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To: Commissioners and Interested Persons

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**Subject: City of Pismo Beach LCP Amendment Number LCP-3-PSB-22-0012-1
(SB 9)**

SUMMARY OF STAFF RECOMMENDATION

The City of Pismo Beach proposes to modify the Local Coastal Program's (LCP) Implementation Plan (IP) by adding IP Chapter 17.119 (Two-Unit Residential Development and Urban Lot Splits) to implement the provisions of Senate Bill (SB) 9 in the coastal zone. Broadly, and consistent with SB 9, the proposed amendment would allow the subdivision of single-family residentially zoned parcels (i.e., those that are zoned R1) and the construction of up to two residential units on each lot (i.e., a lot that previously only allowed one residence may now be subdivided and each of the lots allowed two units, thereby totaling four). SB 9 seeks to intensify the amount of allowed residential development within urbanized areas zoned for single-family residential use in California as a means of helping to address the state's housing – particularly affordable housing – crisis, a crisis that is particularly acute in the coastal zone.

In general, the expected outcome of such a program is residential densification and intensification of use in such single-family residential areas. In many coastal jurisdictions, single-family zoning comprises the bulk of their respective coastal zone, and thus these areas represent opportunity for residential densification including to help meet affordable and market rate housing goals. Such an approach is not so different from the Coastal Act's (and by extension local government LCP) direction to funnel new development into existing developed areas (per Coastal Act Section 30250). As a general rule, existing developed areas are less likely to raise significant coastal resource concerns. SB 9 also attempts to make better use of the coastal zone's single-family residential areas, recognizing that conventional single-family residential land use practices and development, especially as it relates to large lot single-family development, limits the amount of housing stock.

That said, the Coastal Act doesn't give carte blanche approval for all urban infill development; there are rules to protect important coastal resources such as bluffs and beaches (e.g., by being set back appropriately so as not to need coastal armoring),

wetlands and sensitive habitats (e.g., prohibiting residential development within these areas), public views and public access (e.g., ensuring that both are protected in development proposals), and resources affected by public service limitations (e.g., limiting development in areas where water and/or wastewater inadequacies are leading to adverse coastal resource impacts). The Coastal Act and corresponding LCP policies protect these resources, and thus all development, including SB 9 development, must be consistent with those policies. While in most cases existing LCP requirements should be able to address these coastal resource issues for SB 9 development in the same manner that LCPs protect such resources when any development is proposed, in some cases it may be appropriate and/or necessary to include specific prescriptions for SB 9 development (e.g., requiring off-street parking in areas where residential parking competes with coastal access, or even prohibitions on SB 9 development, including in areas with known public service capacity constraints or on eroding blufftop parcels fronting the ocean, etc.). And in all LCP cases, it requires an evaluation of the particular single-family residential context and issues to be able to draw such conclusions in a CDP context.

In this case, the City is predominantly urban in nature and built out, and thus the vast majority of new residential development that would be fostered by the proposed amendment would be considered 'infill' development in areas that generally do not raise coastal resource issues. For those latent issues that remain, the amendment makes clear that, within the coastal zone, such development must still comply with the Coastal Act and applicable LCP policies, including in terms of CDP requirements. That said, the proposed amendment requires a few modifications to address particular coastal resource considerations. With respect to public coastal access and parking, Pismo Beach serves as a significant visitor destination, with a high volume of visitors arriving in cars from California's Central Valley. While the proposed amendment requires off-street parking in certain identified shoreline locations, as proposed, the amendment may frustrate the ability to actually construct SB 9 units given the as-proposed requirement to provide two spaces per unit. As such, and consistent with the approach the City took for ADUs, which requires parking on a graduated scale based on unit size (i.e., one space for studios and one bedrooms, and two spaces for two bedroom units and larger) to respond to the small units and lots at issue with these types of developments, suggested modifications insert these same ADU standards for SB 9 development. The modification will help protect on-street public parking opportunities while still fostering needed infill development. For coastal hazards, suggested modifications require the same analysis and findings made for other development in the coastal zone (i.e., sited outside of coastal hazards risk for a minimum 100-year period without shoreline armoring). And other modifications are for clarity purposes, including ensuring that all SB 9-related development must be consistent with the LCP, including the requirement to meet wetland, creek, and ESHA setbacks.

