

CALIFORNIA COASTAL COMMISSION

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W27a

DATE: November 21, 2013

TO: Commissioners and Interested Persons

FROM: Jack Ainsworth, Senior Deputy Director
Steve Hudson, District Manager
Barbara Carey, Supervisor, Planning and Regulation
Jacqueline Blaugrund, Coastal Program Analyst

SUBJECT: City of Port Hueneme Local Coastal Program Amendment No. LCP-4-PTH-13-0208-1 for Public Hearing and Commission Action at the December 11, 2013 Commission Meeting at the Radisson Hotel Fisherman's Wharf.

DESCRIPTION OF THE SUBMITTAL

The City of Port Hueneme is requesting an amendment to the Land Use Plan (LUP) and Implementation Plan (IP) components of its certified Local Coastal Program (LCP) to make modifications to the development provisions relating to Key Development Site 1 in Area K-Channel Islands, and to modify both the land use and zoning designation of Key Development Site 1 (one approximately 4.49 acre parcel) from Commercial to Mixed-Use Residential and from C-1(PD): General Commercial (Planned Development) to R-4(PD): Mixed-Use (Planned Development), to allow a mix of permitted uses, including residential.

The City of Port Hueneme submitted Local Coastal Program Amendment LCP-4-PTH-13-0208-1 to the Commission on June 4, 2013. After the submittal of additional information requested by Commission staff, the amendment proposal was deemed complete and filed on October 21, 2013. Pursuant to Section 30512 of the Coastal Act and California Code of Regulations, Title 14, Section 13522, an amendment to the certified LCP that combines changes to the LUP and IP must be scheduled for a public hearing and the Commission must take action within 90 days of a complete submittal.

SUMMARY OF STAFF RECOMMENDATION

Commission staff recommends that the Commission **deny** the proposed City of Port Hueneme Land Use Plan and Implementation Plan Amendment LCP-4-PTH-13-0208-1 as submitted, and **approve** the proposed City of Port Hueneme Land Use Plan and Implementation Plan Amendment LCP-4-PTH-13-0208-1 with two suggested modifications. The modifications are necessary because the proposed amendment, as submitted, is not adequate to ensure consistency with the Chapter Three policies of the Coastal Act. Further, the LIP amendment, as submitted, does not conform with and is inadequate to carry out the provisions of the Land Use Plan. The motions to accomplish this recommendation are found on **Page 4** of this staff report.

SUBSTANTIVE FILE DOCUMENTS

City of Port Hueneme Local Coastal Plan; City Council Resolution No. 4052, June 4, 2013; City of Port Hueneme City Council Meeting Minutes, dated June 3, 2013; City Council Agenda Staff Report, dated May 20, 2013 and June 3, 2013; City of Port Hueneme Local Coastal Program Amendment 1-87; An Assessment of the Economic viability of Visitor-Serving Uses at the Victoria Mixed-Use Project Site, HR&A advisors, September 9, 2013, revised October 2, 2013.

Additional Information: For further information, please contact Jacqueline Blaugrund at the South Central Coast District Office of the Coastal Commission at (805) 585-1800. The proposed amendment to the City of Port Hueneme Local Coastal Program (LCP) is available for review at the Ventura Office of the Coastal Commission.

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EXHIBITS

- Exhibit 1. Vicinity Map**
- Exhibit 2. City of Port Hueneme Coastal Zone Sub-Areas Map**
- Exhibit 3. Aerial Photograph of Area K- Channel Islands Key Development Site 1**
- Exhibit 4. City of Port Hueneme City Council Resolution No. 4052**
- Exhibit 5. Potential Development Site Plan**

I. PROCEDURAL ISSUES

A. STANDARD OF REVIEW

The Coastal Act provides:

The commission shall certify a land use plan, or any amendments thereto, if it finds that a land use plan meets the requirements of, and is in conformity with, the policies of Chapter 3 (commencing with Section 30200)...” (Section 30512(c))

The Coastal Act further 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.

...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 that the Commission uses in reviewing the adequacy of the Land Use Plan, as the City is proposing to amend it, is whether the Land Use Plan, as amended, would remain consistent with, and meet the requirements of, the policies of Chapter 3 of the Coastal Act. The standard of review for the proposed amendment to the Implementation Plan of the certified Local Coastal Program, pursuant to Section 30513 and 30514 of the Coastal Act, is whether the Implementation Plan, with the proposed amendment would be in conformance with, and adequate to carry out, the provisions of the Land Use Plan (LUP) portion of the City of Port Hueneme’s certified Local Coastal Program, as amended.

