

CALIFORNIA COASTAL COMMISSION

CENTRAL COAST DISTRICT OFFICE
 725 FRONT STREET, SUITE 300
 SANTA CRUZ, CA 95060
 PHONE: (831) 427-4863
 FAX: (831) 427-4877
 WEB: WWW.COASTAL.CA.GOV

W13a



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Staff Report prepared by:	Mike Watson
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COASTAL DEVELOPMENT PERMIT AMENDMENT APPLICATION

Application number3-01-039-A2, Front Street Inn Conversion

Applicant.....Valerie Seymour

Project locationFront Street Inn and Spa at 1140 Front Street near the Morro Bay Embarcadero in the City of Morro Bay, San Luis Obispo County (APN 066-034-012).

Project descriptionConversion of a four room visitor-serving motel/spa into a two room visitor-serving motel/spa and a single-family residence with hot tub, storage shed, deck and fence on the bluff at the rear of the building.

Local ApprovalsApproval of Concept Plan and Conditional Use Permit UP0-179, City of Morro Bay City Council, April 28, 2008.

File documents.....City of Morro Bay Certified Local Coastal Program (LCP).

Staff Recommendation ..Approval with Conditions

A. Staff Recommendation

1. Summary of Staff Recommendation

The Applicant proposes to convert two of the four existing Front Street Inn overnight rooms and one spa room into a 1,310 square-foot single-family residence at 1140 Front Street in the City of Morro Bay. In addition, the Applicant proposes to construct/install a hot tub, storage shed, deck and fence on the upper bluff behind and above the two-story building. The 6,118 square foot site is located in the LCP's visitor-serving commercial, planned development overlay zone, and is developed with a 7,665 square foot, two-story building that includes a bakery and beauty salon on the first floor and the subject Front Street Inn and Spa on the second level. The existing second floor development includes four overnight visitor-serving rooms, two day-spa rooms, office space, utility room, and a restroom. This existing multi-use development was approved by the Coastal Commission (originally on August 7, 2001, and through an amendment approved May 12, 2004).

The proposed conversion raises issues with regard to protection of Coastal Act priority visitor-serving uses, and consistency with the LCP's general development standards (including standards for lot



coverage and nonconforming structures). As proposed, the project would convert one-half of the existing overnight visitor-serving rooms on site to a residential use. Though there are a number of hotel/motels in Morro Bay, there are only a limited number of rooms specifically on the Embarcadero waterfront, and the loss of these rooms in this case would be a significant impact on visitor accommodations in this area. In addition, the proposed hot tub, storage shed, deck and fence development would further expand the allowable lot coverage beyond the LCP-designated maximum, and would also introduce residential development into the bluff viewshed of this visitor-serving site. Accordingly, as proposed, the project cannot be found consistent with the Coastal Act (standard of review) or certified LCP (guidance).

Staff believes that it is appropriate to accommodate the fundamental aspect of the proposed project, the residential unit, only in a way that maximizes visitor-serving opportunities. Towards this end, the LCP allows a single apartment unit or security quarters when secondary to a permitted visitor-serving commercial use and when located at the rear and upper floor of the site. Staff believes that a conversion that results in three overnight units and a caretaker's quarters can be found Coastal Act consistent at this site. This would allow some residential development connected and subservient to the primary visitor-serving function and use, and may even help to facilitate the Inn's success in the long run overall. Conversely, conversion of more than one unit would create a residential use that is roughly equivalent in size to the visitor-serving use on the site, which would convert the project focus overall to residential, as opposed to visitor-serving. Such conversion would directly remove two overnight rooms and, over time, would be expected to lead to the deterioration of the remaining overnight units' utility as the remaining two hotel units are made secondary to the residential use. Accordingly, a special condition is recommended that allows the proposed residential unit subject to retaining three of the four existing units, including as provided for in the certified LCP. To protect against further residential conversion, this approval is also conditioned to maintain the remaining overnight rooms as standard operating overnight rooms.