In sum, the proposed amendment as modified would help implement the state's goal of providing more housing while balancing this densification with protection of coastal resources. As modified, the proposed amendment is consistent with and adequate to carry out the Land Use Plan (LUP), the standard of review for this IP amendment, and

the City has indicated it is in agreement with the staff recommendation. Therefore, staff recommends that the Commission approve the amendment with the suggested modifications. The required motions and resolutions are found on page **5** below.

Staff Note: LCP Amendment Action Deadline

Commission staff filed the proposed LCP amendment as complete on June 30, 2022, and since the proposed changes affect the LCP's IP, the 60-working day deadline for action was September 26, 2022. However, Coastal Act Section 30517 allows the Commission to extend, for good cause, the time limit for Commission action on LCP amendments for a period not to exceed one year. The Commission approved the extension of the deadline for action on the LCP amendment at the September 2022 hearing. Thus, the new deadline for Commission action is September 26, 2023, and the Commission has until that date to act.

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EXHIBITS

- Exhibit 1: Proposed IP Amendment
- Exhibit 2: IP Amendment with Suggested Modifications
- Exhibit 3: Map of Coastal Access Points

1. MOTIONS AND RESOLUTIONS

Staff recommends that the Commission, after public hearing, approve the proposed LCP amendment with suggested modifications. The Commission needs to make two motions on the IP amendment in order to act on this recommendation.

A. Deny the IP Amendment as submitted

Staff recommends a **YES** vote on the motion below. Passage of this motion will result in rejection of the Implementation Plan Amendment and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

Motion: *I move that the Commission reject the Implementation Plan Amendment LCP-3-PSB-22-0012-1 as submitted by the City of Pismo Beach.*

Resolution to Deny: *The Commission hereby denies certification of LCP Amendment Number LCP-3-PSB-22-0012-1 as submitted by the City of Pismo Beach and adopts the findings set forth below on grounds that the Implementation Plan Amendment as submitted does not conform with, and is inadequate to carry out, the provisions of the certified Land Use Plan. Certification of the Implementation Plan Amendment would not meet the requirements of the California Environmental Quality Act as there are feasible alternatives and mitigation measures that would substantially lessen the significant adverse impacts on the environment that will result from certification of the Implementation Plan Amendment as submitted.*

B. Certify the IP Amendment with Suggested Modifications

Staff recommends a **YES** vote on the motion below. Passage of this motion will result in certification of the Implementation Plan Amendment with suggested modifications and the adoption of the following resolution and the findings in this staff report. The motion to certify with suggested modifications passes only by an affirmative vote of a majority of the Commissioners present:

Motion: *I move that the Commission certify LCP Amendment Number LCP-3-PSB-22-0012-1 as submitted by the City of Pismo Beach if it is modified as suggested in this staff report.*

Resolution to Certify: *The Commission hereby certifies LCP Amendment Number LCP-3-PSB-22-0012-1, if modified as suggested, and adopts the findings set forth below on grounds that the Implementation Plan Amendment with the suggested modifications conforms with, and is adequate to carry out, the provisions of the certified Land Use Plan. Certification of the Implementation Plan Amendment if modified as suggested 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.*

2. SUGGESTED MODIFICATIONS

The Commission hereby suggests the following modifications to the proposed Implementation Plan amendment, which are necessary to make the requisite Land Use Plan consistency findings. If the City of Pismo Beach accepts the suggested modification within six months of Commission action (i.e., by September 8, 2023), by formal resolution of the City Council, the modified amendment will become effective upon Commission concurrence with the Executive Director's finding that this acceptance has been properly accomplished. Where applicable, text in underline format denotes text added by the Commission. Text in ~~cross-out~~ denotes deleted text by the Commission. **See Exhibit 2 for the suggested modifications.**

