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Prepared May 22, 2026 for the June 11, 2026 Hearing

TO: Coastal Commissioners and Interested Persons

FROM: Shana Gray, Deputy Director, North Coast District
Melissa B. Kraemer, Coastal Program Manager

SUBJECT: **Humboldt County LCP Amendment No. LCP-1-HUM-25-0072-2 (Density Bonus Updates)**

SUMMARY OF STAFF RECOMMENDATION

Humboldt County is proposing LCP Amendment Application No. LCP-1-HUM-25-0072-2 to update section 313-111 of its IP (Coastal Zoning Regulations or CZR) related to Residential Density Bonus regulations. This IP chapter implements State Density Bonus Law (SDBL, Government Code sections 65915-65918) by allowing for an increase in otherwise allowable maximum residential unit density, waivers and other incentives for projects in exchange for providing a certain level of affordable housing. The existing certified CZR chapter 313-111 includes definitions, standards for implementing density bonuses and/or incentives, development standards for target units, procedures for approval, application requirements, and requirements for density bonus housing agreements. The proposed changes to the IP under this amendment involve expanding and updating standards for affordable housing projects, including allowing density bonuses and incentives for additional types of households and greater density bonus allowances for very low and low income units, all of which is intended to create additional opportunities for affordable housing consistent with SDBL.

The key issues raised regarding density bonuses and incentives are the potential impacts to coastal resources should incentives include a reduction in development standards or other requirements in a manner inconsistent with the resource protection policies of the LUP. In numerous past actions, the Commission has, in general, found that the allowance for density bonuses can be an effective tool to provide for affordable housing when such housing can be accommodated in a manner otherwise consistent with the resource protection policies of the Coastal Act or a local government's certified LCP (see Coastal Act Section 30604(f)-(g)).

In this case, the proposed amendment as submitted includes language (in proposed sections 313-111.1.6.3 and 313-111.1.6.4, see Exhibit 3), expressly stating that any housing development and/or proposed incentive or concession being considered pursuant to the subject IP chapter must "…be consistent with all other applicable certified local coastal program policies and development standards." The County shall only grant a density increase and/or an incentive or concession if the County determines that there will be no adverse effect on coastal resources. The proposed amendment includes a definition of "coastal resources" as "any resource which is afforded protection under the policies of Chapter 3 of the Coastal Act…, including, but not limited to public access, marine and other aquatic resources, environmentally sensitive habitat, and the visual quality of coastal areas."

As submitted, this same language regarding the protection of coastal resources for incentives / concessions is not included in the section of the proposed amendment related to waivers of development standards (section 313-111.1.5.2). As proposed, the County has included "waivers" as a category under Development Incentives, which creates confusion as to how such "waivers" should be treated and applied. As currently proposed, the IP amendment could be read to compel the County to grant a waiver request for a project that, due to that requested standard being waived, would result in significant coastal resource impacts inconsistent with the certified LCP. **Suggested Modification 1** would add a standard that would allow the County to deny a waiver request that would result in significant impacts to coastal resources.

Additionally, **Suggested Modification 2** would add a standard allowing longer affordability requirements for the life of the development if required to do so by conditions of CDP approval. This would harmonize the amendment to carry out the coastal resource protection policies of the LCP, including public access requirements of the certified LUPs, including promoting equitable access to coastal resources for lower-income households, without impacting the affordability requirements imposed by public funding sources. Finally, in order to ensure that any Density Bonus Housing Agreements that detail affordability requirements are executed in accordance with conditions of permit approval, **Suggested Modification 3** would require that these Agreements are recorded prior to the final issuance of a coastal development permit for projects in the coastal zone.

Thus, the staff recommends that the proposed amendment if modified as suggested can be found consistent with and adequate to carry out the policies of the County's six certified LUPs. Staff further recommends that the Commission, after a public hearing, first reject LCP-1-HUM-25-0072-2 as submitted and then approve the amendment if modified as suggested in the staff report. The motions to accomplish this recommendation are found on **Page 5** of this staff report.

DEADLINE FOR COMMISSION ACTION

Humboldt County transmitted LCP-1-HUM-25-0072-2 to the Commission's North Coast District office on December 12, 2025, and the LCP amendment submittal was filed as complete on that date. A one-year time extension for processing the application was

granted by the Commission on March 12, 2026. The last day for Commission action on this application is March 12, 2027.

