

**CITY OF DANA POINT{PRIVATE }  
AGENDA REPORT**

Reviewed By:	
DH	<u>X</u>
CM	<u>X</u>
CA	___

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**DATE: SEPTEMBER 22, 2004**

**TO: CITY MANAGER/CITY COUNCIL**

**FROM: KYLE BUTTERWICK, DIRECTOR OF COMMUNITY DEVELOPMENT**

**SUBJECT: GENERAL PLAN AMENDMENT GPA 01-02, ZONE TEXT AMENDMENT ZTA 01-02, ZONE CHANGE ZC 01-01, PLANNED DEVELOPMENT DISTRICT PDD 01-01, AND LOCAL COASTAL PROGRAM AMENDMENT 01-02 TO REVIEW CALIFORNIA COASTAL COMMISSION RECOMMENDED MODIFICATIONS TO THE CITY APPROVAL OF THE DANA POINT HEADLANDS.**

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**RECOMMENDED ACTION:** That the City Council approve the suggested modifications approved by the California Coastal Commission in its certification City of Dana Point Local Coastal Program Amendment 01-02, Dana Point Headlands, and the addendum to the Environmental Impact Report. (Action Documents 1, 2, 3, 4, and 5).

**ISSUES:**

1. Are the Coastal Commission modifications generally consistent with the approval previously granted by the City Council?
2. Will the project resulting from the modifications be generally consistent with the City Council's intent when it previously approved the project?
3. Does the addendum to the certified Environmental Impact Report adequately address the modifications to the project?

**STRATEGIC PLAN IMPLEMENTATION:**

The proposed modifications are consistent with and further the Strategic Planning Initiatives. Specifically, initiatives I, II, III, and V are directly furthered should the modifications be approved. When the project is completed in accordance with the modifications, the project will help to restore and maintain the integrity of ocean waters and beaches and modernize the City's storm drain system in the vicinity of the project site through the construction of new storm drainage facilities that will capture and treat storm water from on-site development and 17 acres of off-site development before it reaches the ocean (Initiatives I and III). Approval of the project will result in the completion of the key study area plan for the Dana Point Headlands consistent with the tactical elements of Initiative II. Finally the project will provide new recreation and open space conservation

areas for the public including some facilities near the Dana Strand consistent with Initiate V.

### **BACKGROUND:**

The project site is approximately 121.3 acres located adjacent to the Pacific Ocean. The site is characterized by scenic and natural features including sheer coastal bluffs, environmentally sensitive habitat areas, scenic vistas and pedestrian trails. The site also includes an abandoned mobile home park and green houses.

The following provides a chronology of the actions pertaining to approval of the project:

- *December 12, 2001:* Planning Commission recommended approval of the original project, referred to as the Headlands Development and Conservation Plan (HDCP) to the City Council.
- *January 22, 2002:* The City Council certified the Final EIR for the HDCP and approved the HDCP including amendments to the Local Coastal Program (LCP), General Plan, Zoning Code, a Development Agreement, and a Planned Development District (PDD) to regulate and guide implementation of the HDCP and forwarded it (less the Development Agreement) to the California Coastal Commission for certification as an amendment to the Dana Point LCP.
- *January 15, 2004:* The Coastal Commission denied certification of the LCP Amendment as originally submitted but certified the City of Dana Point LCP Amendment 01-02, with suggested modifications.
- *August 11, 2004:* The Coastal Commission adopted revised findings for the certification of the LCP amendment.
- *September 15, 2004:* The City of Dana Point Planning Commission held a public hearing and recommended approval of the Coastal Commission modifications and certification of the Addendum to the EIR and revised mitigation monitoring program.

