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W15a

Date: January 23, 2025

To: Commissioners and Interested Persons

From: Karl Schwing, Deputy Director
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Subject: Major Amendment Request No. LCP-5-LGB-24-0026-1 to the City of Laguna Beach LCP for Commission Action at the February 5-6, 2025 meeting.

SUMMARY OF LCP AMENDMENT REQUEST NO. LCP-5-LGB-24-0026-1

The City of Laguna Beach requests that the Commission certify an amendment to the City's certified Local Coastal Program (LCP). The subject amendment request would revise the certified Land Use Plan (LUP) and Implementation Plan (IP) in accordance with State housing laws and the City's Housing Element. The proposed amendment would modify existing chapters of the City's Zoning Code, which is a component of the IP, and add a new chapter to the City's Zoning Code related to Housing Programs and Incentives. The new zoning code chapter would add provisions for density bonuses, single-room occupancy units, infill and mixed-use housing projects, transitional and supportive housing, low barrier navigation centers, home occupation/work-live standards, and lot consolidations for senior and affordable housing projects. Accordingly, the LUP would be amended to allow for residential and other similar non-visitor serving uses in the Local Business/Professional and Commercial/Tourist Corridor zones without requiring a conditional use permit provided that adequate visitor serving facilities are maintained. The above-mentioned LUP and IP revisions are intended to remove barriers to site and develop more affordable residential units within the City of Laguna Beach to meet state housing needs.

The amendment was submitted for Coastal Commission action on June 21, 2024, via Laguna Beach City Council Resolution No. 24-043.

SUMMARY OF STAFF RECOMMENDATION

The City of Laguna Beach (City) has prepared and submitted draft language to implement proposed changes to the Implementation Plan (IP) and Land Use Plan (LUP) portions of

the City's certified Local Coastal Program (LCP), which are summarized above. The Commission and the City seek to encourage affordable housing that serves diverse communities while ensuring that coastal resources, including public access, are protected. The primary intent of the proposed amendment is to make the certified LCP consistent with state law and meet state housing needs by establishing application procedures, development standards, operational standards, and definitions for various affordable housing related programs, projects, and incentives. The proposed amendment also specifies where the aforementioned housing programs, projects, and incentives may be located. Commission Staff are suggesting modifications to ensure that density bonus projects are harmonized with the coastal resource protection policies within the certified LCP and Coastal Act. Staff are suggesting additional modifications to ensure protection of priority uses, provide clarification for certain definitions and standards pertaining to the new housing programs and incentives, as well as minor typographical modifications.

Staff is recommending that the Commission, after public hearing:

1. **Approve** the amendment request to the Land Use Plan **as submitted.**
2. **Deny** the amendment request to the Implementation Plan **as submitted**.
3. **Approve** the amendment request to the Implementation Plan **if modified as recommended**.

The proposed amendment request to the IP, if modified as recommended, will ensure that the IP is in conformance with and adequate to carry out the provisions of the certified LUP. Additionally, the proposed amendment request to the LUP, as submitted, will ensure that the LUP continues to meet the requirements of and conform with the Chapter 3 policies of the Coastal Act. The motions and resolutions to accomplish this are found on pages 6-7.

ADDITIONAL INFORMATION

Copies of this staff report are available on the Commission's website at www.coastal.ca.gov. For additional information, contact Emily Greer in the Long Beach office at emily.greer@coastal.ca.gov or (562) 590-5071.

TABLE OF CONTENTS

I. PROCEDURAL REQUIRMENTS 4

A. Standard of Review 4
B. Public Participation 4
C. Procedural Requirements 5
D. Deadline for Commission Action 5

II. MOTIONS AND RESOLUTIONS 6

A. Approve LUP Amendment as Submitted 6
B. Deny IP Amendment as Submitted 6
C. Approve IP Amendment with Suggested Modifications 7

III. SUGGESTED MODIFICATIONS 8

IV. FINDINGS 13

A. LCP Amendment Description and Background 13
B. Consistency Analysis 17
C. California Environmental Quality Act (CEQA) 31

EXHIBITS

Exhibit 1 – City Council Ordinance No. 1701

Exhibit 2 – City Council Resolution No. 24-043

I. PROCEDURAL REQUIREMENTS

A. STANDARD OF REVIEW

The City's LUP was certified with suggested modifications on June 11, 1985, and effectively certified on March 13, 1986. The City's LUP is comprised of a variety of planning documents including the Land Use Element (LUE), Open Space/Conservation Element, Coastal Technical Appendix, and Fuel Modification Guidelines (of the Safety General Element of the City's General Plan as adopted by Resolution 89.104). The Coastal Land Use Element was updated and replaced in its entirety via LCPA 1-10 in 2012.

The Implementation Plan (IP) for the City was certified in 1993, with the City assuming coastal development permit issuing authority at that time. The IP portion of the City of Laguna Beach certified Local Coastal Program (LCP) is comprised of more than 10 documents, including Title 25 of the City's Municipal Code, which is the City's Zoning Code.

Pursuant to Coastal Act sections 30512 and 30514(b), the standard of review for amendments to the certified LUP is the Chapter 3 policies of the Coastal Act. Thus, the portions of the subject LCP amendment request which seek to amend the IP must be reviewed for conformance and consistency with provisions of the certified LUP, and the portions which seek to amend the LUP and must be reviewed for consistency with the Coastal Act. Pursuant to Coastal Act sections 30513 and 30514(b), the standard of review for amendments to the certified IP is the certified LUP. More specifically, the certified IP as amended must conform with, and be adequate to carry out, the provisions of the certified LUP, so the Commission can only deny an IP amendment if it would result in an IP that would not meet that standard.

B. PUBLIC PARTICIPATION

Section 30503 of the Coastal Act states:

> During the preparation, approval, certification, and amendment of any local coastal program, the public, as well as all affected government agencies, including special districts, shall be provided maximum opportunities to participate. Prior to submission of a local coastal program for approval, local governments shall hold a public hearing or hearings on that portion of the program which has not yet been subjected to public hearing within four years of such submission.

Coastal Act Section 30503 thus requires local governments to provide adequate opportunities for public participation during the LCP amendment process.

The City Council adopted the Local Coastal Program Amendment (LCPA) at issue, which the City designated as LCPA No. 23-1251, to amend portions of Title 25 of the Municipal Code and the City's Local Coastal Program. The proposed changes are reflected in

Ordinance No. 1701 and were submitted for Coastal Commission action via City Council Resolution No. 24.043. The City held nine public hearings on the changes reflected in Ordinance No. 1701. The Planning Commission public hearings were held on August 2, 2023, October 18, 2023, November 1, 2023, November 15, 2023, and December 6, 2023. Six members of the public spoke at the various Planning Commission hearings. Some of these speakers were a part of the City's Housing and Human Services Committee (HHSC). The HHSC is an advisory body of the City and is charged with assessing and identifying housing opportunities and human needs for all segments of the community. The proposed amendment was also reviewed and discussed by the HHSC at seven public meetings. Overall, a majority of the speakers were generally in support of the proposed amendment, however the speakers offered suggested changes to the Planning Commission throughout the various hearings. These changes consisted of, but were not limited to, maintaining an affordability term of 55 years for lot consolidation incentives, not including moderate income when considering inclusionary housing projects, and maintaining the 25% affordable housing threshold when considering inclusionary housing projects.

The City Council public hearings were held on February 27, 2024, April 23, 2024, May 28, 2024, and June 11, 2024. The City Council adopted Ordinance No. 1701 and Resolution No. 24.043 on June 11, 2024. Four members of the public spoke at the various City Council meetings, two of which were the same members of the public who spoke at the Planning Commission hearings. Again, most of the speakers supported the proposed amendment, however they offered some of the same suggested changes as previously noted, as well as suggestions related to the timing of review of housing projects.