ADDITIONAL INFORMATION

For further information, please contact Melissa Kraemer at the Commission's North Coast District Office in Arcata at Melissa.Kraemer@coastal.ca.gov. If you wish to provide written comments, please do so via regular mail (directed to the North Coast District Office) or email (by emailing NorthCoast@coastal.ca.gov). Commission staff will distribute to the Commissioners any copies of written materials received from interested parties by 5:00 pm on the Friday before the scheduled Commission meeting.

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I. MOTIONS AND RESOLUTIONS

Staff recommends that the Commission, after public hearing, first reject the IP amendment as submitted and then approve the amendment if modified as suggested in the staff report. The Commission needs to make two motions in order to act on this recommendation.

A. Denial of the IP Amendment as Submitted

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

Motion A:

> I move that the Commission **reject** Implementation Plan Amendment No. LCP-1-HUM-25-0072-2 as submitted by Humboldt County.

Resolution A:

> The Commission hereby denies certification of Implementation Program Amendment No. LCP-1-HUM-25-0072-2 as submitted by the County of Humboldt on grounds that the implementation program 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 program 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 program amendment as submitted.

B. Certify the IP Amendment with Suggested Modifications

Staff recommends a **YES** vote. Passage of this motion will result in certification of the implementation program 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.

Motion B:

> I move that the Commission certify Implementation Program Amendment No. LCP-1-HUM-25-0072-2 for the County of Humboldt if modified in accordance with the suggested changes set forth in the staff report.

Resolution B:

> The Commission hereby certifies the IP Amendment No. LCP-1-HUM-25-0072-2 for the County of Humboldt if modified as suggested on grounds that

the implementation program, as amended, conforms with and is adequate to carry out the provisions of the certified land use plan. Certification of the implementation program amendment will comply with the California Environmental Quality Act, because 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the implementation program amendment on the environment, and 2) there are no further feasible alternatives and mitigation measures that would substantially lessen any significant adverse impacts on the environment.

II. SUGGESTED MODIFICATIONS

The Commission hereby suggests the following modifications to the proposed Implementation Plan (IP) amendment, which are necessary to make the requisite findings that the IP, as amended, conforms with and is adequate to carry out the coastal resource protection policies of the County's six Land Use Plans (LUPs). If the County of Humboldt accepts the suggested modifications within six months of Commission action (i.e., by December 11, 2026), by formal resolution of the Board of Supervisors, the modified amendment will become effective upon the Executive Director's reporting determination that this acceptance has been properly accomplished to the Commission. Existing language of the certified IP is shown in straight type. Language proposed to be added by the County in this IP amendment is shown in underlined text. Language proposed to be deleted by the County in this amendment is shown as ~~strikethrough~~ text. Language recommended by the Commission to be inserted is shown in **bold double underline**. Language recommended by Commission staff to be deleted is shown in ~~**bold double strikethrough**~~. The adopted ordinance as submitted is included as Exhibit 3.

Suggested Modification 1: Modify the Development Incentives standards of section 313-111.1.5 regarding the granting of waivers, specifically subsection 111.1.5.2.1, to add a criterion allowing denial of a request for a waiver or a reduction of a specific development standard if the waiver request would result in significant impacts to coastal resources inconsistent with the LCP:

111.1.5 Development Incentives.

111.1.5.1 The County shall grant Additional Incentives requested by the applicant, in accordance with this Section, ~~provide a Density Bonus and an Additional Incentive(s), for qualified Housing Developments, upon the written request of a developer,~~ unless the County can make~~s~~ a written finding, based upon substantial evidence of any of the following: ~~that the Additional Incentive(s) is not necessary to make the Housing Development economically feasible to accommodate a Density Bonus, or all the required findings for approving subdivisions cannot be made.~~

…

111.1.5.2 …If a County development standard would effectively physically preclude the construction of a development with the densities or additional incentives described in Section 313-111, that otherwise would meet the criteria of Section 111.1.3.1, then an applicant may seek a waiver or reduction of those specific standards (hereafter referred to only as 'waiver') from the County.

111.1.5.2.1 This waiver shall be granted unless the County makes a written finding based on substantial evidence of any of the following:

111.1.5.2.1.1 That the development standard does not physically preclude the development's construction otherwise permitted by this section;

111.1.5.2.1.2 That the waiver would result in a specific adverse impact, as defined in paragraph (2) of subdivision (d) of Section 65589.5 of the California Government Code, upon public health or safety and for which the County determines there is no feasible method to satisfactorily mitigation or avoid the specific adverse impact;

111.1.5.2.1.3 That the waiver would be contrary to state or federal law; or

111.1.5.2.1.4 That the waiver would have an adverse impact on any real property that is listed in the California Register of Historic Resources.