B. PUBLIC PARTICIPATION

Section 30503 of the Coastal Act requires public input in preparation, approval, certification and amendment of any LCP. The City held public hearings on the subject amendment request on May 20, 2013 and June 3, 2013. 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 13551 (b) of Title 14 of the California Code of Regulations, the City resolution for submittal may specify that a Local Coastal Program Amendment will either require formal local government adoption after the Commission approval, or is an amendment that will take effect automatically upon the Commission's approval pursuant to Public Resources Code Sections 30512, 30513, and 30519. The City Council Resolution for this amendment states that the amendment will take effect after Commission certification. However, in this case, because this approval is subject to suggested modifications by the Commission, if the Commission approves the proposed amendment pursuant to the staff recommendation, the City must act to accept the certified suggested modifications within six months from the date of Commission action in order for the amendment to become effective (California Code of Regulations, Title 14, Sections 13544 & 13544.5; and Sections 13542(b) and 13537(b)). Pursuant to Section 13544 of the Code of Regulations, the Executive Director shall determine whether the City's action is adequate to satisfy all requirements of the Commission's certification order and report on such adequacy to the Commission. Should the Commission deny the LCP Amendment, as submitted, without suggested modifications, no further action is required by either the Commission or the City.

II. STAFF RECOMMENDATION, MOTIONS, & RESOLUTIONS ON THE LAND USE PLAN AMENDMENT

Following public hearing, staff recommends the Commission adopt the following resolutions and findings. The appropriate motion to introduce the resolution and a staff recommendation is provided prior to the resolution.

A. DENIAL OF THE LAND USE PLAN AMENDMENT AS SUBMITTED

Motion:

*I move that the Commission **certify** City of Port Hueneme Land Use Plan Amendment LCP-4-PTH-13-0208-1 as submitted.*

Staff recommends a **NO** vote. Failure of this motion will result in denial of Land Use Plan Amendment LCP-4-PTH-13-0208-1 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:

The Commission hereby **denies** certification of Land Use Plan Amendment LCP-4-PTH-13-0208-1, as submitted by the City of Port Hueneme, and adopts the findings set forth below on the grounds that the Land Use Plan, as submitted, does not meet the requirements of and is not in conformity with the policies of Chapter Three of the Coastal Act. Certification of the Land Use Plan amendment would not meet the requirements of the California Environmental

Quality Act because there are feasible alternatives and/or mitigation measures that could substantially lessen any significant adverse impacts that the Land Use Plan amendment may have on the environment.

B. CERTIFICATION OF THE LAND USE PLAN AMENDMENT WITH SUGGESTED MODIFICATIONS

Motion:

*I move that the Commission **certify** City of Port Hueneme Land Use Plan Amendment LCP-4-PTH-13-0208-1, if it is modified as suggested in this report.*

Staff recommends a **YES** vote. Passage of this motion will result in certification of Land Use Plan Amendment LCP-4-PTH-13-0208-1 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:

The Commission hereby **certifies** Amendment LCP-4-PTH-13-0208-1 to the City of Port Hueneme Land Use Plan if modified as suggested and adopts the findings set forth below on the grounds that the Land Use Plan amendment, with suggested modifications, will meet the requirements of and be in conformity with the policies of Chapter 3 of the Coastal Act. Certification of the Land Use Plan amendment, if modified as suggested, complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the Land Use Plan amendment 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 that will result from certification of the Land Use Plan if modified.

III. STAFF RECOMMENDATION, MOTIONS, & RESOLUTIONS ON THE IMPLEMENTATION PLAN AMENDMENT

Following public hearing, staff recommends the Commission adopt the following resolution and findings. The appropriate motion to introduce the resolution and a staff recommendation is provided prior to the resolution.