These local hearings were duly noticed to the public. Notice of the subject amendment has been distributed to all known interested parties.

C. PROCEDURAL REQUIREMENTS

If the Commission certifies the LCP amendment as submitted, no further City Council action will be necessary, and the amendment takes effect. Should the Commission deny the LCP Amendment, as submitted, without suggested modifications, no further action is required by either the Commission or the City, and the LCP amendment is not effective, pursuant to Sections 13537(d) and 13542(f) of Title 14 of the California Code of Regulations (CCR). Should the Commission deny the LCP Amendment, as submitted, but then approve it with suggested modifications, then the City Council may consider accepting the suggested modifications and submitting them by resolution to the Executive Director for a determination that the City's acceptance is consistent with the Commission's action. In that scenario, pursuant to 14 CCR Section 13544(c), the modified LCP Amendment will become final at a subsequent Commission meeting if the Executive Director reports a Determination that the City's action in accepting suggested modifications approved by the Commission for the LCP Amendment is legally adequate. If the City does

not accept the suggested modifications within six months of the Commission's action, then the LCP amendment remains uncertified and not effective within the coastal zone.[1]

D. DEADLINE FOR COMMISSION ACTION

The City submitted the LCP Amendment request on June 21, 2024. After a request for additional information, the amendment request was deemed by staff to be complete on July 31, 2024. The 90th working day after the July 31, 2024, complete submittal filing date was December 10, 2024. The Commission granted a one-year extension at its November 2024 meeting. As such, the last date for Commission action on this item is December 10, 2025. (See Pub. Res. Code § 30511(a).)

II. MOTIONS AND RESOLUTIONS

Following a public hearing, staff recommends the Commission adopt the following resolutions and findings.

A. APPROVE LUP AMENDMENT AS SUBMITTED

Motion I: **I move that the Commission certify Land Use Plan Amendment No. LCP-5-LGB-24-0026-1 as submitted by the City of Laguna Beach.**

STAFF RECOMMENDATION:

Staff recommends a **YES** vote. Passage of this motion will result in adoption of the amendment as submitted and adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the appointed Commissioners.

RESOLUTION TO CERTIFY THE LAND USE PLAN AMENDMENT AS SUBMITTED:

The Commission hereby certifies Land Use Plan Amendment No. LCP-5-LGB-24-0026-1 as submitted and adopts the findings set forth below on grounds that the amendment to the Land Use Plan conforms with the policies of Chapter 3 of the Coastal Act. Certification of the Land Use Plan amendment as submitted 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 LUP on the environment, or 2) there are no feasible alternatives or mitigation measures which could substantially lessen any significant adverse impact which the Land Use Plan Amendment may have on the environment.

B. DENY IP AMENDMENT AS SUBMITTED

[1] See 14 CCR § 13542(b).

MOTION II: I move that the Commission reject Implementation Plan Amendment No. LCP-5-LGB-24-0026-1 for the City of Laguna Beach as submitted.

STAFF RECOMMENDATION OF REJECTION:

Staff recommends a **YES** vote. Passage of this motion will result in rejection of the Implementation Plan 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 DENY CERTIFICATION OF THE IMPLEMENTATION PLAN AMENDMENT AS SUBMITTED:

The Commission hereby denies certification of the IP Amendment submitted for the City of Laguna Beach and adopts the findings set forth below on grounds that the IP Amendment as submitted does not conform with, and is inadequate to carry out, the provisions of the certified Land Use Plan, as amended. Certification of the IP 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 as submitted.

C. APPROVE IP AMENDMENT WITH SUGGESTED MODIFICATIONS

MOTION III: I move that the Commission certify Implementation Plan Amendment no. LCP-5-LGB-24-0026-1 if modified as suggested in this staff report.

STAFF RECOMMENDATION:

Staff recommends a **YES** vote. Passage of this motion will result in certification of the Implementation Plan amendment with suggested modifications 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 THE IMPLEMENTATION PLAN AMENDMENT WITH SUGGESTED MODIFICATIONS:

The Commission hereby certifies the IP Amendment for the City of Laguna Beach if modified as suggested and adopts the findings set forth below on grounds that the IP, as amended by the proposal with the suggested modifications, conforms with, and is adequate to carry out, the provisions of the certified Land Use Plan. Certification of the IP 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 Implementation 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.

III. SUGGESTED MODIFICATIONS

Certification of LCP Amendment No. LCP-5-LGB-24-0026-1, is subject to the following modifications:

The City's proposed new text is shown in underlined text.
The City's proposed deleted text is shown in ~~single strike-through~~.
The Commission's proposed new text is shown in **bold underline**.
The Commission's proposed deleted text is shown in ~~**bold strike-through**~~.

1. Modify proposed IP Section 25.96.010 (Density Bonuses) by adding the proposed subsections as follows:

(C) Coastal Act Consistency. California Government Code Section 65915 provides that density bonus law shall not be construed to supersede or in any way alter or lessen the effect or application of the California Coastal Act of 1976. Any density bonus, concessions, incentives, waivers or reductions of development standards, and parking ratios to which the applicant is entitled under California State Government Code § Section 65915 et. seq., shall be permitted in a manner that is consistent with those sections and the California Coastal Act of 1976 (Division 20 (commencing with Section 30000) of the Public Resources Code.)

(D) Within the Coastal Zone, the approving body (or the Coastal Commission on appeal) may approve a project that deviates from local coastal program (LCP) requirements relating to additional units and/or concessions, waivers, and/or incentives where such deviations emanate from state density bonus law provisions (Government Code Section 65915 et. seq.), if the following criteria are met:

1. **The project (including but not limited to additional units and/or concessions, waivers, and/or incentives) is consistent with Government Code Section 65915; and**
2. **The project is found to be in conformity with all LCP provisions requiring avoidance of significant coastal resource impacts (including but not limited to impacts to sensitive habitat, agriculture, public viewsheds, public recreational access, and open space). To make such a finding, an analysis of coastal resource impacts associated with the density bonus project (and any alternatives) shall be provided. Such analysis shall include a comparison of the project (including with any concessions/waivers/incentives and/or increases in otherwise allowable density applied) with an LCP-consistent alternative (i.e., one without any such deviations applied**

that meets all LCP requirements) that clearly identifies all LCP deviations, coastal resource impacts associated with such deviations, and affordable housing benefits being provided.

2. Modify proposed IP Section 25.96.020 (Lot Consolidation Incentives) as follows:

(A) Intent and Purpose.

3. All requested incentives shall be granted as a matter of right for qualifying projects **with the exception of when a coastal development permit is required pursuant to Chapter 25.07.**

(C) Lot consolidation incentives. Qualifying projects are eligible for any and all of the following incentives:

1. Setbacks. A setback reduction of up to five feet is allowed **from a required front, rear, or side yard requirement**, except when adjacent to existing single-family and two-family residential. The setback reduction may be increased to 10 feet if at least 25% of the housing units are restricted to very low- or extremely low-income households. **This incentive shall not be applied in a manner that reduces a required watercourse, bluff edge, or shoreline setback.**

3. Modify proposed IP Section 25.96.030 (Infill and Mixed-Use Housing Projects) as follows:

(C) Development Standard Exceptions

3. Nonconformities – Major Remodel. Residential additions that constitute a major remodel of an existing building or structure **~~as defined in Section 25.56.006(D)~~** shall not be required to bring nonconformities associated with the non-residential use or uses into compliance with this Title, including nonconforming parking, provided that the project constitutes a major remodel due to the size of the floor area addition only. This exception does not apply when a project meets one or more of the major remodel demolition thresholds, **and in no instance shall this exception be interpreted to relieve projects from compliance with bluff and shoreline development policies, including but not limited to Policy 7.3 and Policy 10.2 of the Land Use Element or the associated action items.**

4. Modify proposed IP Section 25.96.040 (Home Occupations) as follows:

(D) Authorization – Permits Required.