111.1.5.2.1.5 That the waiver or reduction of the specific standard would result in inconsistency with LCP provisions requiring avoidance of significant coastal resource impacts to the maximum extent feasible, including but not limited to impacts to sensitive habitat, wetlands, public viewsheds, or to public access and recreation.

111.1.5.2.2 When this waiver is granted, the waiver shall not be treated as an Additional Incentive and does not grant additional Incentives.

…

Suggested Modification 2: Modify the Development Standards section 313-111.1.4 regarding the length of time required for affordability restrictions to add "the conditions of permit approval" as a factor that could necessitate longer restrictions in the various cases specified in subsections 111.1.4.1 and 111.1.4.2.1 through 111.1.4.2.4:

111.1.4 Development Standards.

111.1.4.1 Target Units should be constructed concurrently with Non-Restricted Units unless both the County and the development/applicant agree within the Density Bonus Housing Agreement to an alternative schedule for development.

111.1.4.2 ~~Target Units shall remain restricted and affordable to the designated group for a period of thirty (30) years (or a longer period of time if required by the construction or mortgage financing assistance program, mortgage insurance program, or rental subsidy program).~~ Affordability restrictions apply to Target Units in the following cases (however, when also required by **the conditions of permit approval, or** a construction or mortgage financing assistance program, mortgage insurance program or rental subsidy program, the longest period of time applies):

111.1.4.2.1. When established to qualify for a Density Bonus and designated for rental to very low and low income households, Target Units shall remain restricted and affordable to the designated group for a period of fifty-five (55) years (or a longer period of time if required by **the conditions of permit approval, or** the construction or mortgage financing assistance program, mortgage insurance program or rental subsidy program);

111.1.4.2.2. When existing, vacated, or demolished rental units are required to be replaced in accordance with Section 111.1.4.6 and identify in this subsection as applicable, the replacement units shall remain restricted and affordable to households of the same or lower income category as those households in the former units for a period of fifty-five (55) years (or a longer period of time if required by **the conditions of permit approval, or** the construction or mortgage financing assistance program, mortgage insurance program or rental subsidy program);

111.1.4.2.3. When established to qualify for a Density Bonus and designated for transitional foster youth, disabled veterans, or homes persons, Target Units shall remain restricted and affordable to the designated group for a period of fifty-five (55) years (or a longer period of time if required by **the conditions of permit approval, or** the construction or mortgage financing assistance program, mortgage insurance program or rental subsidy program);

111.1.4.2.4. In a student housing development, when established to qualify for a Density Bonus and designated for lower income students, Target Units shall remain restricted and affordable to the designated group for a period of fifty-five (55) years (or a longer period of time if required by **the conditions of permit approval, or** the construction or mortgage financing assistance program, mortgage insurance program or rental subsidy program);

…

Suggested Modification 3: Modify the Density Bonus Housing Agreement section 313-111.1.8, specifically subsection 111.1.8.2, to ensure that the execution of a Density Bonus Housing Agreement is effectuated prior to the issuance of a coastal development permit for projects in the coastal zone.

111.1.8 Density Bonus Housing Agreement.

…

111.1.8.2. Following execution of the agreement by all parties, the completed Density Bonus Housing Agreement, or equivalent recording instrument, shall be recorded and the conditions therefrom filed and recorded on the parcel or parcels designated for the construction of Target Units. The approval and recordation shall take place prior to final map approval, or, where a map is not being processed, prior to issuance of building permits for such parcels or units**, and in the coastal zone, prior to issuance of a coastal development permit**. The Density Bonus Housing Agreement shall be binding to all future owners and successors in interest.