The Coastal Commission certification was conditioned upon suggested modifications to the LCP Amendment which must be adopted by the City of Dana Point in order for the LCP to become effective. The purpose of this hearing is to review the modifications and determine whether the City's approval should be revised to be consistent with the modifications adopted by the Coastal Commission. The more significant modifications are outlined in the discussion section of this report. Should the City not accept the modifications proposed by the Coastal Commission, the Local Coastal Program Amendment can not be certified. The City only has the discretion to vote yes or no on the suggested modifications submitted to the City by the Coastal Commission.

### **DISCUSSION:**

The Coastal Commission recommended 199 modifications to the original HDCP approved by the City (although numbered to 199, modification #93 was deleted by the Coastal Commission). The Commission suggested modifications primarily consist of text

clarifications or restatements of implementation enforcement mechanisms. Some of the changes consist of a few words and do not substantially change the City's approval. Some changes are "global" changes that effect portions of the City's approval, such as the deletion of the Harbor Point Park facilities. Many of the proposed changes are consistent with current City practices and/or ordinances and were not included in the City's approval as it would have been redundant.

Tables 2A and 2B summarize the more significant physical changes to the project. These changes are also described below:

#### 1. Reallocation of Land Uses

- a. Reduction in the size of the Upper Headlands Residential area (Planning Area 6) from 26.7 acres to 20.2 acres, and adding the difference to areas designated recreational/conservation open space.
- b. Increase in the size of Planning Area 5 from 12.3 acres to 15.1 acres and Planning Area 7 from 24.2 acres to 27.9 acres, increasing the total designated area of recreational/conservation open space.
- c. Realignment of the revetment landward, allowing for Strand Beach to be five feet wider on average.

#### 2. Modification of Visitor Serving Uses

- a. Addition of a 40-bed hostel in Planning Area 4.
- b. Reduction in the size of Visitor Recreation/Commercial use in Planning Area 4 from 40,000 sq. ft. to 35,000 sq. ft.
- c. Increase in the quantity of allowable rooms for the Seaside Inn from 65 to 65-90 keys within Planning Area 9.
- d. Elimination of the visitor centers found to be in conflict with ESHA conservation requirements and likewise reorient the Nature Interpretive Visitor Center to avoid ESHA impacts. A new Visitor Information Center in Planning Area 4 was added that will be directly accessible from Pacific Coast Highway, and a restroom/shower facility at the south end of Strand Beach was included.
- e. Addition of six public parking spaces reserved for open space uses in Planning Area 4 that will be directly accessible from Pacific Coast Highway.

#### 3. Public Access Improvements to the Coast

- a. Addition of a funicular from the Salt Creek public parking lot (Selva Road) to the pedestrian ramp to Strand Beach along the North Strand Beach Accessway.
- b. Realignment of the existing revetment 10 feet landward in the center, transitioning back to the existing alignment at either end for an overall average 5 feet of additional beach including an 8-foot wide lateral

accessway, plus benches along the top; the revetments' current average height of 17 feet will be retained.

- c. Addition of a new Mid-Strand Vista Park Accessway from the County public parking lot to the Central Strand Beach Accessway.

#### 4. Preservation of Biological Resources

- a. Reduction in size of the Upper Headlands Residential area (Planning Area 6) by 6.5 acres from 26.7 acres to 20.2 acres.
- b. Increase in size of Headlands Conservation Park (Planning Area 7) by 3.7 acres, from 24.2 acres to 27.9 acres.
- c. Increase in size of Hilltop Park and Greenbelt Linkage (Planning Area 5) by 2.8 acres, from 12.3 acres to 15.1 acres.
- d. The dedication, preservation, enhancement, and perpetual management of all but 11.29 acres of ESHA. Measures to implement this requirement include:
  - A \$2-million endowment to maintain the biological values of the City-owned and maintained open space areas within the Headlands
  - Revisions to fencing guidelines
  - Revisions to the Headlands plant palette for areas other than the residential lots and the hotel that require the use of plant species native to Coastal Orange County
  - Realignment of bluff top trails with minimum setback of 25 feet from coastal bluff scrub vegetation
  - Prohibit fuel modification within designated ESHA beyond the maximum 11.29 areas of allowable ESHA disturbance provided for in the suggested modifications
  - Require a mitigation ratio of 3:1 (1:1 creation or substantial restoration) for disturbances to ESHA with on-site mitigation preferred
  - Require the construction of a masonry wall (seven feet high) between designated ESHA and Planning Areas 4 and 6 as well as fencing along trails in ESHA to minimize impacts to resources
  - Realignment of utilities outside of conservation areas and designated ESHA into an alignment that minimizes impacts

