for 55 years for rental units and 15 years for for-sale units. Developments with the required ten percent of moderate income housing will also now be eligible for the reduced parking standards in the TPA afforded to very low income and low income units.

The proposed amendment is presented in the attached Ordinance Number 0-21222. The proposed amendment only affected the certified Implementation Plan and was properly noticed.

If you have any questions or need additional information regarding this proposed amendment, please contact Alexander Llerandi at SanDiegoCoast@coastal.ca.gov. Any objections to the “minor” amendment determination must be received within ten working days of the date of this notice.

DISCUSSION

The City of San Diego’s extension of affordable housing development incentives to moderate income housing is the latest in its series of efforts to entice developers to include greater numbers of housing units affordable to lower-income segments of the population. While the City’s efforts to date have focused on very low income and low income segments of the housing market, the City has started to identify a lack of housing affordable to those earning the median income for the area as an additional concern.

The City’s actions in approving Ordinance Number O-21222 is mainly comprised of extending development incentives that are already included in the certified LCP to moderate income housing. There is very little change to the incentives themselves, and to ensure that incentivizing moderate income housing does not unintentionally impede the provision of very low income and low income housing, the City has structured the largest incentive – the twenty-five percent density bonus – to only be applicable once the underlying development has achieved fifty percent density of very low income or low income housing. Furthermore, the changes in parking requirements for moderate income housing will be limited to the TPA, where alternate transit is most readily available, just as is currently the case for very low income and low income housing.

The anticipated increase in density of affordable housing is not anticipated to cause substantial adverse impacts to coastal resources or public access, as the development incentives in the currently certified LCP currently require that the incentives conform to the public access and environmentally sensitive resource policies of the LCP. Thus, the extension of development incentives to an additional category of housing is not anticipated to lead to structures that encroach into habitat or bluff setbacks, nor lead to development that encroaches into public view corridors or public accessways.

Therefore, the proposed amendment is consistent with Chapter 3 of the Coastal Act

DETERMINATION

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

CONSISTENCY WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Section 21080.5 of the California Environmental Quality Act (CEQA) exempts local government from the requirement of preparing an environmental impact report (EIR) in connection with its local coastal program. 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 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.

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