[…]

4. Coastal Development Permit. Any home occupation project within the coastal zone that qualifies as development under Section 25.07.006 of the Zoning Code shall require a Coastal Development Permit.

5. Modify proposed IP Section 25.96.050 (Single Room Occupancy Units) as follows:

(C) Applicability. An SRO facility shall be allowed in the C-1 (Local Business District)~~,~~ **and** CH-M (Commercial Hotel-Motel Zone)~~,~~ **provided it is a residential component of a mixed-use project. An SRO facility shall also be allowed in the** M-1A (Light Industrial), and M-1B (Light Industrial) zones.

(E) Standards for Individual Units

1. Floor Area. Each SRO unit shall comply with the following unit size requirements:

	Minimum Size	Maximum Size
One-person unit (single occupancy)	150	220
Two-person unit (double occupancy**)**	221	400

6. Modify proposed IP Section 25.96.060 (Transitional Housing, Supportive Housing, and Low Barrier Navigation Centers) as follows:

(B) Permitted Zones.

1. Transitional housing shall be permitted in any zone that allows residential uses, including mixed-use zones **provided it is a residential component of a mixed-use project**, and subject only to the provisions and development standards applicable to residential uses of the same type in the same zone. The same shall apply to supportive housing, except that supportive housing is not permitted in single-family zones, including the R-1 and RHP Zones.

2. Low barrier navigation centers shall be permitted in any nonresidential zone that allows multifamily uses **provided it is a residential component of a mixed-use project**. Low barrier navigation centers shall be allowed by right if the application is in compliance with the following development and management standards:
   e. The low barrier navigation center complies with the development standards established for emergency shelters in Section 25.48.040 of the Zoning Code.

7. Modify proposed IP Section 25.96.070 (Inclusionary Housing Program) as follows:

(B) Definitions. The following definitions shall apply to this Section:

[…]

10. "Extremely-Low-income household" shall have the definition given in California Health and Safety Code Section 50106.

~~10~~ **11.** "Historically significant building" means any building meets the criteria for listing on the California Register of Historical Resources.

~~11~~ **12**. "Housing in-lieu fund" means the fee fund where all acquired in-lieu fees shall be deposited. Deposited fees may be expended for any costs directly related to the production or preservation of affordable housing in the City of Laguna Beach. Collected fees could also be used for City staff that conduct periodic inspections to ensure that the constructed inclusionary housing units comply with the affordable housing agreement, affordable housing site plan, inclusionary housing plan, affordable housing covenants, and all other City and zoning requirements.

~~12~~ **13**. "Inclusionary housing plan" means the plan that is part of the affordable housing agreement, which describes the design, features, timing, and affordability of the inclusionary housing units as required by this Section.

~~13~~ **14**. "Inclusionary housing unit" means a dwelling unit required by this Section to be affordable to extremely-low, very-low, low, or moderate income households.

~~14~~ **15**. "Low-income household" shall have the definition given in California Health and Safety Code Section 50079.5.

~~15~~ **16**. "Market rate unit" means a new dwelling unit in a development that is not an inclusionary housing unit and can be purchased or rented at market rates. These units are not considered to be affordable units.

~~16~~ **17**. "Moderate income household" shall have the definition given in California Health and Safety Code Section 50093(b), except that for the purposes of moderate income rental inclusionary units that are located upon the same site as the market rate residential rental units, "moderate income household" means a household earning no more than eighty percent of area median income.

~~17~~ **18**. "Nonresidential use" means any use other than dwelling units, guest rooms or joint living and work quarters.

~~18~~ **19**. "Physical needs assessment" means a report by a qualified housing professional identifying those items that are necessary repairs, replacements

and/or maintenance at the time of the assessment or that will likely require repair or replacement within three years of the assessment. Estimated cost of repairs should be included in the assessment. All required repairs must be completed prior to occupancy of the repaired inclusionary housing unit.

~~19~~ **20**. "Planning permit" means a tentative parcel or tract map, condominium conversion, design review, conditional use permit, coastal development permit, development agreement, or any discretionary permit excluding general plan amendments, zoning and rezoning, annexation, specific plans, and area development policies.

~~20~~ **21**. "Very-low income household" means a household earning no more than the amount defined by California Health and Safety Code Section 50105.

(K) Monitoring and Enforcement

2. The City shall evaluate the effectiveness of this Section every three years after the operative date of this Section. Subsequent revisions to this Section will require City Council review and approval**, and an amendment to the City's Local Coastal Program pursuant to Chapter 25.07 of the Zoning Code**.

8. Modify IP Section 25.05.080 (Reasonable Accommodation) as follows:

(B) Application Requirements

1.

[…]

c. Name and address of the property owner and the owner's written consent to the application;

~~c~~ **d**. The current actual use of the property;

~~d~~ **e**. Verifiable documentation of the individual's disability status used as The basis for the claim that the individual is considered disabled under the Acts;

~~e~~ **f**. The zoning, land use, or building code provision, regulation, policy**,** or practice from which reasonable accommodation is being requested, including an explanation of how application of the existing zoning, land use or building code provision, regulation, policy or practice precludes reasonable accommodation;

~~f~~ g. Why the reasonable accommodation is necessary to make the specific property accessible to the individual;

~~g~~ h. A determination, prepared by a qualified professional, of whether or not the request would result in adverse impacts to wetlands, environmentally sensitive habitat areas, public access and/or public views. This requirement may be waived by the Community Development Director if the record clearly demonstrates that no such potential adverse impacts would result from the reasonable accommodation; and

~~h~~ i. Supporting documentation, including without limitation plans. Any additional information deemed necessary by the Community Development Director to facilitate proper consideration of the request, consistent with fair housing laws.

9. Modify IP Section 25.19.002 (C-N, Commercial-Neighborhood Zone, Uses Permitted) as follows:

[…]

(GG) Supportive or affordable housing**, provided it is a residential component of a mixed-use project**.

10. Modify IP Section 25.20.004 (C-1, Local Business District, Uses Permitted) as follows:

[…]

(C) ~~Residential housing, special needs, and~~ Supportive or affordable housing**, provided it is a residential component of a mixed-use project; and**

11. Modify IP Section 25.25.002 (SLV, South Laguna Village Commercial Zone, Uses Permitted) as follows:

[…]

(Z) Supportive or affordable housing**, provided it is a residential component of a mixed-use project**.

IV. FINDINGS

The Commission hereby finds and declares as follows:

A. LCP AMENDMENT DESCRIPTION AND BACKGROUND

The City of Laguna Beach requests that the Commission certify an amendment to the City's certified Local Coastal Program (LCP). The subject amendment request would revise the certified Land Use Plan (LUP) and Implementation Plan (IP) in accordance with State housing laws and the City's Housing Element.

The Local Business/Professional and Commercial/Tourist Corridor land use designations in the Land Use Element, which is a component of the LUP, would be amended to maintain consistency with the proposed IP amendment. Specifically, the Land Use Element would be amended to remove references to conditional use permit requirements for non-visitor-serving uses such as residential uses provided adequate visitor-serving facilities are maintained, and to remove references to residential development standards that are proposed to be amended as part of the proposed IP Amendment (**Exhibit 2**).

The proposed IP amendment would amend existing chapters of the zoning code and add a new chapter in the zoning code for new provisions related to density bonuses, single-room occupancy units, transitional and supportive housing, low barrier navigation centers, reasonable accommodations, home occupation/work-live standards, and lot consolidations for senior and affordable housing projects. The proposed IP amendment also includes language intended to improve the feasibility of infill housing projects by amending the development standards, major remodel thresholds, and parking requirements for mixed-use projects outside the Downtown Specific Plan area, and in the City's Local Business District, Commercial-Neighborhood Zone, and South Laguna Village Commercial Zone (**Exhibit 1**).