#### 5. Water Quality

- a. Addition of secondary treatment of storm water runoff to Dana Point Harbor.
- b. Addition of catch basin filters in all curb storm drain inlets.
- c. Addition of grease traps for restaurant/food service wash down areas.
- d. Addition of state-of-the-art irrigation controllers.

- e. Consider and potentially utilize BMPs with the capability to provide equal or better treatment compared to sand filters.

**Table 2A: Land Use Statistical Summary<sup>1</sup>**

Land Use	Acres	Planning Area	Residential Lots/ Square Feet
<b>Recreation Open Space (REC/OS)</b>			
Recreation Open Space (REC/OS)	9.9 5.2 <u>15.1</u> <del>42.3</del> 4.3	1 3 5 8A	
Subtotal REC/OS	<u>34.5</u> <del>31.7</del>		
<b>Conservation Open Space (CONS/OS)</b>			
Conservation Open Space (CONS/OS)	<u>27.9</u> <del>24.2</del> 6.1	7 8B	
Subtotal CONS/OS	<u>34.0</u> <del>30.3</del>		
<b>Visitor/Recreation Commercial (V/RC)</b>			
Visitor/Recreation Commercial (V/RC)	1.6	4	<u>35,000</u> <del>40,000</del> sq. ft.; 40-bed hostel
	2.8	9	110,750 sq. ft. (65-90 <del>65</del> keys)
Subtotal V/RC	4.4		<u>145,750</u> <del>150,750</del> sq. ft (65-90 <del>65</del> keys; 40-bed hostel)
<b>Residential (RSF 0-3.5)</b>			
Residential Single Family	25.7 <u>20.2</u> <del>26.7</del>	2 6	75 Lots 50 Lots
Subtotal (RSF 0-3.5)	<u>45.9</u> <del>52.4</del>		125
Public Right-Of-Way	2.5	1, 6, 8A	
Total Public Open Space	<u>68.5</u> <del>62.0</del>		
<b>Total</b>	<b><u>121.3</u></b>		

<sup>1</sup> Strikeout and underscore indicate suggested modifications as approved by the Coastal Commission.

**Table 2B: Visitor Recreational Facility Statistical Summary<sup>1</sup>**

Public Facility	Planning Area	Maximum
Lighthouse	8A	2,000 sq. ft.
Cultural Arts Center	8A	2,000 sq. ft.
Nature Interpretive Center	8A	2,000 sq. ft.
Conservation Center	5	2,000 sq. ft.
Public Restrooms/ <u>Showers</u> <sup>2</sup>	1	<u>2</u> x 500 sq. ft.
Visitor Information Center <sup>3</sup>	<u>4</u>	<u>800</u> sq. ft. <sup>4</sup>

<sup>1</sup> Strikeout and underscore indicate suggested modifications as approved by the Coastal Commission.

<sup>2</sup> Public restrooms and showers shall be constructed at both the north and south ends of Planning Area 1 above Strand Beach.

<sup>3</sup> The Visitor Information Center may be constructed and operated in conjunction with the hostel planned for the PCH V/RC, Planning Area 4.

<sup>4</sup> If the Visitor Information Center is incorporated into the hostel, there is no specific square footage requirement.

### Environmental Review

In accordance with the California Environmental Quality Act, the Coastal Commission is responsible for the environmental review of the LCPA. Environmental review of the other planning applications is the responsibility of the City. A Final Environmental Impact Report (State Clearinghouse #2001071015) was prepared for the original project and certified by the City Council on January 22, 2002 (City Council Resolution 02-01-22).