3. FINDINGS AND DECLARATIONS

A. Description of Senate Bill (SB) 9

The State of California is experiencing a critical shortage of affordable housing. In recognition of this critical shortage, the state Legislature passed numerous laws in recent years aimed at increasing construction of additional housing units, and preferably affordable units. State Senate Bill (SB) 9, which took effect January 1, 2022, established a series of new regulations to allow for ministerial approval (i.e., without discretionary review or hearing) of two residential units on one parcel and/or urban lot splits¹ on parcels located in single-family residential zones.² Broadly speaking, SB 9 seeks to intensify the amount of allowed residential development within urbanized areas zoned for single-family residential use in California as a means of helping to address the state's housing – particularly affordable housing – crisis, a crisis that is particularly acute in the coastal zone. Specifically, lots that previously allowed only one single-family residence may now be subdivided into two lots and each subsequent lot can be built with up to two single-family residences per SB 9, thereby potentially increasing the amount of development on a particular lot from its current limit of one residence to up to four, if applicable criteria are met. The intent is to facilitate additional housing opportunities in areas previously zoned solely for one residential unit. In many coastal jurisdictions, such single-family zoning comprises the bulk of its coastal zone area, and thus these areas represent places of opportunity for residential densification to help meet affordable and market rate housing goals.

SB 9 includes specific objective criteria and provides that local governments may impose their own additional objective standards so long as they do not have the effect of physically precluding the construction of up to two units or that would physically preclude either of the two units from being at least 800 square feet. The specific criteria in SB 9 include, but are not limited to:

¹ The lot split is for the creation of no more than two new parcels of approximately equal area provided that one parcel shall not be smaller than 40% of the original parcel proposed for subdivision and provided that both newly created parcels are not smaller than 1,200 square feet (and a local agency may adopt a smaller minimum lot size).

² SB 9 adds Government Code Sections 65852.21 and 66411.7 and amends Government Code Section 66452.6.

- No off-street parking is required if the units are located within one-half mile of a high-quality transit corridor or within one block of a car share vehicle.
- Prohibitions on SB 9 development within high fire and flood hazard zones, designated historic properties, and affordable housing units.
- SB 9 units cannot be used as short-term rentals (i.e., rentals must be for a term longer than 30 days).
- Local governments may prohibit accessory dwelling units (ADUs) or junior accessory dwelling units (JADUs) on parcels where a second unit or lot split occurs.
- A local government may deny a two-unit project or lot split if it finds that it would have an adverse impact on public health and safety or the physical environment and for which there is no feasible mitigation.
- Specific to lot splits, SB 9 requires that such development must also comply with the Subdivision Map Act, except as otherwise expressly provided in SB 9, and applicants must occupy one of the housing units as their principal residence for a minimum of 3 years.

Importantly, and notably for coastal resource purposes, SB 9 includes a Coastal Act ‘savings clause’ that states that it shall not be construed to supersede or lessen the effect of the Coastal Act, except that local governments are not required to hold public hearings for coastal development permits (CDPs). This means that, aside from CDP public hearing requirements, projects utilizing SB 9’s provisions must still be found in compliance with the Coastal Act or Local Coastal Program (LCP) policies implementing the Coastal Act.

B. Description of Proposed LCP Amendment

The City of Pismo Beach proposes to amend the IP component of its LCP to add regulations in response to SB 9. The City developed an ordinance for the single-family residential zoning district (R1) that largely incorporates the various objective provisions of SB 9 and includes the following additional standards and clarifications:

1. Identifies that except as expressly provided in the SB 9-specific regulations or SB 9 itself, all other regulations of the underlying zone (R1), the City’s Zoning Code/IP specified in Title 17 of the City’s Municipal Code, and other applicable State law shall apply.
2. Specifies that CDPs, some of which are appealable per the LCP, are required in the coastal zone for all SB 9 development, but that no public hearing is required for their review and action.
3. For reasons related to public coastal access, the ordinance requires SB 9 development in certain designated areas near the coast to meet the LCP’s existing minimum off-street parking requirements which equates to two spaces per single-family dwelling unit and stipulates that the parking exceptions identified in SB 9 (i.e., no off-street parking required if located within half mile to high quality transit corridor or within one block of a car share vehicle) do not apply in this area. The ordinance also provides specific standards for required