More specifically, the proposed IP amendment would do the following:

Density Bonus

California density bonus law is one strategy that lawmakers are using to address the State's housing shortage and issues of housing instability. To encourage the development of affordable and senior housing, the Density Bonus Law provides developers with powerful tools to receive up to a 50% increase in project densities depending on the amount of affordable housing provided, in addition to other incentives and concessions. The Density Bonus Law is a state mandate, and a developer meeting the minimum requirements is entitled to receive the density bonus and other benefits as a matter of right. A concession or incentive means a modification of a zoning standard for the site, such as reduced setbacks, a reduced parking requirement, or allowance of mixed-use zoning. The degree of density bonus and number of concessions or incentives are based on the number of affordable units in the project (by percentage of all units in the project) and the level of affordability (i.e., for very low income, low-income, moderate-income, senior housing, etc.) This amendment proposes to create a new chapter of the Zoning Code (Chapter 25.96 – "Housing Programs and Incentives") to address State density bonus requirements.

Single Room Occupancy

In recent years, the State has preempted local regulation of Single Room Occupancy (SRO) Units. State law defines these uses as follows:

"Single room occupancy" means a facility providing six or more dwelling units where each unit has a minimum floor area of one hundred fifty (150) square feet and a maximum floor area of four hundred (400) square feet. These dwelling units may have kitchen or bathroom facilities and shall be offered on a monthly basis or longer."

The proposed IP amendment would establish local standards for SROs to maintain land use compatibility with surrounding uses, including establishing the allowable zoning districts, development standards, parking requirements, and operational standards.

Lot Consolidation Incentives

Small lot sizes have the potential to reduce developer interest in acquiring property for the purpose of creating affordable housing units. As required by the City's Housing Element, the proposed amendment develops a series of incentives to encourage the assemblage of smaller lots into larger lots that can be developed more efficiently with senior or affordable housing. To qualify, the senior or affordable housing project must be located within a high-density residential zone, mixed-use commercial zone, or in the Institutional zone. The proposed lot consolidation cannot exceed a total proposed lot area of 25,000 sq. ft. Qualifying projects would be eligible for incentives to include a reduction in the required building setbacks, parking, and open space, and a refund on building permit and planning application fees. The lot consolidation incentive provisions are proposed to be codified as part of the new Housing Programs and Incentives chapter of the zoning code proposed by this IP amendment.

Transitional Housing, Supportive Housing, and Low Barrier Navigation Centers

In recent years, the State has preempted local regulation of certain residential uses, including supportive and transitional housing. State law defines these uses as follows:

- Transitional housing: buildings configured as rental housing developments that are operated under program requirements requiring the termination of assistance and recirculating of the assisted unit to another eligible program recipient at a predetermined future point in time that is no less than six months from the beginning of the assistance.
- Supportive housing: housing with no limit on length of stay, that is occupied by homeless individuals or families, and that is linked to on-site or off-site services that assist the resident(s) in retaining the housing, improving their health status, and maximizing their ability to live and, when possible, work in the community.
- Low barrier navigation center: a housing first, low-barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing. "Low barrier" means

> best practices to reduce barriers to entry, and may include, but is not limited to, the following: (1) The presence of partners if it is not a population-specific site, such as for survivors of domestic violence or sexual assault, women, or youth; (2) pets; (3) the storage of possessions; and (4) privacy, such as partitions around beds in a dormitory setting or in larger rooms containing more than two beds, or private rooms.

These laws have now taken effect, and the purpose of this proposed IP amendment is to bring the zoning code into conformance with state mandates. The IP amendment includes specific requirements for establishing each of these residential uses.

Inclusionary Housing

The City has enacted an inclusionary housing requirement through its Housing Element that requires developers to ensure that a certain percentage of lots or housing units in a new development be affordable to moderate- or low-income households. The proposed IP amendment includes policies for inclusionary housing in the new zoning code chapter.

Home Occupations

Due to the fast advances in information technology and telecommunication improvements that developed in response to the COVID-19 pandemic, high cost of living, and greater acceptance of remote work, there exists a growing interest in home-based businesses. The beneficial effects of home occupations include greater home affordability and reduced carbon footprint and transportation costs. The proposed IP amendment includes a new section for home occupation regulations in the zoning code. These proposed regulations would continue to require that the home occupation use remains accessory to the primary residential use of the dwelling unit. The proposed regulations would create new live/work allowances that tend toward small office, artist, or service uses that generate minimal traffic and parking demands and that have limited impacts on neighborhoods.

Infill and Mixed-Use Housing Projects

Several mixed-use zones provide less restrictive development standards for non-residential uses such as second-floor offices when compared to the standards imposed on second-floor residential uses. For example, the C-1, Local Business District, requires that the residential component of a mixed-use project comply with the density, yard, and open space provisions of the R-3, Residential High Density Zone.

The residential standards impose significant added constraints. Under this IP amendment, the City is proposing to bring the residential development standards into parity with non-residential standards for certain mixed-use zones. The residential use would qualify for certain development standard exceptions provided that the property owner agrees to a recorded covenant preventing the future conversion of residential units to short-term lodging. These exceptions include an additional building setback waiver provided certain conditions are met, reduction of nonresidential open space to accommodate access improvements, bicycle storage, and trash storage serving residential use, and removal of the requirement for residential additions that constitute a major remodel to bring

nonconformities associated with the non-residential use or uses into compliance with the zoning code provided that the project constitutes a major remodel due to the size of the floor area addition only. These exceptions are included in the proposed IP amendment as part of the new Housing Programs and Incentives Zoning Code chapter and would apply to the following mixed-use zones: Commercial-Neighborhood, Local Business District, and South Laguna Village Commercial.

Reasonable Accommodation

The Federal Fair Housing Amendments Act of 1988 and California's Fair Employment and Housing Act both prohibit discrimination based on disability and require that municipalities take action to eliminate obstacles for obtaining housing. In some instances, this may include flexibility in the application of land use, zoning, and building regulations. Reasonable Accommodation is the tool in which local jurisdictions can remove barriers and provide relief from regulations to allow for additional housing opportunities to those with disabilities. The zoning code currently provides for reasonable accommodations. However, the IP amendment proposes minor changes to the existing provisions.

B. CONSISTENCY ANALYSIS

FINDINGS FOR APPROVAL OF THE IP AMENDMENT, AS MODIFIED

The standard of review for the proposed amendment to the LCP Implementation Plan (IP), pursuant to Section 30513 of the Coastal Act, is that the proposed IP amendment will ensure that the IP conforms with, and is adequate to carry out, the provisions of the certified Land Use Plan (LUP). The certified LUP contains policies that aim to maximize coastal access, protect recreation and visitor serving facilities, provide diverse residential and housing opportunities, and preserve natural landscapes and sensitive habitat areas. As analyzed by Commission staff, the proposed IP amendment, if modified as suggested, would do the following and would thus ensure that the IP is in conformance with and adequate to carry out the provisions of the certified LUP:

Coastal Resource Protection

Relevant Land Use Element LUP Policies:

> **Action 2.8.2** Establish criteria for placement of new development on the most suitable area of the lot to maximize the preservation of sensitive resources.
>
> **Policy 2.10** Maximize the preservation of coastal and canyon views (consistent with the principle of view equity) from existing properties and minimize blockage of existing public and private views. Best efforts should be made to site new development in locations that minimize adverse impacts on views from public locations (e.g., roads, bluff top trails, visitor-serving facilities, etc.).

Policy 4.3 Maintain and enhance access to coastal resource areas, particularly the designated public beaches, by ensuring that access points are safe, attractive, and pedestrian friendly.