The Coastal Commission has approved suggested modifications to the project and found that the project as modified would not result in significant unmitigated adverse environmental impacts under CEQA. Further, the Coastal Commission found that there are no feasible alternatives within the meaning of CEQA that would reduce the potential for significant adverse environmental impacts. Since the Coastal Commission's findings only cover the Local Coastal Program amendment and do not cover the other planning applications associated with the project, an Addendum to the certified Environmental Impact Report was prepared to address the modifications approved by the Coastal Commission as they relate to the relevant actions by the City and implementation of the project.

The City's review of the suggested modifications to the LCP Amendment certified by the California Coastal Commission in this Addendum is limited by the provisions set forth in CEQA and the State CEQA Guidelines. It is limited to examining the environmental effects that are associated with any changes between the project as currently modified and the project reviewed in the certified 2002 Headlands EIR. Specifically, the City is to limit its review to evaluating only the changes in circumstances and any new information of substantial importance.

Pursuant to CEQA and the State CEQA Guidelines, the City is conducting an Addendum in order to determine whether there are any changes in circumstances or any new information of substantial importance that would require preparation of a subsequent or supplemental EIR.

The Addendum to the certified EIR contains a comparative evaluation between the project as approved by the City and the project including the proposed modifications approved by the California Coastal Commission. Potential environmental impacts for the following areas were analyzed: aesthetics; air quality; terrestrial biological resources; cultural and paleontological resources; geology and soils; hazardous materials; hydrology; water quality; land use; noise; public services; recreation; transportation/traffic; utilities; marine biological resources; and coastal processes. Based on the information and analysis contained in the Addendum and pursuant to Section 15162 of the CEQA Guidelines, the following conclusions were reached:

1. There are no substantial changes to the HDGP that will require major revisions to the certified 2002 Headlands EIR due to new, significant

- environmental effects or a substantial increase in the severity of impacts in the certified 2002 Headlands EIR.
2. Substantial changes have not occurred in the circumstances under which the project is being undertaken that will require major revisions of the certified 2002 Headlands EIR to disclose new, significant environmental effects or a substantial increase in the severity of the impacts identified in the certified 2002 Headlands EIR.
  3. There is no new information of substantial importance not known at the time the 2002 Headlands EIR was certified that shows any of the following:
    - a. The project will have any new significant effects not discussed in the certified 2002 Headlands EIR.
    - b. There are impacts that were determined to be significant in the certified 2002 Headlands EIR that will be substantially increased.
    - c. There are additional mitigation measures or alternatives that would substantially reduce one or more significant effects identified in the certified 2002 Headlands EIR.
    - d. There are additional mitigation measures or alternatives that were rejected by the project proponent that are considerably different from those analyzed in the certified 2002 Headlands EIR that would substantially reduce any significant impacts identified in that EIR.

The certified EIR identifies three unavoidable impacts: air quality impacts (short-term exhaust emissions, short-term fugitive dust emissions, and long-term air pollutant emissions); cumulative air quality impacts; and cumulative noise impacts. In approving the project, the City Council certified the EIR and found that the benefits of the project outweighed the unavoidable impacts and adopted a Statement of Overriding Considerations. If the modifications proposed by the Coastal Commission are approved, a new Statement of Overriding Considerations should be adopted that takes into account the proposed modifications. Staff recommends that the following Statement of Overriding Considerations be used should the modifications be approved. This Statement of Overriding Considerations is incorporated into Resolution No. 04-09-22-XX.