A. DENIAL OF THE IMPLEMENTATION PLAN AMENDMENT AS SUBMITTED

Motion:

*I move that the Commission **reject** City of Port Hueneme Implementation Plan Amendment LCP-4-PTH-13-0208-1 as submitted.*

Staff recommends a **YES** vote. Passage of this motion will result in rejection of the Implementation Plan Amendment LCP-4-PTH-13-0208-1 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:

The Commission hereby *denies* certification of City of Port Hueneme Implementation Plan Amendment LCP-4-PTH-13-0208-1, as submitted, and adopts the findings set forth below on grounds that the Implementation Plan amendment, as submitted, does not conform with and is inadequate to carry out, the provisions of the certified Land Use Plan, as amended. Certification of the Implementation Plan amendment would not meet the requirements of the California Environmental Quality Act as there are feasible alternatives and mitigation measures that would substantially lessen the significant adverse impacts on the environment that will result from certification of the Implementation Plan amendment as submitted.

B. CERTIFICATION OF THE IMPLEMENTATION PLAN AMENDMENT WITH SUGGESTED MODIFICATIONS

Motion:

*I move that the Commission **certify** City of Port Hueneme Implementation Plan Amendment LCP-4-PTH-13-0208-1 if it is modified as suggested in this staff report.*

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:

The Commission hereby *certifies* the City of Port Hueneme Implementation Plan Amendment LCP-4-PTH-13-0208-1, if modified as suggested, and adopts the findings set forth below on grounds that the Implementation Plan amendment with the suggested modifications conforms with, and is adequate to carry out, the provisions of the certified Land Use Plan, as amended. Certification of the Implementation Plan amendment if modified as suggested complies with the California Environmental Quality Act, because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the Implementation Plan Amendment 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.

IV. SUGGESTED MODIFICATIONS

The staff recommends the Commission certify the proposed LUP/IP amendment, with two modifications as shown below. Language presently contained within the certified LCP is shown in straight type. Language proposed to be added by the City of Port Hueneme in this amendment is shown underlined. Language recommended by Commission staff to be inserted is shown double underlined. Language proposed by the City of Port Hueneme in this amendment to be deleted is shown in ~~strikethrough~~.

A. SUGGESTED MODIFICATION NUMBER ONE

Page 43 of the Land Use Plan relating to Area K: Channel Islands shall be modified as follows:

Locating New Development

Development within Area K shall be consistent with that of the use designations and performance standards applicable to the underlying zone classifications of land upon which such development is proposed. No development on any portion of undeveloped land within Area K shall be approved in the absence of a comprehensive master plan for all of the property designated for such use. Should development of Key Development Site 1 located in Area K (LCP Figure 2) be approved for a mixed commercial/residential use, said mixed-use development must include not less than 10,000 19,000 square feet of ground-floor visitor-serving or commercial space of which 3,300 square feet may consist of live/work recreational space, listed as a permitted or conditional use in the City of Port Hueneme "C-S: Special Commercial Zone" which may include a grocery store use consistent with all other applicable policies of the LCP.

B. SUGGESTED MODIFICATION NUMBER TWO

Section 10462- Conditional Uses relating to the R-4: Mixed-Use Residential Zone of the Implementation Plan shall be modified as follows:

E. Residential units may be developed on Key Development Site 1 in Area K- Channel Islands as a part of a mixed-use development, only if the residential uses are developed concurrently with a minimum of 19,000 square feet of ground floor commercial of which 3,300 square feet may consist of live/work space. All ground floor square footage fronting Victoria Avenue shall only be developed with commercial space. A lease or rental agreement shall be required for all tenant(s) of live/work space, limiting the use of such space to solely live/work.

V. FINDINGS FOR DENIAL OF THE LUP/IP AMENDMENT AS SUBMITTED, AND APPROVAL OF THE LUP/IP AMENDMENT, IF MODIFIED AS SUGGESTED

The following findings support the Commission's denial of the proposed Land Use Plan and Implementation Plan Amendment as submitted, and approval of the Land Use Plan and Implementation Plan Amendment if modified as indicated in Section IV (Suggested Modifications) above. The Commission hereby finds and declares as follows:

A. AMENDMENT DESCRIPTION AND BACKGROUND

The City of Port Hueneme is requesting an amendment to the Land Use Plan (LUP) and Implementation Plan (IP) components of its certified Local Coastal Program (LCP) to make modifications to the development provisions relating to Key Development Site 1 in Area K- Channel Islands, and to modify both the land use and zoning designation of Key Development Site 1 (one approximately 4.49 acre parcel) from Commercial to Mixed-Use Residential and from C-1(PD): General Commercial (Planned Development) to R-4(PD): Mixed-Use (Planned Development), to allow a mix of permitted uses, including residential. Specifically, the City is proposing to amend the development provisions for Area K: Channel Islands Development Site 1 on page 43 of the LUP as follows:

Locating New Development

Development within Area K shall be consistent with that of the use designations and performance standards applicable to the underlying zone classifications of land upon which such development is proposed. No development on any portion of undeveloped land within Area K shall be approved in the absence of a comprehensive master plan for all of the property designated for such use. Should development of Key Development Site 1 located in Area K (LCP Figure 2) be approved for a mixed commercial/residential use, said mixed-use development must include not less than 10,000 square feet of ground-floor visitor-serving or commercial recreational space listed as a permitted or conditional use in the City of Port Hueneme "C-S: Special Commercial Zone" which may include a grocery store use consistent with all other applicable policies of the LCP.

The City of Port Hueneme ("City") is located in the southwest portion of Ventura County between the Pacific Ocean and the Oxnard Plain. The City is surrounded by the City of Oxnard to the north and east; the Channel Islands Harbor, Port of Hueneme and U.S. Naval Construction Battalion Center are located to the west; and the ocean is located to the south. Specifically, Key Development Site 1 of Area K- Channel Islands is located approximately 500 feet north of the intersection of Victoria Avenue and Channel Islands Boulevard, within the City, as shown on Exhibit 1. Key Development Site 1 is approximately 4.49 acres, and is the last remaining vacant property located within the City's Channel Islands Area K, which covers approximately 160

acres of land. Land uses immediately surrounding Key Development Site 1 within Area K include 134 single-family residences, 970 multi-family units, and two commercial shopping centers, which contain approximately 308,615 square feet of commercial development, as shown on Exhibit 3.

The subject project-driven LCP amendment has been initiated by BASN Victoria Corporation/Pacific Heritage Community Corporation. Approval of the subject LCP amendment is anticipated to facilitate the future development of a mixed-use project that would include approximately 112 residential units and approximately 19,000 square feet of ground floor commercial development, which is envisioned to include a grocery store, general retail space, a leasing office, and up to four live/work units. The City is currently processing an application by the property owner for Conditional Use Permit Application No. PHCU-819, which would allow for construction of the above mentioned mixed-use development.

The City of Port Hueneme's LCP was effectively certified on November 28, 1984. At its August 26, 1987 hearing, the Commission approved LCP Amendment 1-87, which modified both the land use and zoning designation of one approximately 21 acre parcel located immediately adjacent to Key Development Site 1 from Local, Neighborhood, and General Commercial to Low Density Residential and from C-1PD General Commercial to R-1PD Single Family Residential. The property which is the subject of the currently proposed LCP amendment, however, was not a part of the LCP Amendment 1-87.

B. NEW DEVELOPMENT AND CUMULATIVE IMPACTS

The following policies and provisions of the City of Port Hueneme Local Coastal Plan and the Coastal Act, as incorporated into the LCP, relate to land use, new development, and cumulative impacts.

Coastal Act Section 30222, as incorporated into the City of Port Hueneme LCP, 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 industrial, or general commercial development, but not over agriculture or coastal-dependent industry.

Coastal Act Section 30250(a), as incorporated into the City of Port Hueneme LCP, states:

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.

Section 30105.5 of the Coastal Act defines the term "cumulatively," as it is used in Section 30250(a), to mean that:

[T]he incremental effects of an individual project shall be reviewed in conjunction with the effects of past projects, the effects of other current projects, and the effects of probable future projects.

City of Port Hueneme Land Use Plan Objective LCP-3 states:

To accommodate expansion of Port Hueneme in a manner which is compatible with the policies and land use designations of the LCP.

City of Port Hueneme Area K-Channel Islands Locating New Development Policy states:

Development within Area K shall be consistent with that of the use designations and performance standards applicable to the underlying zone classification of land upon which such development is proposed. No development on any portion of undeveloped land within Area K shall be approved in the absence of a comprehensive master plan for all of the property designated for such use.

City of Port Hueneme Area K-Channel Islands Recreation and Visitor-Serving Facilities Policy states:

By virtue of its proximity to the Channel Island Marina and the extent of existing and planned recreational and visitor-serving facilities the commercial development within Area K shall not be limited exclusively to such facilities and uses.