- parking, including related to minimum dimensions, surfacing, and driveway/sidewalk access.
4. Requires driveways to be shared by only two units and no more than two lots and prohibits more than one driveway on lots with less than 60 feet of public street frontage.
 5. Acknowledges SB 9 allowance for existing structures to maintain no setbacks but requires new units to comply with R1 setback standards and any applicable environmental buffers and constraints, as well as all R1 height, lot coverage, and maximum building area standards.
 6. Prohibits ADUs and JADUs on lots with two-residential SB 9 development.
 7. Prohibits SB 9 development in a large portion of the R1 zone in the Pismo Heights planning area east of Highway 101 due to being in a very high fire hazard severity zone.
 8. Includes additional lot configuration requirements for lot splits, including no flag lots on a corner or adjacent to an alley, and a minimum parcel width.
 9. Includes a provision that SB 9-related development is not permitted in areas determined by the Community Development Director to be vulnerable to sea level rise unless it's otherwise consistent with the Coastal Act.
 10. Allows the Community Development Director to grant an exception to any of the specified standards in the ordinance, other than those required for compliance with the Coastal Act, upon determining that complying with the standards would physically preclude the construction of up to two residential units or that would physically preclude either of the two units from being at least 800 square feet.

In sum, the amendment largely tracks the requirements of SB 9 itself, with some deviation as it relates to coastal resource considerations protected by the LCP, including in terms of requiring off-street parking in areas near coastal accessways, prohibiting SB 9 development within areas deemed hazardous by the Community Development Director, and ensuring that all such SB 9 development is consistent with the Coastal Act for purposes of setbacks and buffers around sensitive coastal habitats.

Please see **Exhibit 1** for the proposed IP amendment text and **Exhibit 2** for the proposed IP amendment with suggested modifications.

C. Evaluation of Proposed LCP Amendment

Standard of Review

The proposed amendment affects the LCP's IP, and the standard of review for IP amendments is that they must be consistent with and adequate to carry out the policies of the certified LUP.

Applicable Land Use Plan Policies

At its core, the City of Pismo Beach LUP seeks to provide for infill residential development in a manner that protects and respects coastal resources. The LUP contains principles and policies that specifically encourage a mix of housing types clustered together in various existing developed neighborhoods:

LUP Principle P-15: Visitor/Resident Balance. *The California coast is an extremely desirable place to live, work and recreate that belongs to all the people. As such, congenial and cooperative use by both residents and visitors is recognized. Such use should capture the best attributes of the city and creatively determine the acceptable place, scale, intensity, rate and methods for development consistent with resource protection and public benefit.*

LUP Policy LU-2: Residential Uses. *Residential land uses include the categories of Low, Medium, High, and Very High Density. Specific policies for residential uses are:*

- a. Variety of Residential Land Uses Encouraged. In order to provide a variety of housing choices for all income groups and create residential areas with distinctive identity a wide variety of densities and housing types shall be encouraged.*
- b. Cluster Development Encouraged. Cluster developments are encouraged where they provide increased open space, better visual qualities, and additional preservation of sensitive sites, decreased cost of municipal services or an opportunity to provide affordable housing.*

...

These general policies are further augmented by specific provisions for particular neighborhoods, including ensuring that residential development is compatible with their scale and character as well as sensitive coastal resources such as bluffs and coastal habitats. In this case, the proposed amendment only affects areas of the City in the single-family residential zoning district (R1). These areas are located in LUP Neighborhood Planning Areas A-2 (Sunset Palisades), D (Spyglass), E (St. Andrews Tract), H (Shell Beach), and P (Pismo Heights). The following applicable policies apply to these specific planning areas:

Policy LU-A-6 Concept: *Sunset Palisades, an area of existing homes with scattered vacant lots, is designated for Low Density Residential development. The emphasis is on maintaining coastal views, open space and protecting the coastal bluffs and intertidal habitat area. Infill development shall be compatible with the existing community.*

Policy LU-D-1 Concept: *The Spyglass Planning Area is a residential neighborhood (Medium and High Density) with access to two parks and neighborhood shopping. The emphasis is on conserving the existing housing stock and assuring that future changes are compatible with the existing neighborhood.*

Policy LU-E-1 Concept: *The St. Andrews Tract Planning Area shall be retained as a residential neighborhood with Low and High Density residential uses. The focus is on conserving the existing housing stock and assuring that home additions and replacements are compatible with the scale and character of the existing development.*