Policy 5.1 Establish standards and review procedures to ensure that infill development and/or redevelopment is neighborhood-compatible.

Policy 5.2 Ensure that all new development, including subdivisions and the creation of new building sites and remodels that involve building additions, is adequately evaluated to ascertain potential negative impacts on natural resources and adjacent development, emphasizing impact avoidance over impact mitigation. Required mitigation should be located on-site rather than off-site. Any off-site mitigation should be located within the City's boundaries and in close proximity to the project.

Policy 7.3 Design and site new development to protect natural and environmentally sensitive resources such as areas of unique scenic quality, public views, and visual compatibility with surrounding uses and to minimize landform alterations.

Action 7.3.3 Design and site new development to avoid hazardous areas and minimize risks to life and property from coastal and other hazards.

Action 7.3.4 Require new development to assure stability and structural integrity, and neither create nor contribute significantly to erosion, geologic instability, or destruction of the site or surrounding area or in any way require the construction of protective devices that would substantially alter natural landforms along bluffs and cliffs.

Action 7.3.12 Site and design new structures to avoid the need for shoreline and/or oceanfront bluff protective devices during the economic life of the structure (75 years).

Action 8.8.1 Evaluate and update parking standards to ensure sufficient parking for new development and/or an intensification of use.

Policy 10.2 Design and site new development to protect natural and environmentally sensitive resources such as areas of unique scenic quality, public views, and visual compatibility with surrounding uses and to minimize landform alterations.

Action 10.2.1 Adopt standards that require new development and related improvements to be located on the most suitable areas of the site so as to maximize safety and the preservation of sensitive resources.

Action 10.2.6 Require all new development located on an oceanfront bluff top to be setback from the oceanfront bluff edge a sufficient distance to ensure stability, ensure that it will not be endangered by erosion, and to avoid the need for

> protective devices during the economic life of the structure (75 years). Such setbacks must take into consideration expected long-term bluff retreat over the next 75 years, as well as slope stability…
>
> **Action 10.2.7** Require all new development located on oceanfront bluffs to be sited in accordance with the stringline but not less than 25 feet from the bluff edge. This requirement shall apply to the principal structure and major accessory structures such as guesthouses and pools that require a structural foundation. The setback shall be increased where necessary to ensure geologic safety and stability of the development.
>
> **Policy 10.3** Ensure that all new development, including subdivisions, the creation of new building sites and remodels that involve building additions, is evaluated to ascertain potential negative impacts on natural resources, ESHA and existing adjacent development. Proposed development shall emphasize ESHA impact avoidance over impact mitigation. Any mitigation required due to an unavoidable negative impact should be located on-site rather than off-site, where feasible. Any off-site mitigation should be located within the City's boundaries and in close proximity to the project.

The Laguna Beach LCP protects important coastal resources such as habitat, coastal bluffs, public views, and public access (i.e., provide that parking requirements be compatible with uses). The primary concerns regarding density bonus requests are the potential impacts to coastal resources associated with the increased density and incentives and concessions granted to promote the inclusion of affordable housing into development proposals. For example, coastal resource concerns can occur when the granting of increased density would facilitate a structure that could impact public views (such as high-rise buildings) or permit a development that could adversely affect public access (congestion or traffic due to a higher intensity type of project). In addition, incentives, concessions, waivers, or reductions in development standards could also result in adverse impacts to coastal resources. When incentives, concessions, or deviations are granted to new development adjacent to wetlands or environmentally sensitive habitat areas (ESHA), it is possible that development could encroach into the sensitive habitat or result in a reduced biological buffer. If waivers were provided to the required height limit, coastal views may be impacted. If parking reductions were granted, potential impacts to public access could occur. The proposed amendment will facilitate construction of projects with increased density, height, and in some cases, the allowance of no additional parking requirements, that would have potential to adversely impact coastal resources.

It is therefore important that the City’s density bonus regulations explicitly require density bonus projects to comply with the LCP policies that protect coastal resources, including public access. Therefore, **Suggested Modification #1** requires density bonus projects to be consistent with all applicable coastal resource protection policies of the City’s certified LCP, including setbacks from coastal bluffs, protection of environmentally sensitive habitat areas and protection of visual resources and public access to and along the coast. With

the inclusion of this suggested modification the proposed amendment to the IP will ensure that the IP is consistent with and adequate to carry out the resource protection policies of the LUP. Importantly, the amendment ensures that the LCP and the Government Code will work together to encourage the City to approve an increase in density for affordable housing when such housing can be accommodated in a manner otherwise consistent with the resource protection policies of the certified LCP.

The amendment, as modified, would not require a project seeking a density bonus to be consistent with all applicable requirements of the certified LCP. Such a requirement could render density bonus projects infeasible by requiring a project to comply with all development standards, even when those standards don't protect coastal resources or public access at a particular site. For example, a proposed density bonus project might request a waiver of the IP's setback standards in order to accommodate the proposed housing. Even if the City found that the reduced setbacks at a particular site would not impact coastal resources such as habitat, geologic stability, or public views, such a requirement would prevent the City from approving the housing development because it would be inconsistent with the IP's setback requirements. Such language could have the unintended consequence of discouraging affordable housing in the coastal zone.

Rather, the amendment, as modified, requires conformity with the coastal resource protection development regulations contained in specific LCP provisions. This will allow an applicant for a density bonus project to request waivers from, for example, setback requirements contained in the IP, but not if the setbacks are necessary to maintain important coastal views or provide buffers from environmentally sensitive habitat areas. The amendment also requires the analysis of a project alternative that would be fully consistent with the LCP without any deviations, in comparison to the proposed project, in order to ensure that all impacts are identified and that the proposed project does not adversely affect coastal resources. In this way, the amendment harmonizes the density bonus law, encourages denser and more affordable housing, but ensures coastal resource protection, as required by both density bonus law and the Coastal Act.

Additionally, as cited in the policies above, the LUP requires that new development preserve the natural environment including sensitive landforms and environmentally sensitive habitat areas. Therefore, **Suggested Modification #2** clarifies that setback reductions allowed through lot consolidation incentives only include front, rear, and/or side yard setbacks, and that this incentive shall not be applied in a manner that reduces a required watercourse, bluff edge, or shoreline setback. **Suggested Modification #2** also clarifies that lot consolidation incentives shall be granted as a matter of right for qualifying projects except when a coastal development permit is required pursuant to Chapter 25.07 of the zoning code, in that case the project shall be found to satisfy the coastal development permit findings. Lastly, **Suggested Modification #4** requires that any home occupation project within the coastal zone that qualifies as development under Section 25.07.006 of the Zoning Code shall require a Coastal Development Permit.

The IP amendment also proposes new language that would allow certain infill housing projects to maintain nonconforming conditions when a project constitutes a major remodel based on the size of the floor area addition, however, this does not obviate the need to comply with coastal resource protection policies, such as the required blufftop setback. **Suggested Modification #3** clarifies the applicability of the action items set forth by Policies 7.3 and 10.2 of the Land Use Element that apply to major remodels and new development. These action items include provisions to require stability and protection from coastal hazards without reliance upon shoreline protective devices, requirements for wave uprush and slope analysis studies, a requirement for new development to be consistent with the blufftop setback requirements and to bring existing development into conformance with the blufftop setback requirements when a project constitutes a major remodel, and requirements to remove or modify drainage and irrigation systems when the existing improvements may contribute to bluff recession.

Thus, an approved housing regulation or incentive project would have to be built in a manner consistent with the LCP coastal resource protection policies and therefore, the Commission finds that the proposed amendment, if modified as recommended, will ensure that the IP conforms with and is adequate to carry out the coastal resource protection policies of the certified LUP.