With respect to the additional requests by the Applicant for a hot tub, deck, fencing, etc. at the bluff interface, these are not appropriate under the certified LCP and the Coastal Act. The site was originally developed at a larger scale and coverage per the Commission's original approval than that typically allowed under the LCP specifically because it was a priority visitor-serving development. The same cannot be said for these incidental residential project components now proposed, and these residential components would increase coverage and scale even further beyond what is allowed under the LCP, exacerbating the residential conversion issue identified above. These incidental residential components are also proposed at the bluff interface where they would impact public views. Accordingly, a special condition is recommended prohibiting any further development in the bluff face.

Staff recommends that the **Commission approve a CDP with conditions**. The necessary motion is found on the next page.



2. Staff Recommendation on CDP Amendment

Staff recommends that the Commission, after public hearing, **approve** the proposed project subject to the standard and special conditions below.

Motion: I move that the Commission approve the proposed amendment to coastal development permit number 3-01-039 pursuant to the staff recommendation.

Staff Recommendation of Approval: Staff recommends a **YES** vote. Passage of this motion will result in approval of the amendment as conditioned and adoption of the following resolution and findings. The motion passes only by affirmative vote of a majority of the Commissioners present.

Resolution to Approve the Permit Amendment: The Commission hereby approves the coastal development permit amendment on the ground that the development as amended and subject to conditions, will be in conformity with the policies of Chapter 3 of the Coastal Act. Approval of the permit amendment 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 amended development on the environment, or 2) there are no feasible mitigation measures or alternatives that would substantially lessen any significant adverse impacts of the amended development on the environment..

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Click on the link at left to go to the exhibits.



B. Findings and Declarations

The Commission finds and declares as follows:

1. Project Background, Location, and Description

Embarcadero History

Until the mid-1940's, most of the small community of Morro Bay was built on the bluff tops above the tidal flats. Between 1942 and 1945, the north and south breakwaters at the entrance to the Morro Bay harbor, two "T"-piers, and the inner harbor bulkhead were constructed for a Navy amphibious base. A navigational channel was dredged and the spoils deposited behind the inner harbor bulkhead to create a fill area along the bay that became known as the Embarcadero. In the late 1940's the Navy base, including all waterfront facilities, was sold to San Luis Obispo County. Buildings began to be constructed on the Embarcadero, and various docks and piers were occupied by a growing fleet of commercial fishing boats. In 1964, the City of Morro Bay incorporated and assumed jurisdiction over the County's waterfront land and facilities, including the Embarcadero. Trusteeship of state tidelands was also transferred to the City at that time.

Morro Bay, and the Embarcadero in particular, are major tourist attractions and prime coastal visitor-serving destinations with an estimated 1.5 million visitors annually. The Embarcadero is now largely developed with a variety of visitor-serving (overnight units, restaurants, gift shops, etc.) and coastal-related land uses (i.e., kayak rental, commercial and recreational fishing services, etc.). Parcels on the bayside of Embarcadero are leased to individual lessees by the City through the City's proxy relationship to the State Lands Commission and the state tidelands underlying the Embarcadero. The Coastal Commission retains permitting jurisdiction on all such tideland properties, including the fill areas along the Embarcadero and the property that is the subject of this permit application. As a result, the standard of review for the proposed project is the Coastal Act, although the certified Morro Bay LCP can provide non-binding guidance.

Project Location

The project site is located in the LCP's Beach Street planning area on the bluffs fronting the Embarcadero at 1140 Front Street in the City of Morro Bay. Front Street at this location is a short spur street just inland and parallel to Embarcadero Road that dead ends into a large parking lot adjacent to the Duke Energy plant (see Exhibit A).