Policy LU-H-1 Concept: *Shell Beach Road is bordered by a narrow commercial band of High Density Residential. Behind the High Density residential area to the ocean, a medium density land use accommodates single family homes in the area. The focus of this area is a more traditional beach community with small single-family lots, street activity, and views of the ocean to the west, and the foothills to the east. The emphasis is on assuring that new and expanded homes are compatible with the scale, bulk, and character of the existing neighborhood.*

Policy LU-P-1 Concept: *The Pismo Heights area is designated for Low, Medium, and High Density Residential.*

The LCP also includes policies specifically protecting coastal bluffs and ensuring development is safe from coastal hazards risk through appropriate setbacks (for 100 years, or a minimum of 25 feet) without shoreline armoring (with armoring only permissible for existing, not new/redeveloped, development):

Policy S-3 Bluff Set-Backs: *All structures shall be set back a safe distance from the top of the bluff in order to retain the structures for a minimum of 100 years, and to neither create nor contribute significantly to erosion, geologic instability or destruction of the site or require construction of protective devices that would substantially alter natural landforms along bluffs and cliffs. The City shall determine the required setback based on the following criteria:*

a. *For development on single-family residential lots subdivided prior to January 23, 1981, the minimum bluff setback shall be 25 feet from the top of the bluff (bluff-top is defined as the point at which the slope begins to change from near horizontal to more vertical). A geologic investigation may be required at the discretion of the City Engineer, and a greater setback may be applied as the geologic study would warrant.*

b. *For all other development, a geologic study shall be required for any development proposed.*

Policy S-6 Shoreline Protective Devices: *Shoreline protective devices, such as seawalls, revetments, groins, breakwaters, and riprap shall be permitted only when necessary to protect existing principal structures, coastal dependent uses, and public beaches in danger of erosion...*

And finally, the LUP requires development to accommodate parking, including specifically requiring developments near the shoreline to evaluate potential parking impacts and to provide parking to address/mitigate for any loss of coastal access parking spaces.

C-13 Parking. *[in relevant part] Parking for both residents and visitors shall be provided as part of new development. ... In-lieu fees may also be considered for residential uses in order to encourage ground floor, street facing residential dwellings. Parking shall be provided within the vicinity of the coastline for recreational uses. However, within the downtown area, day use parking for the*

*beach shall primarily be located at the north or south end of downtown rather than at the pier. In order to assure that development projects will not adversely affect the availability of existing parking for shoreline access, an adequate quantity of on-site parking spaces to serve the full needs of the development shall be required, except as noted above for the downtown area. ... New development projects located within one-quarter mile of the beach or bluff edge shall be evaluated to assess their impact on the availability of parking for public access to the coast. **If a project would result in a reduction of shoreline access parking, the project may be required to provide additional parking spaces to accommodate public access.** [emphasis added]*

Consistency Analysis

Generally speaking, SB 9 represents a fairly significant shift in traditional planning as it relates to single-family zoning, which historically stands for one residential unit per lot. Such a shift is not inconsistent with recent planning trends (including the recent encouragement by the State for accessory dwelling units in single-family residential areas) that aim to respond to growing housing shortages in certain areas of the country, California in particular. In California's coastal areas, the housing shortages and inequities are particularly acute given the high cost of land and favorable living conditions. And, of course, housing, like most forms of development, can run up against important and protected coastal resources, including public recreational access, sensitive habitats, and coastal visitor-serving uses. This potential tension in the coastal zone between housing development and protection of coastal resources makes it especially critical to ensure that the implementation of State laws such as SB 9 is balanced and harmonized with Coastal Act and LCP requirements.