III. PROCEDURAL ISSUES

A. Standard of Review

The Coastal Act provides:

> The local government shall submit to the Commission the zoning ordinances, zoning district maps, and, where necessary, other implementing actions that are required pursuant to this chapter. (Section 30513)
>
> …The Commission may only reject ordinances, zoning district maps, or other implementing action on the grounds that they do not conform with, or are inadequate to carry out, the provisions of the certified land use plan. If the Commission rejects the zoning ordinances, zoning district maps, or other implementing actions, it shall give written notice of the rejection, specifying the provisions of the land use plan with which the rejected zoning ordinances do not conform, or which it finds will not be adequately carried out, together with its reasons for the action taken. (Section 30513)
>
> The Commission may suggest modifications… (Section 30513)

The standard of review for the proposed amendment to the County's certified Implementation Plan (IP) (Chapters 1, 2, and 3 of Title III Division 1, Coastal Zoning Regulations), pursuant to Section 30513 of the Coastal Act, is whether the proposed amendment is in conformance with, and adequate to carry out, the provisions of the certified Land Use Plan (LUP) portion of the County's certified LCP. As described in Finding III-B, Humboldt County has six certified LUPs.

B. Public Participation

Section 30503 of the Coastal Act requires public input in preparation, approval, certification, and amendment of any LCP. The Humboldt County Planning Commission held a public hearing on the proposed amendment on September 18, 2025. The County Board of Supervisors held a public hearing on November 4, 2025. The hearings were noticed to the public consistent with sections 13551 and 13552 of Title 14 of the California Code of Regulations. Notice of the subject amendment has been distributed to all known interested parties.

C. Procedural Requirements

Pursuant to section 13544(b)(2) of Title 14 of the California Code of Regulations, if the Commission certifies the LCP amendment as submitted, no further County action will be necessary for the LCP amendment to take effect. Should the Commission certify the LCP amendment subject to modifications, final approval by the County and a determination by the Executive Director of compliance with section 13544 of the Commission's regulations will be required for the amendment to take effect. Should the Commission deny the LCP amendment as submitted without suggested modifications, no further action is required by either the Commission or the County, and the proposed LCP amendment will not become effective.

D. Deadline for Commission Action

Humboldt County transmitted LCP-1-HUM-25-0072-2 to the Commission's North Coast District office on December 12, 2025, and the LCP amendment submittal was filed as complete on that date. A one-year time extension for processing the application was granted by the Commission on March 12, 2026. The last day for Commission action on this application is March 12, 2027.

IV. FINDINGS FOR REJECTION AS SUBMITTED AND APPROVAL IF MODIFIED

The following findings support the Commission's denial of the proposed Implementation Plan (IP) amendment as submitted and approval of the amendment with suggested modifications. The Commission hereby finds and declares as follows:

A. Amendment Description

Humboldt County is proposing LCP Amendment Application No. LCP-1-HUM-25-0072-2 to update section 313-111 of its IP (Coastal Zoning Regulations or CZR) related to Residential Density Bonus regulations. This IP chapter, last updated in 1998, implements the State's Density Bonus Law (SDBL), found in Government Code section 65915, by allowing for an increase in otherwise allowable maximum residential unit density, waivers, and other incentives or concessions for projects in exchange for providing a certain level of affordable housing.[1] The existing certified CZR chapter 313-111 includes definitions, standards for implementing density bonuses and/or incentives, development standards for target units, procedures for approval, application requirements, and requirements for density bonus housing agreements. The proposed changes to the IP under this amendment involve the following:

[1] Government Code section 65915 is available through this link: https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV&sectionNum=65915

- Updates to allow the granting of density bonuses, waivers, and incentives or concessions for additional types of households (beyond very low, lower income, and senior households), including for projects with certain percentages of moderate-income households; target units for foster youth, disabled veterans, or homeless persons; and student housing developments with a certain percentage of target units reserved for lower income students;

- Amended provisions for calculating the minimum number of density bonus units to be granted and the number of target units to be provided to add standards for the additional household types mentioned above;

- Additional affordability restrictions, requirements for the replacement of existing dwelling units, and standards for granting additional waivers, incentives, or concessions;

- Detailed application filing requirements and added standards for application review;

- Updates to density bonus housing agreement requirements;

- New calculations for available density bonuses and incentives or concessions based on percentage of affordable units;

- New standards for density bonus and additional incentives for the development of a childcare facility on the premises as part of or adjacent to a housing development; and

- Parking standards for density bonus-qualified developments.

The proposed amendment also updates the Definitions chapter of the IP (CZR section 313-136) to add or amend definitions for Affordable Housing, Density Bonus, Housing Development, Lower Income Student, Moderate Income and Moderate-Income Household, Student Housing Development, and various others. The County's adopted ordinance with all proposed CZR text changes is included as Exhibit 3.