#### STATEMENT OF OVERRIDING CONSIDERATIONS:

The California Environmental Quality Act (CEQA) and the CEQA Guidelines provide the following:

- (a) CEQA requires the decision making agency to balance, as applicable, the economic, legal, social, technological, or other benefits of a proposed project against its unavoidable environmental risks when determining whether to approve the project. If the specific economic, legal, social, technological, or other benefits of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered "acceptable."
- (b) When the lead agency approves a project which will result in the occurrence of significant effects which are identified in the final Environmental Impact Report

(EIR) but are not avoided or substantially lessened, the agency shall state in writing the specific reasons to support its action based on the final EIR and/or other information in the record. The statement of overriding considerations shall be supported by substantial evidence in the record.

- (c) If an agency makes a statement of overriding considerations, the statement should be included in the record of the project approval and should be mentioned in the notice of determination. This statement does not substitute for, and shall be in addition to, findings required pursuant to Section 15091.

The City, pursuant to CEQA Guidelines Section 15093, has balanced the benefits of the Project against the following unavoidable impacts for which no feasible mitigation measures exist to reduce the impact to below a level of significance:

- (1) Direct air quality impacts (short-term exhaust emissions, short-term fugitive dust emissions, and long-term air pollutant emissions);
- (2) Cumulative air quality impacts; and
- (3) Cumulative noise impacts

The City has adopted all feasible mitigation measures with respect to these impacts. The City also has examined a range of alternatives, none of which both meet most of the development objectives and is environmentally preferable to the Project. Accordingly, the City adopts the following Statement of Overriding Considerations based on information in the Final EIR (State Clearing House No. 2001071015), the Addendum to the Final EIR, and on other information in the record. The City, pursuant to the CEQA Guidelines, after balancing the specific economic, legal, social, technological, and other benefits of the Project against the unavoidable environmental effects which remain significant and after all feasible mitigation measures and alterations have been incorporated into the Project, and after the Project alternatives that will lessen or avoid such significant impacts have been rejected as infeasible, determines that the unavoidable adverse environmental effects are acceptable due to the following specific considerations, each of which individually is sufficient to outweigh the unavoidable, adverse environmental impacts of the Project:

- Development of the Project, including the Seaside Inn and retail establishments, will increase employment opportunities within the City and the region and will promote the attainment of the City's job/housing balance objectives. Such jobs will provide needed employment opportunities and will promote growth, personal income, and economic improvement within the region. Development of the Project will result in years of employment for construction and associated fields of work including engineering and design professionals.
- The Project will provide 65-90 high quality, new hotel rooms in the Project area, increasing the number and type of hotel accommodations available to serve the business and tourist industry and helping to promote the continued economic growth in the City.

- The Project will provide a 40-bed hostel, which will provide lower-cost accommodations for coastal visitors, thereby increasing the opportunities for more diverse economic segments of the public to visit overnight in this area.
- Project residents, guests, and visitors will frequent the public amenities and retail businesses located in and out of the Project area. This increased business will translate into increased sales revenues for the benefit of the community. The Project also will generate additional annual transient occupancy tax revenues and increased property tax revenues to the City.
- The Project's inclusion of a variety of land uses, including residential, commercial, recreational and open space, all in proximity to the other, will help promote a sense of community and economic efficiency. The Project will provide 125 high quality residential homes. Increasing the number of residences available in the City is vital to meet the demands of projected growth in the City. Development areas have been clustered to maximize resource protection and minimize impacts.
- Project development will be implemented through comprehensive design guidelines that will ensure complimentary, high-quality architecture and landscaping elements within the master-planned community. Build out under these guidelines and the Project's Development Agreement will provide the City with the ability to guide long-term development of the area in a cohesive and organized fashion.
- The Headlands landowners are a participating landowner in the NCCP/HCP for "contributing significant land and/or funding toward implementation of the reserve system and adaptive management program." As a result, the Headlands Project site has been issued a Section 10(a) Endangered Species Incidental Take Permit. The Project establishes a standard in excess of the requirements, setting aside 27.9 acres as the Headlands Conservation Park. This open space specifically provides for the long-term preservation and management of habitat for sensitive species, including the PPM, three California gnatcatcher territories, and other flora and fauna. No development is allowed within this area, except a perimeter trail and ancillary improvements designed to provide coastal access. In addition to sensitive habitat being preserved in the Headlands Conservation Park, over 12 acres of scrub habitat will be revegetated in disturbed areas of the site. A habitat management program will be established to protect and enhance these resources.
- The Project proponent will provide the City with a non-wasting \$2.0 million endowment to maintain the biological values of the City-owned and maintained natural habitat open space areas within the Headlands.
- The Headlands Conservation Park will be administered in the form of an endowed, non-profit trust in conjunction with the Center for Natural Lands Management, the United States Fish & Wildlife Service, and the California Department of Fish and Game. The recording of easements, deed restrictions, and additional measures will ensure that the Headlands Conservation Park