With respect to the proposed amendment, in general the expected outcome of such a program is residential densification and intensification of use in such single-family residential areas. Such an approach is not so different from the Coastal Act's (and by extension local government LCP) direction to funnel new development into existing developed areas (per Coastal Act Section 30250). Generally, existing developed areas are less likely to raise significant coastal resource concerns. And it also attempts to make better use of the coastal zone's single-family residential areas, recognizing that conventional single-family residential land use practices and development, especially as it relates to large lot single-family development, limits the amount of housing stock that can be developed. Thus, SB 9 goals are generally in harmony with Coastal Act/LCP goals that foster infill development, and in particular it attempts to do so by providing tools that can help to change long-standing attitudes and practices associated with single-family residential development, and to make better use of such residential areas in a way that can possibly accommodate more housing. And in the state's current housing crisis, providing more housing opportunities in already developed communities is key, because in the coastal zone not doing so may put more pressure to build housing in outlying/peripheral areas that could lead to concerns regarding more sensitive rural, agricultural, and natural lands.

That said, the Coastal Act doesn't give carte blanche approval for all urban infill development; there are rules to protect important coastal resources such as bluffs and beaches (e.g., by being set back appropriately so as not to need coastal armoring), wetlands and sensitive habitats (e.g., prohibiting residential development within these areas), public views and public access (e.g., ensuring that both are protected in development proposals), and resources affected by public service limitations (e.g., limiting development in areas where water and/or sewer inadequacies are having adverse coastal resources impacts). The Coastal Act and corresponding LCP policies protect these resources, and thus all development, including SB 9 development, must be consistent with them. While in most cases existing LCP requirements (such as the LUP provisions cited above) should be able to address these coastal resource issues for SB 9 development in the same manner that LCPs protect such resources when any development is proposed, in some cases it may be appropriate and/or necessary to include specific prescriptions for SB 9 development (e.g., requiring off-street parking in areas where residential parking competes with coastal access, or even prohibitions on SB 9 development, including in areas with known public service capacity constraints or on eroding blufftop parcels fronting the ocean, etc.). And in all LCP cases, it requires an evaluation of the particular single-family residential context and issues to be able to draw such conclusions in a CDP context.

In Pismo Beach's case, the proposed amendment is largely consistent with the above-described framework by ensuring that all SB 9 development is otherwise consistent with existing LCP provisions, as well as specifying additional requirements to address particular resource needs. The City is predominantly urban in nature and built out, and thus the vast majority of new residential development that would be fostered by the proposed amendment would be considered 'infill' development in areas that generally do not raise coastal resource issues. The City's proposed SB 9-related provisions largely track the requirements specified in the State law itself, including prohibiting SB 9 development within historic properties and high fire and flood hazard zones; protections for existing affordable housing units; prohibiting use of SB 9-related units as short-term vacation rentals; prohibiting ADUs on lots already densified by SB 9-related development; and a minimum 1,200 square-foot lot size for new parcels. The amendment also provides additional specificity related to development standards, requiring that all new development comply with the height, lot coverage, and maximum building area standards for R1 zones³. And finally, the amendment makes clear that, within the coastal zone, such development must still comply with the Coastal Act and applicable LCP policies, including in terms of CDP requirements. Thus, at a broad level, providing for additional infill development within the City's single-family neighborhoods should not raise significant coastal resource issues, and any latent issues can be appropriately addressed by LCP requirements.

That said, the proposed amendment requires a few modifications to address particular coastal resource considerations. With respect to public coastal access and parking,

³ The R1 standard for height is 25 feet (with some parts of the City capped at 15 as noted in certain height limitation districts), the standard for lot coverage is 55%, and the standard for maximum building area is 86% of the first 2,700 square feet and 60% of any area of the lot in excess.