B. Environmental Setting / Standard of Review

Pursuant to Coastal Act section 30513, to certify the proposed amendment to the IP portion of the County of Humboldt LCP, the Commission must find that the IP as amended would be in conformity with and adequate to carry out the policies of the certified LUP. Humboldt County has six certified LUP "Area Plans," each certified by the Commission in the early 1980's. From north to south, these are the North Coast Area Plan, Trinidad Area Plan, McKinleyville Area Plan, Humboldt Bay Area Plan, Eel River Area Plan, and South Coast Area Plan. The IP as amended must be in conformity with and adequate to carry out the policies of each. Maps of the six LUP planning areas are included as Exhibit 1, and each of the LUPs is described briefly below.

North Coast Area Plan (NCAP)

The NCAP area extends from the northern County line approximately 23 miles south to Patricks Point and up to two miles inland. The area also includes nine miles of coastal lagoons (Freshwater Lagoon, Stone Lagoon, and Big Lagoon) and regionally unique wetland habitats (Big Lagoon Bog). Redwood National Park and several State and County parks are within and adjacent to the area. There are two areas of deferred certification (ADCs) within the North Coast area – Big Lagoon Shoreline Lots and Stagecoach Hill. The Big Lagoon Shoreline Lots ADC includes about 30 acres and 34 assessor's parcels west of Ocean View Drive and Roundhouse Creek Road, south of Big Lagoon. The Stagecoach Hill ADC includes about 685 acres and 31 assessor's parcels east of Big Lagoon and Highway 101. The Commission is responsible for the review and processing of coastal development permits in the ADCs; the certified LCP may be used as guidance.

Trinidad Area Plan (TAP)

The TAP area extends along approximately six miles of coastline from Sue-meg State Park to Little River State Beach and includes rural lands around the City of Trinidad and the unincorporated community of Westhaven. Several state and County beaches and parks in the TAP area are popular visitor destination points. Most developed properties in the area are on individual wells and onsite wastewater treatment systems, though some water service is provided to certain areas (e.g., portions of Westhaven) by the City of Trinidad or small community services districts reliant on water supply extracted from perennial creeks and streams. There is one area of deferred certification (ADC) within the Trinidad Area Plan planning area – Trinidad Area Shoreline Lots ADC. The ADC includes about 534 acres and 133 assessor's parcels consisting of (a) five shoreline parcels south of the City of Trinidad along the 6th Avenue Trail in Westhaven and (b) all of those privately owned lots, other than those owned by the Trinidad Coastal Land Trust, west of Scenic Drive and Patrick's Point Drive (where these two roads are the first public roads nearest the sea) and north of the City of Trinidad to Patricks Point.

McKinleyville Area Plan (MAP)

The MAP area includes a five-mile-long stretch of coastal lands from the Little River to the Mad River and up to four miles inland (around the Mad River). The unincorporated community of McKinleyville is located partially within the coastal zone atop an uplifted marine terrace separated from the ocean by a series of coastal dunes and bluffs. Much of the MAP area has urban services (water and sewer) and has largely been built out.

Humboldt Bay Area Plan (HBAP)

The HBAP area includes approximately 20 miles of coastline extending from the Mad River to the north end of Table Bluff, plus over 100 additional miles of estuarine shoreline along Humboldt Bay and its tidally influenced tributaries. The HBAP area includes the north and south spits of Humboldt Bay, the farmed bottomlands around Arcata and Eureka, and various unincorporated urban areas (e.g., Samoa, Manila, Myrtletown, King Salmon, Fields Landing, and Humboldt Hill). Much of the HBAP area is served with urban services (sewer and/or water), and the LUP boundaries abut the

cities of Eureka and Arcata. The Humboldt Bay Harbor, Recreation, and Conservation District manages the Port of Humboldt Bay.

Eel River Area Plan (ERAP)

The ERAP area includes lands that extend from Table Bluff, which lies just south of Humboldt Bay, approximately 11.5 miles southward to the rural ranchlands around and southwest of the cities of Ferndale and Fortuna. The ERAP area is mostly rural, except for the unincorporated community of Loleta (population approximately 780) north of the Eel River, which has community wastewater and water services. The ERAP area includes the entire Eel River Delta that extends inland over 10 miles to the confluence of the Van Duzen River with the main-stem Eel River.