Public Access

The Coastal Land Use Plan Technical Appendix segment of the certified LUP expressly incorporates the following relevant Coastal Act policies:

> **Section 30250(A)**: New development, except as otherwise provided in this division, shall be located within, contiguous with, or in close proximity to, existing developed areas able to accommodate it or, where such areas are not able to accommodate it, in other areas with adequate public services and where it will not have significant adverse effects, either individually or cumulatively, on coastal resources…
>
> **Section 30253(4)**: New development shall minimize energy consumption and vehicle miles traveled.

Relevant Land Use Element LUP Policies:

> **Action 1.1.4** Support technology and business practices that enable people to reduce vehicle miles traveled from home to work. These include the use of home office and technology such as wireless communication and video conferencing.
>
> **Policy 4.3** Maintain and enhance access to coastal resource areas, particularly the designated public beaches, by ensuring that access points are safe, attractive, and pedestrian friendly.

Policy 6.9 Provide public access to designated public areas wherever safe and legally and environmentally appropriate.

Policy 6.12 Promote mixed-use development in commercial zones, where appropriate, to encourage the provision of lower-cost housing and to reduce traffic trips. Encourage ground floor uses to be commercial and where appropriate, visitor serving.

Policy 8.4 Maximize transit use.

Action 8.4.10 Encourage the design and siting of larger commercial and residential developments so that they may be served by existing transit routes and to provide non-automobile circulation to the greatest extent possible.

Action 8.8.1 Evaluate and update parking standards to ensure sufficient parking for new development and/or an intensification of use.

The certified LUP contains policies designed to implement the strong public access policies of the Coastal Act. Public access to the coast is available on many of the coastal bluffs of Laguna Beach and on adjacent beaches.

The IP amendment proposes to add a new chapter to the City's zoning code pertaining to housing programs and incentives, more specifically the proposed amendment includes new standards for density bonuses, lot consolidations, home occupations, and infill and mixed-use housing. Although Coastal Act provisions are not the standard of review for an IP amendment, the Coastal Land Use Plan Technical Appendix segment of the certified LUP expressly incorporates many Coastal Act policies. Encouraging denser housing in infill areas is often consistent with Section 30250(a) of the Coastal Act, which generally requires new development to be located within, contiguous with, or in close proximity to, existing developed areas with adequate existing services. Concentrating affordable housing in infill areas can ensure that lower income residents have access to the opportunities, services, and coastal resources available in these areas. Further, encouraging denser housing in areas with existing public transit services and near jobs and other amenities allows people to drive less because they have access to public transit and shorter commutes and can minimize vehicle miles traveled, consistent with Section 30253(d) of the Coastal Act, expressed as 30253(4) in the City's LUP.

LUP Policy 6.12 of the Land Use Element promotes mixed-use development in commercial zones, where appropriate, to encourage the provision of lower-cost housing and to reduce traffic trips, Policy 8.4 requires that transit use be maximized, and Action 8.4.10 seeks to encourage the design and siting of larger residential developments so that they may be served by existing transit routes and to provide non-automobile circulation to the greatest extent possible. Having reduced parking requirements for affordable housing projects and concentrating these projects in infill and mixed-use areas, as proposed by the

IP amendment, will encourage the use of public transportation, will reduce traffic trips, and will therefore be consistent with the public access policies of the LUP.

Furthermore, the City explained that they have a number of parking management strategies to help accommodate residential, business, and visitor parking needs. These strategies include, but are not limited to, the provision of peripheral parking lots with 700 additional visitor-serving parking spaces during the summer season, non-summer weekends, and during special events; a free citywide trolley; a free on-demand microtransit service; a free parking app providing real-time parking availability to motorists; updated parking wayfinding signage; a free trolley tracker app; and robust marketing and education programs to encourage the use of alternative transportation methods. Any new housing opportunities created by this LCPA would be located within mixed-use districts where residents can access jobs, essential services, amenities, and recreational opportunities by foot, and where residents can take advantage of the City's robust public transit services. Due to their walkable locations, parking demand for these housing units will be lowered. Therefore, the City has ensured that it has adequate transit and parking in the City to accommodate the proposed reduction in parking requirements for affordable housing projects and therefore allows for consistency between the IP, as amended, and the LUP policies outlined above.

The proposed IP amendment also establishes standards for home occupations. Allowing home occupations within the City is consistent with LUP Policy 1.1.4 as it will allow people to reduce vehicle miles traveled by working from home.

Thus, the proposed IP amendment, if modified as recommended above to require consistency with the coastal resource protection policies of the LUP, including the public access policies cited above, will ensure that the IP conforms with and is adequate to carry out the public access policies of the certified LUP.

Priority / Visitor-Serving Land Uses

The Coastal Land Use Plan Technical Appendix segment of the certified LUP expressly incorporates the following Coastal Act policies regarding priority land uses:

Section 30213 states, in part (as it appears in its entirety in the Technical Appendix):

> Lower cost visitor and recreational facilities…shall be protected, encouraged and where feasible provided. Developments which provide public recreational opportunities are preferred.

Section 30222 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 commercial development, but not over agriculture or coastal-dependent industry.

Relevant Land Use Element LUP policies:

> **Policy 4.2** Promote policies to accommodate visitors, reduce conflicts between visitor-serving uses/infrastructure and residents, and reduce impacts on the City's natural resources.
>
> **Action 4.2.1** Prepare a Coastal Resources Protection Program that includes policies to accommodate visitors, reduce conflicts between visitor-serving uses/infrastructure and neighborhoods/residents, and reduce impacts on the City's natural resources (e.g., potentially provide shuttles from satellite parking areas and visitor destinations that group facilities such as shops/restaurants/restrooms and establish methods to ensure that designated beach access points and street ends are safe, welcoming and pedestrian-friendly).
>
> **Policy 6.2** Preserve and encourage an increase of the City's stock of affordable motel and hotel rooms available for short-term visitors. Protect, encourage, and where feasible provide, affordable overnight accommodations.
>
> **Action 6.2.1** Continue to enforce existing ordinances and coastal policies that limit changes in use of existing hotels and motels to preserve visitor-serving uses.
>
> **Policy 6.12** Promote mixed-use development in commercial zones, where appropriate, to encourage the provision of lower-cost housing and to reduce traffic trips. Encourage ground floor uses to be commercial and where appropriate, visitor serving.
>
> **Action 6.12.1** Evaluate incentives for the development of affordable residential units in conjunction with mixed-use development in commercial zones.
>
> **Policy 9.10** Provide public facilities that meet the varied needs of both residents and visitors.

Section 30213 of the Coastal Act (adopted by the City as a Land Use Plan policy) requires that lower-cost visitor and recreation facilities be protected, encouraged, and where feasible, provided. Section 30222 of the Coastal Act (adopted by the City as a Land Use Plan policy) places a higher priority on the provision of visitor-serving uses designed to enhance public opportunities for coastal recreation over residential, industrial, or general commercial uses.

By incorporating these Coastal Act sections, the City's certified LUP retains the high priority of visitor serving uses over most other uses. The City’s Land Use Element defines visitor serving uses as:

> "Uses that primarily serve the needs of the community visitors and also serve the needs of a community's residents. Such uses include, but are not limited to, hotels/motels, restaurants, art galleries and other retail uses that emphasize tourist-related merchandise such as beach wear, hates, T-shirts, sunglasses, etc."

Visitor serving uses are preferred because they increase the number of opportunities for the general public to access and enjoy the coastal zone. Residential and non-visitor uses do not. For example, restaurants in the coastal zone allow non-residents to dine with an ocean view or to eat a casual meal without having to interrupt their day at the beach. Visitor serving retail shops allow non-residents to purchase supplies for beach use such as sand toys, sunscreen, or beach chairs. Also, for many visitors to the coastal zone, just the experience of shopping in a coastal atmosphere provides a visitor experience. Rental shops serving visitors to the coastal zone allow a visitor to use items such as roller skates, bicycles, or sun umbrellas that a visitor may not own, or which may be difficult to transport from inland locations. These are just a few of the many reasons visitor serving uses have priority over residential and non-visitor commercial uses.