The site slopes up from an elevation of approximately 13 feet above mean sea level at Front Street, to approximately 41 feet above mean sea level at the top of the bluff. The bluff at this location is approximately 30 feet in height establishing the bluff and bluff top line as the prominent feature of the inland side of the Embarcadero. The City's LUP describes the bluffs as an integral part of the views of the bay. A public access stairway at the end of Surf Street leads down the bluff and provides views of the bay, waterfront, and sand spit across the project site.

The project site is currently developed with a 7,665 square foot, two-story structure on a 6,118 square



foot bluff sloping lot. The multi-use structure includes a bakery and beauty salon on the first floor and a four-unit hotel (the Front Street Inn and Spa) on the second level. The existing second floor development includes a hotel lobby, four overnight visitor-serving rooms, two day-spa rooms, office space, utility room, and a restroom. The existing mixed use development was approved by the Commission on August 7, 2001 and May 12, 2004, the latter being an amendment that authorized the conversion of the originally approved restaurant into the current Front Street Inn and Spa. The site is located in the LCP's visitor-serving commercial, planned development overlay zone, in planning area 2 of the Waterfront Master Plan. The existing building complies with all of the LCP-required development standards except front yard setback and lot coverage requirements, and was found consistent with the Act because it included a mix of Coastal Act-priority visitor-serving uses. Please see Exhibits A and C for location maps and photos of the area and the site.

The Embarcadero is made special by the style and character of development along the City's waterfront. In general, the surrounding district is primarily characterized by elements of its commercial fishing roots and the visitor-serving shops, restaurants, and small hotels that cater to out-of-town visitors. The project site is also located directly across the road (Front Street and Embarcadero Road) from the City's commercial fishing T-piers and Harborwalk recreation paths (i.e., dedicated pedestrian and bicycle paths) leading to Morro Rock and Morro Strand State Beach (again, see Exhibit A). Morro Bay and the Embarcadero in particular has become the major tourist attraction of the community and a prime coastal visitor-serving destination with an estimated 1.5 million visitors annually.

Project Description

The proposed amendment would authorize the conversion of two of the Front Street Inn overnight visitor serving rooms and one day-spa room into a single 1,310 square foot residence, and would provide for additional residential development within the bluff at the back of the existing building including a hot tub, decking, storage shed, and fence. See Exhibit B for proposed project plans.

2. Coastal Development Permit Amendment Determination

A. Applicable Policies

Public Access and Recreation Policies

Coastal Act Sections 30210 through 30224 require that new development maximize public recreational access, provide visitor recreational facilities, protect oceanfront land for recreational use and development, encourage recreational boating facilities, and in general establish a coastal-dependent, visitor-serving, and public recreational access priority over other types of uses and development. In particular:

***Section 30210:** In carrying out the requirement of Section 4 of Article X of the California Constitution, maximum access, which shall be conspicuously posted, and recreational opportunities shall be provided for all the people consistent with public safety needs and the need to protect public rights, rights of private property owners, and natural resource areas from overuse.*



Section 30213: *Lower cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided. Developments providing public recreational opportunities are preferred. ...*

Section 30221: *Oceanfront land suitable for recreational use shall be protected for recreational use and development unless present and foreseeable future demand for public or commercial recreational activities that could be accommodated on the property is already adequately provided for in the area.*

Section 30222: *The use of private lands suitable for visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation shall have priority over private residential, general commercial development, but not over agriculture or coastal-dependent industry.*

Though not the standard of review, the LCP's certified zoning standards also detail specific uses and guidelines for development within subject visitor serving commercial (C-VS) zone. The LCP states:

17.24.120 Visitor-serving commercial (C-VS) district. *Purpose. The purpose of the visitor-serving commercial (C-VS) district is to provide a district for commercial uses intended primarily to serve the needs of tourists and other visitors to the city and not to include commercial uses of a more general nature which are oriented towards residents. Uses in this tourist-oriented district shall also provide for landscaping and related aesthetic improvements which create and enhance the visual attractiveness of the city.*

Public Viewshed Protection

Coastal Act Section 30251 states:

Section 30213: *The scenic and visual qualities of coastal areas shall be considered and protected as a resource of public importance. Permitted development shall be sited and designed to protect views to and along the ocean and scenic coastal areas, to minimize the alteration of natural land forms, to be visually compatible with the character of surrounding areas, and, where feasible, to restore and enhance visual quality in visually degraded areas. New development in highly scenic areas such as those designated in the California Coastline Preservation and Recreation Plan prepared by the Department of Parks and Recreation and by local government shall be subordinate to the character of its setting.*

LCP Section 17.45 Bluff Development Standards states in relevant part:

17.45.010 Purpose.



A. Protect Public Views. *To protect public views to and along the ocean and scenic coastal areas, maintain the character of the bluff setting, not impair but facilitate public access, address environmental concerns as provided in the general and local coastal plans.*

...

C. Adverse Visual Impacts. *To mitigate the potential for adverse visual impacts that can be created by blufftop development and to preserve existing public coastal views for the future enjoyment of the city's residents and visitors.*

General Development Policies

Coastal Act Section 30250 states in relevant part:

Section 30250. *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. In addition, land divisions, other than leases for agricultural uses, outside existing developed areas shall be permitted only where 50 percent of the usable parcels in the area have been developed and the created parcels would be no smaller than the average size of surrounding parcels...*

Though not the standard of review, the LCP's certified zoning standards also detail specific guidelines for development within visitor serving commercial (C-VS) zone. These policies state:

Table 17.24.120(I) Visitor-serving commercial (C-VS) district. Maximum Lot Coverage 60%.

17.56.160 Additions and structural alterations to nonconforming structures occupied by conforming uses. (A)(7) Lot Coverage. *A structure which is nonconforming because it exceeds the maximum allowable lot coverage may be expanded only if the expansion does not involve any further lot coverage.*

B. Analysis

Visitor-Serving to Residential Conversion

Coastal Act Section 30222 establishes a higher priority for publicly available visitor-serving commercial recreational facilities over private residential, industrial, or general commercial development. The Commission has closely scrutinized projects to assure that general visitor-serving and recreational opportunities are provided, and that other lower-priority uses do not take precedence, particularly in popular visitor destinations such as Morro Bay and its Embarcadero. Most recently the Commission has had concerns with the large number of proposals for quasi-residential hotel developments, such as new condominium hotels and/or potential conversions of existing general occupancy hotels to a residential form of ownership, as they convert visitor-serving uses into lower priority uses. When reviewing such proposals, the Commission evaluates the existing supply and demand of visitor-serving facilities in specific areas, as well as the specific requirements of the relevant LCPs, when assessing the consistency



of a given proposal with the Coastal Act or a certified LCP.

In this case, although there are a number of hotel/motels in the City of Morro Bay, very few of them are located along the Embarcadero on visitor-serving zoned properties. The Applicant provided information regarding the number of rooms and occupancy rates for eight overnight visitor-serving lodging establishments along the Embarcadero in Morro Bay. Five of these establishments currently exist and provide a total of 63 transient occupancy rooms along the Embarcadero. The other three identified by the Applicant are either planned or under construction. Overnight rates for the existing hotels/motels range from \$79 at the older (c. 1960's) Bayfront Inn, to \$239 at the recently opened Anderson Inn. The Front Street Inn, which is the subject of this development amendment, charges a rate of \$188 per night. Aside from the Applicant's establishment, with its reported 29% occupancy rate, the four other existing establishments report occupancy levels ranging between 50% and 100%. The average occupancy for these other four establishments is 73% (excluding the Applicant's inn). The remaining three projects identified are either in planning or construction stages and are not available for public transient occupancy at this time. These three near future establishments will provide another 18 hotel units along the Embarcadero, and though there currently is little information regarding occupancy status and rates from these establishments, it is telling that there is construction of overnight visitor-serving accommodations underway along the Morro Bay Embarcadero. This ongoing planning and construction of visitor-serving accommodations suggest that there is an unfilled need for overnight accommodations in this area. While, there hasn't been a comprehensive study of the location and underlying zoning designation of the existing stock of hotel/motel properties within Morro Bay, anecdotal evidence suggests that many of the hotels lie on commercial (non visitor-serving) zoned properties. Therefore, many of the City's hotel/motels are not protected in the sense that, in the future, the existing hotel use could be converted to more profitable and potentially non-visitor-serving uses consistent with the zoning. Therefore, it is critical that existing and proposed hotels located on the limited number of visitor-serving designated sites in Morro Bay, like this one, be protected for visitor-serving accommodations, consistent with Coastal Act Section 30222.