South Coast Area Plan (SCAP)

The SCAP area is the largest geographically of the County's six LUPs, extending over 45 miles from the rural ranches around Guthrie Creek (southwest of Ferndale) to the southern County line. The federally owned and managed King Range National Conservation Area bisects the planning area into two sections – the "north" SCAP area, including the coastal lands the extend from Guthrie Creek south to the Mattole River estuary, and the Shelter Cove area near the south end of the King Range. The SCAP area is completely rural except for Shelter Cove, which includes a ~2,640-acre, 4,700-lot residential subdivision (partially developed) served by Resort Improvement District #1 with community sewer, water, fire protection, and other services.

C. Consistency Analysis

As described above, Humboldt County has six certified LUPs as part of the overall LCP. Each of these six LUPs, for the most part, codifies verbatim the various Coastal Act policies protecting public access and recreation (Coastal Act sections 30210-30224), marine resources, water quality, and wetlands (sections 30230, 30231, & 30233), riverine resources and environmentally sensitive habitat areas (sections 30236 & 30240), agricultural and timber resources (sections 30241-30243), cultural resources (section 30244), and visual resources and community character [sections 30251 & 30253(e)]. The LUPs also require residential uses to be concentrated primarily in urban areas where they can be accommodated with adequate public services (section 30250). The LUPs also require minimization of hazard risks and avoidance of shoreline armoring (sections 30253(a) and (b) and 30235) among other coastal resource policy requirements that in some cases are more detailed, specific, and protective of coastal resources than the Coastal Act policy requirements. For example, specific development setbacks from wetlands and riparian areas are specified in each LUP for both urban areas and rural areas (e.g., a minimum protective buffer of 250 feet is required along certain riverine riparian areas, such as along the Eel River in the Eel River Area LUP), and in areas designated as "Coastal Scenic Areas" on certified LUP maps in the North Coast Area, Trinidad Area, McKinleyville Area, and Humboldt Bay Area LUPs, new development must protect not only public views to the ocean but also must be subordinate to the character of the setting.

With respect to policies related to housing affordability, the LUPs each include policies and text generally aimed at carrying out the affordable housing goals of the County's Housing Element, and residential densities specified in each LUP may be increased above planned densities for housing projects providing certain percentages of affordable target units, provided such projects are found consistent with all applicable policies and provisions of the LCP. Each LUP includes the following policies and description of the allowed density increases (emphasis added):[2]

> Housing opportunities for persons of low and moderate income shall be protected, encouraged, and provided, where feasible. New housing in the Coastal Zone shall be consistent with the goals, policies, standards, and programs of the Humboldt County Housing Element…
>
> …
>
> … It is the policy of the County to encourage the Planned Unit Development (PUD) concept. Where such utilization would provide extraordinary benefits to the community and the County, such as: dedication of open space and public access, protection of visual resources and sensitive habitats, and provision of low and/or moderate income units, housing incentive may include increases of up to a total of 25% over planned densities if increasing the density would not have an adverse effect on coastal resources and would be consistent with all applicable local costal program policies and development standards. The 25% density bonus limit for PUDs may be combined with any other density bonus allowed by County or State regulations so long as densities greater than 35% would not result and the means of accommodating the density bonus would not have an adverse effect on coastal resources … and would be consistent with all applicable LCP policies and development standards…
>
> …
>
> Density ranges described in land use designations may be exceeded by up to 35% to encourage affordable housing production pursuant to §65915 of the California Government Code (Density Bonuses) ... Any housing development approved pursuant to Government Code Section 65915 shall be consistent with all applicable certified local coastal program policies and development standards. In reviewing a proposed density increase, the County shall identify all feasible means of accommodating the density increase and consider the effects of such means on coastal resources. The County shall only grant a density increase if the County determines that the means of accommodating the density increase proposed by the applicant does not have an adverse effect on coastal resources. If, however, the County determines that the means for accommodating the density increase

[2] Humboldt County's current (6th cycle) Housing Element is accessible from the County's website: https://humboldtgov.org/2448/2019-Housing-Element.

> proposed by the applicant will have an adverse effect on coastal resources, the County shall not grant the density increase… Also, a variety of housing types and a mixture of residential and commercial uses may be allowed to encourage affordable housing production under the provisions of State law referenced above, and in PUDs to encourage the provision of extraordinary public benefits within subdivisions.