This LCPA proposes to allow single room occupancy units in the C-1 (Local Business District), CH-M (Commercial Hotel-Motel Zone), M-1A (Light Industrial), and M-1B (Light Industrial) zones. Additionally, this LCPA proposes to allow transitional housing in any zone that allows residential uses, including mixed use zones, and proposes that the same shall apply for supportive housing, except that supportive housing is not allowed in single-family zones. The LCPA also proposes that low barrier navigation centers shall be permitted in any nonresidential zone that allows multifamily uses.

Some of the mixed-use/commercial zones where transitional/supportive housing and low barrier navigation center projects would be allowed overlap or occur within the Commercial/Tourist Corridor land use designation. The Land Use Element states that the principal permitted uses of this land use designation are visitor-serving facilities. The LUP also contains policies which require lower-cost visitor and recreation facilities to be protected, encouraged, and where feasible, provided, and policies that promote mixed-use development in commercial zones, and encourage ground floor uses to be commercial and where appropriate, visitor serving. Therefore, **Suggested Modification #6** seeks to clarify that transitional/supportive housing and low barrier navigation center projects would only be permitted in mixed use or nonresidential zones as a residential component of a mixed-use project and would not be the sole development within these zones. **Suggested Modifications #9, #10, and #11** updates the applicable zones in the zoning code to clarify that supportive or affordable housing projects within those zones are permitted provided that they are a residential component of a mixed-use project. With the inclusion of these suggested modifications the IP amendment would avoid displacement of visitor-serving and coastal recreation uses throughout the City, and thus would conform with the LUP policies cited above.

The CH-M zone where single room occupancy units would be allowed under this LCPA, currently identifies hotels and motels as the principal use. This use is a visitor serving use

and therefore requires preservation pursuant to the various LUP policies cited above, specifically the policies which seek to protect overnight accommodations. Also, there are a limited number of parcels zoned CH-M in the Laguna Beach coastal zone, therefore its sparse distribution makes the protection of the principal use important. Additionally, the C-1 zone, where the City is also proposing for single room occupancy units to be allowed, is a commercial zone that allows for various visitor serving commercial uses, and this zone largely overlaps with the Commercial/Tourist Corridor land use designation referenced above. Therefore, **Suggested Modification #5** clarifies that single room occupancy units shall only be permitted in the C-1 and CH-M zones as a residential component of a mixed-use project. Similar to the suggested modification for transitional/supportive housing and low barrier navigation centers, this modification would ensure that visitor-serving uses are protected and not displaced as a result of this LCPA.

Therefore, the Commission finds that the proposed amendment, if modified as recommended, will ensure that the IP conforms with and is adequate to carry out the priority use policies of the certified LUP.

Development

Relevant LUP Policies:

> **Policy 6.4** Promote the provision of housing to serve the City's low-and moderate-income households, including City employees.
>
> **Action 6.4.2** Investigate, formulate, and implement siting of emergency shelters, transitional housing and supportive housing in compliance with Senate Bill 2.
>
> **Policy 6.6** Preserve and promote an increase in the stock of residential rental units in the City.
>
> **Action 6.6.1.** Consider establishing development incentives, such as relaxed open space and setback requirements, to maintain higher, non-conforming density in older, non-conforming multi-family residences.
>
> **Action 6.6.2** Evaluate increasing the allowable residential square footage within mixed-use developments and create incentives to encourage residential development above the street level in commercial zones.
>
> **Policy 6.12** Promote mixed-use development in commercial zones, where appropriate, to encourage the provision of lower-cost housing and to reduce traffic trips. Encourage ground floor uses to be commercial and where appropriate, visitor serving.
>
> **Action 6.12.1** Evaluate incentives for the development of affordable residential units in conjunction with mixed-use development in commercial zones.

The Commission and the City seek to encourage affordable, diverse housing while ensuring that coastal resources and public access are protected. The LUP policies cited above encourage the evaluation of incentives for the development of affordable and multi-family residential units, as well as encourage the promotion of mixed-use development in commercial zones. The City is proposing various incentives in its IP amendment such as density bonus and lot consolidation incentives to help encourage the construction of affordable and senior housing projects in the City. The City is also proposing to bring the residential development standards into parity with non-residential standards for certain mixed-use zones. To further promote housing production, the City's IP amendment also includes several incentives for which only upper-level residential projects would qualify. Provided that the property owner agrees to a recorded covenant preventing the future conversion of residential units to short-term lodging, the residential use would qualify for certain development standard exceptions, such as an additional building setback waiver provided certain conditions are met, reduction of nonresidential open space to accommodate access improvements, bicycle storage, and trash storage serving residential use, and removal of the requirement for residential additions that constitute a major remodel to bring nonconformities associated with the non-residential use or uses into compliance with the zoning code provided that the project constitutes a major remodel due to the size of the floor area addition only. The City believes that this proposed amendment to the residential development standards for certain mixed use zones would improve the feasibility of infill housing projects in mixed use zones and would therefore encourage the development of these projects.

Another intent of the proposed amendment is to make the certified LCP consistent with state law by implementing definitions of temporary and alternative housing types and specifying where such housing may be located. The incorporation of these housing types is consistent with LUP Action 6.4.2, cited above, which aims to investigate, formulate, and implement the siting of transitional housing and supportive housing. Transitional and supportive housing would be subject to the same provisions and development standards as other residential uses in the same type of zone, and low barrier navigation centers would be subject to the development standards established for emergency shelters in Section 25.48.040 of the zoning code. Furthermore, all required provisions of the LCP will still apply, including the policies and provisions requiring avoidance or minimization of adverse impacts to coastal resources, as applicable. The proposed revisions have been made to comply with State requirements and with the inclusion of **Suggested Modifications #6, #9, #10, and #11** described above, these uses do not affect the consistency of the IP or its ability to carry out any of the policies or provisions of the LUP. Therefore, the Commission finds that the proposed amendment to add transitional/supportive housing and low barrier navigation centers provisions to the IP, if modified as suggested, is consistent with and adequate to carry out the policies of the LUP.

Additional Modifications

Suggested Modification #7 is necessary to add a definition of "extremely low income" because it is referenced elsewhere in the proposed LCPA. Subsequently, the addition of this definition would result in a need to renumber the following definitions. **Suggested Modification #7** also clarifies that any future revisions to this Section shall require an LCP amendment pursuant to the City's zoning code. **Suggested Modification #8** is necessary to correct a typographical error in the lettering of the subsections and **Suggested Modification #5** includes a necessary change to add a parenthesis that was omitted by mistake. Additionally, a portion of **Suggested Modification #3** is necessary to remove reference to a non-existent section of the Zoning Code.

FINDINGS FOR APPROVAL OF THE LUP AMENDMENT, AS SUBMITTED

The standard of review for the proposed amendment to the LUP is the Chapter 3 policies of the Coastal Act. The certified LUP contains policies that aim to maximize coastal access, protect recreation and visitor serving facilities, provide diverse residential and housing opportunities, and preserve natural landscapes and sensitive habitat areas. The Coastal Act echoes many of these LUP policies. The proposed LUP amendment, as submitted, conforms with the policies in the Chapter 3 of the Coastal Act.