Section 30222 of the Coastal Act maintains that lands suitable for visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation shall have priority over residential, industrial, or general commercial development. Coastal Act Section 30250 requires that new development shall be located within, contiguous with, or in close proximity to, existing developed areas able to accommodate it. City of Port Hueneme LUP Objective LCP-3 and New Development policy require that development is consistent with the both the LUP policies and the underlying zoning designation. Additionally, the City of Port Hueneme policy regarding Recreation and Visitor-Serving Facilities maintains that due to its close proximity to Channel Islands Harbor, development within Area K shall not be limited to solely recreational and visitor serving facilities.

The proposed amendment would modify both the land use and zoning designation of Key Development Site 1 from Commercial to Mixed-Use Residential and from C-1(PD): General Commercial (Planned Development) to R-4(PD): Mixed-Use (Planned Development). Additionally, the City is proposing to amend the development provisions for Area K- Channel Islands Key Development Site 1 within the LUP. Although the subject site is not specifically designated for a visitor-serving commercial use, the loss of the land available for new commercial development in the City's Coastal Zone could result in potential impacts to visitor serving and recreational resource opportunities. Pursuant to Coastal Act Sections 30222 and 30250(a), as incorporated into the City's LCP, it is necessary to analyze whether the proposed modification of both the land use and zoning designation of the subject property has the potential

to result in significant adverse effects, either individually or cumulatively, on visitor-serving and recreational resource opportunities. Further, it is necessary to determine if the proposed land use and zoning modification would result in new development that would be located outside existing developed areas or where there are not adequate public services.

Key Development Site 1 is situated in the Area K- Channel Islands area of the City, as seen on Exhibit 2. This area of the City has been developed with a variety of uses, including single-family residential, multi-family residential, and commercial development. Section 30250 of the Coastal Act requires that new development be located within, or in close proximity to, existing developed areas able to accommodate development. As the subject property is the last remaining vacant lot within the Channel Islands sub-area, it will be located adjacent to and contiguous with existing developed areas. As such, the development of a potential mixed-use project on the subject property would be consistent with the surrounding land uses, and would also not have an adverse impact on visual or sensitive biological resources.

As described within the Area K-Channel Islands Locating New Development Policy, the City's LCP specifically states that development on Key Development Site 1 should not consist solely of recreational and visitor-serving facilities due to its proximity to nearby Channel Islands Harbor. However, the subject property is currently designated commercial, which would allow for the development of visitor serving facilities, such as hotels, motels, and boatels.

Although the subject property is not currently designated specifically for a commercial visitor-serving use, the proposed modification of both the land use and zoning designation of the subject property would result in the conversion to a lower priority land use (mixed-use), which could result in potential impacts to visitor serving and recreational resource opportunities. As such, the City has submitted an Assessment of the Economic Viability of Visitor-Serving Uses at the Victoria Mixed-Use Project Site, completed by HR&A advisors, and dated September 9, 2013 and October 2, 2013 which examines the feasibility of developing commercial and/or commercial visitor serving facilities on the subject site both currently and into the future. The submitted report finds that there is no market demand today, or projected over the next 20 years, that would be sufficient to support the development of a hotel at the subject property. The report also concludes that over the next 20-years the projected amount of additional retail and dining square footage that could be supported within the City would be approximately 17,000 square feet.

The Commission has been generally supportive of mixed-use proposals, which provide for different types of visitor-serving uses, as long as a means to balance the uses to obtain a true "mixed-use" is achieved. The major Coastal Act concern raised by the proposed amendment is that it would not ensure that all areas of the site appropriate for commercial development will be reserved for such use. In this case, the amendment would only provide that a minimum of only 10,000 square feet of ground-floor area would set aside for such use. However, based on Commission staff's review of the Economic Analysis for the property prepared by the property lessee's consultants, the project site could feasibly support approximately 19,000 square feet of commercial development on site.

In addition, the anticipated development on Key Development Site 1, pursuant to the pending CUP for the related development proposal on site, would provide for approximately 19,000 square feet of commercial development on the ground floor of the site; however, the LCP amendment as proposed, would not be adequate to ensure that this currently proposed level of commercial development would actually be required. Thus the proposed amendment, if approved, would diminish the visitor-serving potential of both the subject site and the surrounding community, contrary to Sections 30210, 30213, 30222, and 30223 of the Coastal Act.