The existing certified Residential Density Bonus chapter of the IP (CZR sec. 313-111), and the proposed amendments to sec. 313-111 under this IP amendment request, implement the above-cited affordable housing goals of the six LUPs by specifying standards for implementing density bonuses and/or incentives, development requirements for target units, procedures for approval of affordable housing development projects, and requirements for density bonus housing agreements to ensure that target affordable units remain affordable over time. The proposed amendment as submitted expands and updates standards for affordable housing projects, including allowing density bonuses and incentives for additional types of households and greater density bonus allowances for very low and low income units, all of which is intended to create additional opportunities for affordable housing consistent with State Density Bonus Law (SDBL; Government Code Section 65915-65918).

SDBL incentivizes developers to build housing by directing local governments to waive or reduce certain development standards for projects that provide a certain percentage of housing for moderate and lower-income households or certain demographics such as seniors. The SDBL allows developers to build a residential or mixed-use housing project at a higher density than is permitted by the underlying zoning when the project includes a certain percentage of affordable housing, senior housing, common interest development, transitional housing, or student housing. Under the SDBL, the developer may also request to have any development standard waived or reduced in order to accommodate the housing development allowed by SDBL. Waivable or reduceable development standards include lot coverage, open space requirements, public amenities, setbacks, and architectural design standards. In addition, SDBL requires a city or county to provide a certain number of “incentives” or “concessions” to any project that qualifies for a density bonus, depending on the percentage of affordable units provided. Incentives / concessions are defined jointly to include reductions in height, setback, square footage, and parking requirements; approval of mixed-use zoning; or any other proposal that would enhance the project’s financial viability.

The key issues raised regarding density bonuses and incentives are the potential impacts to coastal resources should waivers or incentives/concessions include a reduction in development standards or other requirements in a manner inconsistent with the resource protection policies of the LUPs. In numerous past actions, the Commission has, in general, found that the allowance for density bonuses can be an effective tool to provide for affordable housing when such housing can be accommodated in a manner otherwise consistent with the resource protection policies of the Coastal Act or a local government’s certified LCP (see Coastal Act Section 30604(f)-(g)).

In this case, the proposed amendment as submitted includes language (in proposed sections 313-111.1.6.3 and 313-111.1.6.4, see Exhibit 3), expressly stating that any housing development and/or proposed incentive or concession being considered pursuant to the subject IP chapter must "…be consistent with all other applicable certified local coastal program policies and development standards." The County shall only grant a density increase and/or an incentive or concession if the County determines that there will be no adverse effect on coastal resources. The proposed amendment includes a definition of "coastal resources" as "any resource which is afforded protection under the policies of Chapter 3 of the Coastal Act…, including, but not limited to public access, marine and other aquatic resources, environmentally sensitive habitat, and the visual quality of coastal areas."

This same language regarding the protection of coastal resources for incentives / concessions though is not included in the section of the proposed amendment related to waivers of development standards (section 313-111.1.5.2). The proposed amendment includes "waivers" as a category under Development Incentives, which creates confusion as to how such "waivers" should be treated and applied. As submitted, section 111.1.5.2 of the IP amendment specifies that an applicant may seek a waiver or reduction of specific standards as allowed under SDBL cited above, and the County must grant the waiver or reduction, unless it determines, through written findings, that certain criteria apply, as listed in sections 111.1.5.2.1.1 through 111.1.5.2.1.4. Reasons listed as allowing the County to deny a waiver request include (but are not limited to) public health or safety issues, conflicts with state or federal laws, and impacts to historic resources. As submitted, significant impacts to coastal resources is not listed as a reason allowing the County to deny a waiver request.

In the absence of this standard, and though the County's LCP is the embodiment of state law and enforced as such, and there is language in section 111.1.6.4 for the consideration of the coastal resource protection policies of the LCP prior to granting incentives, the language of section 111.1.5.2.1 as proposed creates uncertainty and could lead to the granting of a waiver request for a project that, due to that requested standard being waived, would result in significant coastal resource impacts inconsistent with the certified LCP. As such, as submitted, the proposed IP amendment does not conform with and is not adequate to carry out the coastal resource protection policies of the certified LUPs. Thus, **Suggested Modification 1** would add a standard to section 111.1.5.2.1 that would clarify that a waiver request that would result in significant impacts to coastal resources may be denied. With this modification, the IP amendment as modified would conform with and be adequate to carry out the coastal resources protection policies of the certified LUPs, consistent with section 30513 of the Coastal Act.