Relevant Coastal Act Policies:

> **30250(a)** New residential, commercial, or industrial development, except as otherwise provided in this division, shall be located within, contiguous with, or in close proximity to, existing developed areas able to accommodate it or, where such areas are not able to accommodate it, in other areas with adequate public services and where it will not have significant adverse effects, either individually or cumulatively, on coastal resources…

The Local Business/Professional and Commercial/Tourist Corridor land use designations in the Land Use Element are proposed to be amended to maintain consistency with the proposed IP amendment changes described above. Specifically, the Land Use Element would be amended to remove references to conditional use permit requirements for non-visitor-serving uses such as residential uses provided adequate visitor-serving facilities are maintained, and to remove references to residential development standards that are proposed to be amended as part of the proposed IP Amendment. The proposed amendment to the LUP would be consistent with Coastal Act Policy 30250(a), cited above, which states that new residential development shall be located within, contiguous with, or in close proximity to, existing developed areas able to accommodate it, as the proposed LUP amendment would encourage the development of residential uses in existing mixed-use areas. Therefore, the Commission finds that the proposed LUP amendment, as submitted, is consistent with the Chapter 3 policies of the Coastal Act.

Environmental Justice (EJ) Considerations

The Coastal Act explicitly identifies the need for equity and environmental justice and allows the Commission and local government to consider coastal resource issues and

impacts through that lens, even when the LCP itself may be silent on such issues.[2] In March 2019, the Commission adopted an environmental justice policy (EJ Policy)[3] to guide and inform its decisions and procedures in a manner that is fully consistent with the standards in, and furthers the goals of, the Coastal Act and certified LCPs. Recognizing that the elimination of affordable residential neighborhoods has resulted in many environmental justice communities, that is to say low-income communities, communities of color, and other historically marginalized communities, living farther from the coast, the EJ Policy calls for the Commission to increase efforts to encourage affordable housing and "work with local governments to adopt local coastal program policies that allow for a broad range of housing types, including affordable housing, ADUs, transitional/supportive housing, homeless shelters…in a manner that protects coastal resources consistent with Chapter 3 of the Coastal Act." As a very low-income segment of the population that are acutely struggling to attain some of society's most basic needs, including safe housing, unsheltered individuals are an environmental justice community to which the Coastal Act's EJ provisions and the Commission's EJ Policy apply. Additionally, the Commission has previously found that unsheltered individuals,[4] are an environmental justice community.

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[2] Section 30107.3 of the Coastal Act defines Environmental Justice as follows:

(a) "Environmental justice" means the fair treatment and meaningful involvement of people of all races, cultures, and incomes with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations, and policies.
(b) Environmental justice" includes, but is not limited to, all of the following: (1) The availability of a healthy environment for all people. (2) The deterrence, reduction, and elimination of pollution burdens for populations and communities experiencing the adverse effects of that pollution, so that the effects of the pollution are not disproportionately borne by those populations and communities. (3) Governmental entities engaging and providing technical assistance to populations and communities most impacted by pollution to promote their meaningful participation in all phases of the environmental and land use decision making process. (4) At a minimum, the meaningful consideration of recommendations from populations and communities most impacted by pollution into environmental and land use decisions.

Section 30013 of the Coastal Act states: The Legislature further finds and declares that in order to advance the principles of environmental justice and equality, subdivision (a) of Section 11135 of the Government Code and subdivision (e) of Section 65040.12 of the Government Code apply to the commission and all public agencies implementing the provisions of this division. As required by Section 11135 of the Government Code, no person in the State of California, on the basis of race, national origin, ethnic group identification, religion, age, sex, sexual orientation, color, genetic information, or disability, shall be unlawfully denied full and equal access to the benefits of, or be unlawfully subjected to discrimination, under any program or activity that is conducted, operated, or administered pursuant to this division, is funded directly by the state for purposes of this division, or receives any financial assistance from the state pursuant to this division.

[3] California Coastal Commission. (2019). Environmental Justice Policy. https://documents.coastal.ca.gov/assets/env-justice/CCC_EJ_Policy_FINAL.pdf

[4] According to the U.S. Department of Housing and Urban Development, people experiencing homelessness may have access to shelter or may be considered "unsheltered" if their primary nighttime residence is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground.

The County of Orange Office of Care Coordination publishes an annual report analyzing homelessness county wide and was most recently updated in 2024.[5] The report shows that the City of Laguna Beach contains 100 persons experiencing homelessness. Under the proposed LCP amendment, the City would be allowing transitional/supportive housing and low barrier navigation centers to be located in multifamily and mixed-use designations/zoning districts where they are currently not explicitly allowed. The currently certified LCP does not explicitly allow for transitional/supportive housing or low barrier navigation center projects anywhere in the coastal zone. The IP amendment also encourages the development of affordable housing projects by adding new zoning code sections related to density bonuses, lot consolidations, and inclusionary housing. The proposed amendment thus removes barriers to affordable and shelter housing in the City of Laguna Beach coastal zone (and potentially beyond), allowing for the development of transitional/supportive housing and low barrier navigation centers for the City's currently unhoused community, and encouraging the development of affordable housing, which is consistent with the Commission's EJ Policy focus on encouraging diverse and affordable housing opportunities in the coastal zone.

Thus, although the Commission approves the proposed IP amendment because if modified as recommended it will ensure that the IP conforms with and is adequate to carry out the certified LUP, as explained above, the Commission also finds that the proposed amendment furthers the goals of the Commission's EJ Policy to expand housing opportunities for a diverse population. To further the City's work to address concerns regarding its vulnerable communities, the Commission encourages the City to explicitly address environmental justice in a comprehensive LCP update, including an LUP policy allowing for the explicit consideration of environmental justice in permit decisions consistent with Coastal Act Section 30604(h).

Conclusion

Overall, the proposed amendment seeks to fulfill State housing law requirements and provides additional housing opportunities for low- and moderate-income households, seniors, as well as unhoused persons. No changes to the City's resource protection measures such as habitat buffers, blufftop setbacks, and grading of slopes are proposed or modified with the subject amendment, so while new housing developments, regulations, and incentives may be permitted, such changes will not result in any reduction of environmental safeguards. The proposed amendment, as modified, ensures that coastal resources, including public access, and priority uses are protected. Without the suggested modifications described above the submittal wouldn't be sufficient to implement the coastal resource protection and priority use policies of the LUP. However, the proposed IP amendment, if modified as suggested, will ensure that the IP conforms with the goals and policies of the certified LUP and is adequate to carry it out. Therefore, the IP amendment

[5] *Everyone Counts 2024 Point in Time Summary Report.* Orange County Office of Care Coordination.

can be approved as modified, and the proposed LUP amendment can be approved as submitted.

C. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Section 21080.9 of the California Public Resources Code—within the California Environmental Quality Act (CEQA)—exempts local governments from the requirement of preparing environmental review documentation in connection with its activities and approvals necessary for the preparation and adoption of an LCP. Under CCR Section 15251(f), the Commission's LCP review and approval program has been found by the Resources Agency to be functionally equivalent to the EIR process. CEQA Section 21080.5 states that the Commission's review process for LCP amendments satisfies CEQA environmental review requirements if the Commission analyzes whether there are feasible alternatives or mitigation measures which would substantially lessen adverse environmental impacts from the proposed LCP amendment. The Commission may only approve an LCP amendment in a manner consistent with CEQA if no such alternatives and/or mitigation measures are feasible for the LCP amendment.

As outlined in the "Consistency Analysis" above, the proposed IP amendment, if modified as suggested, will ensure that the IP is in conformity with, and adequate to carry out, the policies of the certified LUP. Additionally, the proposed LUP amendment, as submitted, is consistent with the Chapter 3 policies of the Coastal Act. The Commission finds that approval of the LCP Amendment will not result in significant adverse environmental impacts under the meaning of CEQA and will be consistent with Section 21080.5(d)(2)(A) of the Public Resources Code. Furthermore, there are no other feasible alternatives or mitigation measures available which would substantially lessen any significant adverse impact which the LCP amendment may have on the environment.