Commission staff has discussed these concerns with City staff, and has collaborated with City staff to craft **Suggested Modification One (1)** which requires that any new mixed-use development on site provide for a minimum of 19,000 square feet of ground floor commercial space (of which 3,300 square feet may consist of live/work space) be included as a component of any development project on the subject property. The inclusion of commercial and/or live/work space as a component of the development on the subject property will maintain the availability of land suitable for commercial facilities. In addition, to ensure that commercial development is appropriately sited, **Suggested Modification One (1)** also provides that all ground floor square footage fronting Victoria Avenue shall only be developed with commercial space.

Furthermore, as a component of the subject LCP amendment, the City has also proposed to amend the development provisions for Area K- Channel Islands Key Development Site 1 within the LUP, and has proposed the following language:

Should development of Key Development Site 1 located in Area K (LCP Figure 2) be approved for a mixed commercial/residential use, said mixed-use development must include not less than 10,000 square feet of ground-floor visitor-serving or commercial recreational space listed as a permitted or conditional use in the City of Port Hueneme “C-S: Special Commercial Zone” which may include a grocery store use consistent with all other applicable policies of the LCP.

However, in order for the proposed zoning modification to be consistent with and adequate to carry out the certified land use plan, specificity regarding development standards must be placed within the City’s certified IP. As such, **Suggested Modification Two (2)** adds provisions to Section 10462- Conditional Uses relating to the R-4: Mixed-Use Residential Zone of the City’s Implementation Plan which require that a minimum of 19,000 square feet of commercial (of which 3,300 square feet may consist of live/work space) be provided as a component of any mixed-use development on Key Development Site 1. Additionally, as described above, the anticipated development is expected to include four live/work units. However, in order to ensure that the land available for new commercial development on the Key Development Site 1 does not become additional residential space through the conversion of “Live/Work” Units and result in potential impacts to visitor serving and recreational resource opportunities **Suggested Modification Two (2)** further requires that a lease or rental agreement, which limits the use of live/work space, be required for all live/work tenant(s).

In conclusion, the LUP amendment as proposed will not be adequate to carry out the provisions of the Coastal Act. However, with the suggested modification, the LUP amendment can be approved as being adequate to carry out the provisions of the Coastal Act. Further, the proposed amendment to the CZO/IP will not be fully adequate to carry out the certified land use plan, and incorporated Coastal Act policies, for the above-stated reasons and is denied as submitted. With the suggested modification, however, the proposed CZO/IP amendment can be approved as being consistent with and adequate to carry out the certified land use plan.

C. CALIFORNIA ENVIRONMENTAL QUALITY ACT

Section 21080.9 of the California Public Resources Code (PRC) - within the California Environmental Quality Act (CEQA) - exempts local governments from the requirement of preparing an environmental impact report (EIR) in connection with their activities and approvals necessary for the preparation and adoption of a local coastal program (LCP). Instead, the CEQA responsibilities are assigned to the Coastal Commission. However, because the Natural Resources Agency found the Commission's LCP review and approval program to be functionally equivalent to the EIR process, see 14 C.C.R. Section 15251(f), PRC Section 21080.5 relieves the Commission of the responsibility to prepare an EIR for each LCP. Nevertheless, some elements of CEQA continue to apply to this review process.

Specifically, pursuant to CEQA and the Commission's regulations (see 14 C.C.R. Sections 13540(f), 13542(a), and 13555(b)), the Commission's certification of this LCP amendment must be based in part on a finding that it meets the CEQA requirements listed in PRC Section 21080.5(d)(2)(A). That section requires that the Commission not approve or adopt an LCP:

...if there are feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse effect which the activity may have on the environment.

The proposed amendment is to the City of Port Hueneme's certified Local Coastal Program Land Use Plan and Implementation Plan. For the reasons discussed in this report, the LCP amendment, as submitted is inconsistent with the intent of the applicable policies of the Coastal Act and the certified Land Use Plan and feasible alternatives are available which would lessen any significant adverse effect which the approval would have on the environment. The Commission has, therefore, modified the proposed LCP amendment to include such feasible measures adequate to ensure that such environmental impacts of new development are minimized. As discussed in the preceding section, the Commission's suggested modifications bring the proposed amendment to the Land Use Plan and Implementation Plan components of the LCP into conformity with the Coastal Act and certified Land Use Plan. Therefore, the Commission finds that the LCP amendment, as modified, is consistent with CEQA.