In addition, the amendment as submitted requires that affordability restrictions apply to housing projects to ensure that target units remain affordable for at least 55 years as required by SDBL. Ensuring that lower-income households can reside in coastal communities supports social and economic diversity, reduces commute distances for workers employed in the coastal zone, and promotes equitable access to coastal resources. As previously discussed, the additional types of households eligible for

density bonuses and incentives proposed under this IP amendment (including moderate-income households, foster youth, disabled veterans, lower income students, etc.) will support access for a broader array of income levels in the coastal zone. Developing affordable housing in established, transit-served areas in particular, including in unincorporated urban areas of the County around McKinleyville, the Humboldt Bay region, and the Loleta and Eel River regions, therefore advances both the community's housing objectives and the LUPs' directions to concentrate residential uses where they can be accommodated.

In some circumstances, a project may warrant a longer affordability period than 55 years, such as if required by a financing assistance program, mortgage insurance program, or rental subsidy program, as noted in proposed section 313-111.1.4.2. The amendment as submitted does not include a requirement that projects remain affordable for longer periods of time if required to do so by conditions of CDP approval, such as affordable housing projects that may deviate from LCP development standards typically imposed to protect coastal resources as allowed under section 313-111.1.5.2 discussed above. This omission does not adequately carry out the policy directives of the County's certified LUPs that support maximum public access to the shoreline and that direct support for inclusionary housing (in the general policy cited above that "Housing opportunities for persons of low and moderate income shall be protected, encouraged, and provided, where feasible."). Sometimes it may be appropriate to maintain affordability restrictions for the life of the development, which may be longer than 55 years and contribute to ongoing coastal resource impacts, to mitigate or offset a project's coastal resource (e.g., public access) impacts (e.g., potentially due to parking reductions) by increasing opportunities provided to underserved communities from the affordable housing. As such, the amendment as submitted cannot be found consistent with or adequate to carry out the policies and standards of the certified LUPs. Thus, **Suggested Modification 2** would add "conditions of permit approval" to section 313-111.1.4.2 and related subsections as an additional factor that could necessitate longer affordability restrictions. As modified, the standard requires compliance with affordability requirements for the life of the development without impacting the affordability requirements imposed by public funding sources. Furthermore, to ensure that any Density Bonus Housing Agreements in section 313-111.1.8 that detail such affordability requirements are executed in accordance with conditions of permit approval, **Suggested Modification 3** would require that these Agreements are recorded prior to the final issuance of a coastal development permit for projects in the coastal zone.

For the reasons described above, only if modified as suggested can the proposed Implementation Plan amendment be found consistent with and adequate to carry out the certified LUPs.

V. CALIFORNIA ENVIRONMENTAL QUALITY ACT

As set forth in section 21080.9 of the California Public Resources Code, CEQA exempts local governments from the requirement of preparing an environmental impact report (EIR) in connection with its activities and approvals necessary for the preparation and

adoption of an LCP. 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 the functional equivalent of the environmental review required by CEQA, pursuant to CEQA Section 21080.5. Therefore, the Commission is relieved of the responsibility to prepare an EIR for each LCP and LCP amendment.

Nevertheless, the Commission is required, in approving an LCP amendment, to find that 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 that would substantially lessen any significant adverse impact which the activity may have on the environment [14 CCR §§13542(a), 13540(f), and 13555(b)].

The County's LCP amendment consists of an IP amendment. The Commission incorporates its findings on Coastal Act and LUP conformity into this CEQA finding as if set forth in full herein. As discussed throughout the findings above, the IP amendment as originally submitted does not conform with and is not adequate to carry out the policies of the certified LUPs. The Commission, therefore, has suggested modifications to bring the IP amendment into full conformance with the City's certified LUPs.

As modified, the Commission finds that approval of the IP amendment will not result in significant adverse environmental impacts within the meaning of CEQA. Throughout the coastal zone, specific impacts to coastal resources resulting from individual development projects are assessed through the coastal development review process; thus, an individual project's compliance with CEQA would be assured. Therefore, the Commission finds that there are no other feasible alternatives or mitigation measures which would substantially lessen any significant adverse impact, either individual or cumulatively, which the activity may have on the environment [14 CCR §§ 13542(a), 13540(f), and 13555(b)].

VI. APPENDIX A – SUBSTANTIVE FILE DOCUMENTS

LCP Amendment Application No. LCP-1-HUM-25-0072-2 and associated file documents.

Humboldt County Certified Local Coastal Program, including six certified Land Use Plans (Coastal Area Plans) and Chapters 1, 2, and 3 of the Coastal Zoning Regulations