

CALIFORNIA COASTAL COMMISSION

SAN DIEGO DISTRICT OFFICE
7575 METROPOLITAN DRIVE, SUITE 103
SAN DIEGO, CA 92108-4402
VOICE (619) 767-2370
FAX (619) 767-2384



W14b

Date: March 17, 2023

To: **COMMISSIONERS AND INTERESTED PERSONS**

From: **DR. KATE HUCKELBRIDGE, EXECUTIVE DIRECTOR**

Subject: **CITY OF SAN DIEGO DE MINIMIS LOCAL COASTAL PROGRAM AMENDMENT LCP-6-SAN-22-0044-2 (Build Better SD) FOR COMMISSION REVIEW AT ITS MEETING OF April 12, 2023.**

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 (April 12, 2023).

PROPOSED AMENDMENT

The City of San Diego's LCP amendment request was filed on October 25, 2022. At its December 4, 2022, hearing, the Coastal Commission approved a one-year time extension to December 2023. As such, the last date for Commission action is the November 2023 hearing.

Build Better SD is a citywide initiative to change its development impact fee (DIF) funding system used to fund public facilities such as libraries, streets, emergency services, and pedestrian and bike facilities. Build Better SD involves changes to various City policies and regulations, with only some of the changes affecting parts of the certified LCP. Specifically,

the parts of Build Better SD that affect the LCP and are before the Coastal Commission involve minor amendments to one ordinance (Section 142.0640: Impact Fees for Financing Public Facilities and Spaces) in the Land Development Code (LDC) as well as amending Table 7 the Land Development Manual's Appendix M – Trip Generation Manual – and adding a new Appendix U – Development Impact Fee Manual. The LDC and LDM together form the IP of the certified LCP.

The Appendix M: Trip Generation Manual contains the methodologies and values used in calculating vehicle trips generated by various uses in the city, and the City is modifying Table 7 of Appendix M so that it now just addresses trip generation rates in the Otay Mesa community, which is outside of the Coastal Zone. The new Appendix U: Development Impact Fee Manual summarizes the guiding documents, methodologies, procedures, and policies to be used as a reference when implementing the City's DIF program. These documents address the various DIF funds for uses such as libraries and fire safety services and the fees that can be charged of developments.

The proposed amendment is presented in the attached Ordinance Number 0-21521 and attached Resolution Number R-314268. The amendment only affects the 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 objection to this "minor" amendment determination must be received within ten working days of the date of this notice.

DISCUSSION

Under the current fee structure and public facilities policies, funds collected from development are locked into place by community planning area boundaries. This has resulted in greater infrastructure investments in more affluent communities, with less investment in traditionally disadvantaged communities. Fees currently vary significantly by community, with higher fees – and therefore more funding for investments – in the higher resource communities. Due to the existing system, there is approximately \$222 million dollars currently sitting unused in City funds, sitting in separate funds across 44 communities rather than being directed to where there is greatest need. This can also have a secondary detrimental effect on housing, as higher fees in higher resource areas can make it more difficult to construct more affordable housing in those areas.

Build Better SD will allow the City to more expeditiously and equitably expend funds by adopting citywide funds for services such as Fire-Rescue, Libraries, and Mobility to replace the existing community-based funds. This will allow for prioritizing infrastructure needs city-wide, rather than community wide. The new DIF schedule will also have greater flexibility in matching the appropriate fee to charge with the development's size, density, and use . Caps on DIF for multifamily housing will also better incentivize larger-density housing developments.

Build Better SD does not involve any changes to land uses or zoning, but merely limits certain fees to the Otay Mesa community outside the coastal zone and adds a new

appendix summarizing the process for charging DIF for various public services, such as libraries. No permitting requirements or development regulations are being altered. The greater flexibility in expenditure of funds city-wide rather than balkanized by community area will allow for greater equity in the City's efforts to provide all residents with adequate park, library, fire-rescue, and mobility improvements. It will not change or reduce the LCP's current requirements for developments to provide public views, public accessways, parking, or setbacks from habitat. Thus, the amendment can be found in conformance with the policies of the certified LUP of the City of San Diego's certified LCP.

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.