remains permanently designated as conservation open space. The nonprofit trust will retain an experienced natural resource manager to oversee the operation of the preserve. Moreover, an endowment for the Headlands Conservation Park (as budgeted by the Center for Natural Lands Management) shall be provided to fund the park's perpetual protection, long-term maintenance, and management.

- The Project assists in the implementation of the Central Coastal Orange County Natural Communities Conservation Plan/Habitat Conservation Plan (NCCP/HCP), which has established a 37,000 acre Habitat Reserve System that protects more than 18,800 acres of CSS, 7,300 acres of chaparral, 6,100 acres of grasslands, 1,800 acres of riparian, 950 acres of woodland, 200 acres of forest habitat, and significant portions of six other habitat types now existing within the subregion. The NCCP/HCP also contains and preserves 381 coastal California gnatcatcher sites and 674 coastal cactus wren sites. Moreover, the NCCP/HCP includes 10,960 acres in the coastal zone, of which, approximately 5,670 acres are CSS. A non-wasting adaptive management endowment of approximately \$11 million was also established for the NCCP/HCP. The Project provides for a monetary endowment that will ensure adaptive management techniques are applied to the Headlands Conservation Park for the benefit of certain on site native species. The Headlands Project site Participating Landowner shall pay a total of \$500,000 to the Nature Reserve of Orange County (NCCP/HCP Endowment Fund). The payments will be made as annual installments of \$100,000 for five years, with the first payment due within seven days of the issuance of a grading permit for the Project site. The remaining four payments will be made annually on the anniversary of the first payment.
- Areas which are currently fenced off barring public access, including 1.5 miles of coastal frontage and a 5.2 acre private beach, will be dedicated and improved for public recreation and coastal access.
- The Project will provide significant land use, recreational benefits and public access to the region through the improvement and transfer of 68.5 acres of convenient public parks and open space, public trails, walkways, bikeways, overlooks, and coastal access (including the dedication of Strand Beach as a public beach) and four public visitor recreation facilities, all of which will be created in the initial stage of Project development and prior to issuance of the first occupancy permit for residential or commercial.
- The Project provides significant opportunities to increase coastal access, public recreation, and ocean and bluff top viewing opportunities in the Project area, as well as improved public parking and street access for beach use, new public viewpoints, and improved public facilities within parks:
- The Project's Strand Vista Park will be the gateway for three new beach access ways: Central Strand Beach Access, mid-Strand Vista Park access and the South Strand Beach Access. The new Central Strand Beach access includes a 50 foot wide landscaped overlook to the beach with viewpoint seating. A funicular from the Salt Creek public parking lot to the pedestrian ramp to Strand

Beach along the North Strand Beach Accessway (with seating and picnic tables) will be provided. In addition, overlooks and two restroom/shower facilities above Strand Beach will be provided as part of the Project. Several view opportunities/overlooks will be available along these access ways.