Pismo Beach serves as a significant visitor destination, with a high volume of visitors arriving in cars from California's Central Valley. The City was particularly concerned that SB 9-related development, with its allowance to prohibit parking in areas served by public transit, might lead to a loss of visitor parking near shoreline access points, because on-street parking in the public rights-of-way provides the vast majority of such public access parking in the City. As such, the proposed ordinance requires parcels located in the coastal zone, west of Highway 101, and within one-quarter mile of a public access point to have two garage parking spaces per dwelling regardless of whether it is served by public transit or not (see **Exhibit 3**). This particular geography is the same as what was identified in the City's recent ADU ordinance, which similarly requires off-street parking for ADUs in this area so as to protect public access street parking.⁴ In other words, the City is requiring the same number of parking spaces for SB 9 development as it does for other single-family residences. While the overall idea here provides good protection of coastal access parking (and good public policy to have SB 9 and ADU parking geographic areas be the same), requiring *two garage* spaces for each new residence may frustrate SB 9's purpose and usability in the coastal zone since it may be difficult or impossible to have adequate space on small lots. Fortunately, the City's ADU ordinance also provides a good parking metric that is more tailored to small-lot and unit size residential development. These standards require one off-street spot for studio and one-bedroom dwellings and two off-street parking spots for two-bedroom or larger dwellings. As such, and for purposes of treating ADUs and SB 9 development in similar manners given their similar issues, suggested modifications are added that replace the rote two garage space per unit standard with these graduated standards based on unit size (see Section 17.119.050(D) in Exhibit 2), and that may also be satisfied by tandem parking within the driveway. As modified, residences within the identified coastal access geography will be required to have one or two spaces depending on unit size, and units outside of the demarcated area will be required to have one off-street spot, as is the State's SB 9 requirement, unless such units are near public transit. As modified, the parking standards achieve a balance between protecting parking near shoreline access points and fostering infill development in residential zones.

Next, with respect to coastal hazards, the LCP amendment as proposed allows the Community Development Director to determine areas of the City that are vulnerable to sea level rise and thus where SB 9-related development is not permitted. While the idea is one rooted in ensuring development is safe from coastal hazard threat, the ordinance as written provides too much discretion and lack of clarity regarding how such determinations are to be made. It also raises questions as to how existing LCP provisions requiring development to be set back from coastal hazards for a 100-year period without shoreline armoring would be implemented. As such, suggested modifications delete the Community Development Director construct and instead replace with reference to the existing LCP's coastal hazards policies and requirements, including ensuring that all SB 9 development is sited safe for 100 years, that new lots are prohibited in areas that cannot meet the 100-year threshold, and that shoreline armoring is not permitted for any SB 9 development (see Section 17.119.060(J) and (K)

⁴ Which was approved by the Commission on August 12, 2021 (LCP amendment LCP-3-PSB-21-0037-1).

in Exhibit 2). As modified, the amendment will ensure that all SB 9 development is sited safely and consistent with existing LCP requirements.

And lastly, certain modifications are also added for clarity purposes to make clear that SB 9 development must be otherwise consistent with the LCP (and not just the Coastal Act or other requirements of City law as written), and that certain allowed deviations and exceptions do not apply to LCP standards, including those governing ESHA, wetlands, bluffs, and their required setbacks (for example, see Section 17.119.070 in Exhibit 2).

In sum, the proposed amendment will serve to provide needed infill housing in a manner protective of coastal resources, and the suggested modifications should be understood as refinements and clarifications in this regard. Accordingly, the IP amendment with the suggested modifications can be found consistent with the certified LUP.

D. California Environmental Quality Act (CEQA)

Section 21080.9 of the California Public Resources Code—within the California Environmental Quality Act (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 LCPs and LCP amendments. Instead, the CEQA responsibilities are assigned to the Coastal Commission; however, 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 or LCP amendment action.

Nevertheless, the Commission is required, in approving an LCP or 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 which would substantially lessen any significant adverse impact which the activity may have on the environment (see California Code of Regulations Title 14 Sections 13540(f) and 13555(b)).

The City's LCP amendment consists of an IP amendment. As discussed above, the IP amendment as originally submitted does not conform with, and is not adequate to carry out, the policies of the LUP. The Commission has, therefore, suggested modifications to the proposed IP to include all feasible measures to ensure that potentially significant environmental impacts of new development are minimized to the maximum extent feasible consistent with the requirements of the Coastal Act. These modifications represent the Commission's analysis and thoughtful consideration of all significant environmental issues raised in public comments received, including with regard to potential direct and cumulative impacts of the proposed IP amendment, as well as potential alternatives to the proposed amendment. As discussed in the preceding sections, the Commission's suggested modifications represent the most environmentally protective alternative to bring the proposed IP amendment into conformity with the LUP consistent with the requirements of the Coastal Act.

Therefore, the Commission finds that there are no other feasible alternatives or mitigation measures under the meaning of CEQA which would further reduce the potential for significant adverse environmental impacts, and the proposed IP amendment, as modified, conforms with CEQA.