- The Project will create Hilltop Park and Greenbelt Linkage, which includes the highest point of elevation within the Project site. The “hilltop” is 288 feet and provides 360° views of the surrounding city, harbor, and ocean. The natural resource value will be protected by signage and fencing if necessary, and native plants will be used.
- The Project will provide Harbor Point Park, located on the eastern side of the Project site above Dana Point Harbor. The Park includes a 4.3 acre passive use area designated as Recreation Open Space and a 6.1-acre site designated as Conservation Open Space. The Harbor Point Park provides harbor and ocean views, which will be made accessible to the public.
- The Project will add visitor-serving recreation and retail facilities, a feature of the Project that will benefit both residents and visitors through new services and retail opportunities. A visitor-serving facility will provide educational and interpretive activities, and will be up to 2,000 square feet in size. The Nature Interpretive Visitor Center will house natural resource educational materials, exhibits, tours, and management activities for the adjacent Headlands Conservation Park. A visitor information center, which will inform and direct individuals to coastal access and visitor services uses, will be built in Planning Area 4. The Strand Beach Park Restrooms will consist of restroom and outdoor shower facilities located in the North and South Strand Beach Access immediately adjacent to Strand Beach Park.
- The Project includes extensive measures to provide public and area user environmental education and information, with the Nature Interpretive Visitor Center as the central focus of this effort. Signs and educational materials will be designed to inform residents about the sensitivity of the marine refuges and the grunion spawning areas, to discourage continual intrusion, and to remind visitors about the Fish and Game regulations concerning protection of the species. In addition to information regarding the tidepools and the California grunion, the materials would include information on potential impacts from direct, artificial light, excessive noise, and trash on the marine environment. The Project proponent will participate in funding the development/distribution of a beach/ecology information sheet/booklet for distribution to all guests at the Seaside Inn and visitors to the visitor centers. The text/format will be developed in cooperation with the County of Orange, Harbors, Beaches and Parks. The Project proponent will also develop displays and signs for both the Seaside Inn area and the Strand Beach access areas related to the designation and purpose of the marine refuges and the sensitive marine life communities that occur there.
- The Project complements and implements the City General Plan Urban Design Element, creating a site design and ambience that reflects the natural setting of the property. The parks, open space, architectural, and landscape architectural

elements are unified by a series of monuments, signage, building materials, and images that evoke a natural, timeless atmosphere, while allowing reasonable flexibility in design, creating a community that displays a strong sense of place.

- The Project through its public trails, beach access, view overlooks, landscaping, site entries, theme walls, and public view fencing will offer a safe, inviting, and aesthetically pleasing public coastal access to the beach, ocean, and coastal bluff. The Project's public recreational facilities, including public viewing overlooks at key locations and street furniture and public art, will attract visitors to the coast, open space and parks.
- The Project's public trail/access system will be up to three miles in length, and will link the parks, residential neighborhood, active recreation, view overlooks and native open space. The trails will maximize public coastal access and view opportunities and provide a comprehensive system that serves the Project site, the harbor, and the Pacific Ocean, while reducing reliance on automobiles. The on-site trails will link to off-site regional trail segments, including the Class I bike lane on the Pacific Coast Highway. A series of view overlooks will be incorporated into the trail system. Trail easements will be publicly owned and maintained. This trail system will provide opportunities for hiking and help reduce the dependency on automobiles by providing an alternative means of access.
- The Project replaces land uses that were formerly designated for commercial resort visitor facilities and residential uses with a qualitative park experience that appeals to a wide spectrum of regional coastal visitors. Visitors will be able to move from park to park via the integrated trails, while enjoying different recreational and educational facilities. The conversion to parks and open space was accomplished, in part, by designing the Project areas designated for development to include ocean views, which raises economic value while decreasing the necessary density and total developable acreage.
- The Project will make drainage and water quality improvements related to flows to Dana Point Harbor and the Pacific Ocean by implementing a series of site design, source control and treatment control Best Management Practices (BMP) to capture and treat storm water and divert nuisance flows to the sanitary sewer system for treatment and discharge. Public sewers will be made available to the 30 existing homes in the Headlands vicinity currently on septic systems. Also, the Project establishes programs for maintenance, cleaning, and upkeep of public storm drain structures, public streets, and parking areas to be implemented by the City and/or the homeowners' association.
- The Project will incorporate water conservation measures such as low flush toilets, low-flow faucets, water conserving dishwashers, maintenance of supply line water pressure at 50 psi or less by means of pressure reducing valves, use of reclaimed water, if available, for common area irrigation purposes, and efficient irrigation systems to minimize runoff and evaporation.
- The Project will convert underutilized property, including the former mobile home park and portions of Strand Beach, into a high quality use that will be compatible with the surrounding area and include superior quality development. The

proposed superior quality development will, in turn, increase the value of surrounding property and generally enhance the regional atmosphere.

- The Headlands Development and Conservation Plan (HDCCP) Circulation Plan consists of an on-site circulation system that provides public access, including numerous on-site pedestrian and bicycle access points, to the shoreline from the nearest public roadway. The Circulation Plan provides numerous opportunities for direct coastal access, and connects to multiple off-site roads, bikeways, and trails.
- The Project will provide a mitigation ratio of 3:1 in the form of 1:1 creation (no net loss) and 2:1 restoration to mitigate for the loss or disturbance of 11.29 acres of Environmentally Sensitive Habitat Area (ESHA) designated land onsite.

### **CONCLUSION:**

Generally the modifications recommended by the Coastal Commission are intended to lessen various impacts to Environmentally Sensitive Habitat Areas, protect/improve water quality, ensure protection of public views, improve public access to the beach and protect the unique features of the Headlands, while allowing development that is similar to the project originally approved by the City Council.

The addendum to the certified Environmental Impact Report did not identify any new or exacerbated negative impacts. However, since certain portions of the project would be changed, a new Statement of Overriding Considerations was deemed to be necessary.

The Planning Commission has recommended that the City Council approve the modifications recommended by the California Coastal Commission. Adoption of the attached ordinances and resolutions would approve the modifications recommended by the California Coastal Commission to General Plan Amendment GPA01-02, Zone Text Amendment ZTA01-02, Zone Change ZC01-01, Planned Development District PDD01-01, and Local Coastal Program Amendment LCPA01-02, and adoption of the revised Statement of Overriding Considerations.

### **NOTIFICATION AND FOLLOW-UP:**

Notification of the amendments was published in the newspaper in accordance with the noticing requirements. In addition, all affected agencies and interested parties were provided notice of the hearing date. The Council's action is final unless modified through legal action.

### **FISCAL IMPACT:**

No negative fiscal impacts are anticipated.

**ACTION DOCUMENTS: (Hard Copies Provided)**

- A. Draft Resolution #04-09-22-XX (Addendum to Environmental Impact Report)
  - Exhibit A – Addendum to Environmental Impact Report
  - Exhibit B – Statement of Overriding Considerations
  
- B. Draft Resolution #04-09-22-XX (General Plan Amendment #GPA 01-02)
  - Exhibit A –Modifications to the Land Use Plan
  
- C. Draft Ordinance #04-09-22-XX (Planned Development District #PDD 01-01)
  - Exhibit A –Modifications to the Local Implementation Plan
  
- D. Draft Ordinance #04-09-22-XX (Zone Text Amendment #ZTA 01-02 and Zone Change #ZC 01-01)
  - Exhibit A –Modifications to the Local Implementation Plan
  
- E. Draft Resolution #04-09-22-XX (Headlands Development Guidelines)
  - Exhibit A –Modifications to the Local Implementation Plan

**SUPPORTING DOCUMENTS: (Hard Copies Provided)**

- F. Modifications as approved by the California Coastal Commission
- G. 2002 Headlands Land Uses (as approved by the City Council)
- H. 2004 Land Uses (as approved by the California Coastal Commission)
- I. Planning Areas (per 2002 approved plan)