In this case, the Applicant has proposed to convert half of the existing hotel rooms (2 out of 4) at this location to a residential use. Such conversion would change the basic structure of the visitor-serving aspect of the previously approved project to a residential focus, and cannot be found consistent with Coastal Act Section 30222. Though there are a number of hotel/motels in Morro Bay, there are only a limited number of overnight rooms specifically on the Embarcadero waterfront, and the loss of these rooms in this case would be a significant impact on visitor accommodations in this area.

However, there appears to be a straightforward way of addressing the Applicant's objectives in a manner that can address these issues. Specifically, the fundamental component of the proposed project, the residential unit, can still be accommodated in a way that maximizes visitor-serving opportunities. For example, the LCP allows a caretaker's quarters when it is secondary to a permitted visitor-serving commercial use and when located at the rear and upper floor of the site. If the project were modified to allow a more minor conversion that results in three overnight units and a caretaker's quarters, then the project could be found Coastal Act consistent at this site. This modification would allow some residential development that is connected and subservient to the primary visitor-serving function and



use, and may even help to facilitate the Inn's success in the long term overall, as it would maintain the focus on the commercial enterprise of the visitor-serving accommodations. Conversely, conversion of more than one unit would create a residential use that is equivalent to the visitor-serving use on the site in such a way as to convert the project overall to a residential as opposed to a visitor-serving focus. Such conversion would directly remove two overnight rooms which would deteriorate the visitor-serving utility of the site. Accordingly, this approval is conditioned to allow the proposed residential unit subject to retaining three of the four existing units (see Special Condition 1a).

Another issue raised by the proposal is the potential for the Applicant to attempt to sell or lease the hotel units to private individuals and therefore for them to be used as quasi-residential units or offered as time-shares. Such potential outcome would diminish the visitor-serving value and utility of such units. If units are individually owned, they are essentially residential investments and constitute a quasi-residential land use with only the possibility of functioning part time as overnight visitor-serving accommodations. Condominium hotels are not contemplated within the specific policy language of the Waterfront or Embarcadero planning areas. Thus, condominium hotels are not currently an allowable use in these planning districts. There are no limits on the length of stay or express prohibitions on private ownership of the individual rooms. Thus, there aren't adequate safeguards to ensure the units continue to be offered as standard operating overnight units as opposed to something more residentially oriented. Although the Applicants have not expressed an intent to sell the individual units, it is possible that it would become necessary depending upon their rate structure and/or to ensure full occupancy during the off-season. To protect against further residential conversion, this approval is also conditioned to maintain the remaining overnight rooms as standard operating overnight rooms, including by prohibiting private ownership of the units and limiting lengths of stay for any individual, group, or family to a 29-day annual limit, including no more than 14 days during the summer peak-season (see Special Condition 2).

Additional Residential Development

The 6,118 square foot site is currently developed with a 7,665 square foot, two-story multi-use building that complies with all of the City-required development standards with the exception of the front yard setback and lot coverage. The front yard setback exception was granted when the development was originally authorized by the Commission in order to avoid interrupting the flow of the existing storefronts which were similarly setback along Front Street. Additionally, the development was permitted to increase the lot coverage from 60% to 64% to house the service area waste containers (dumpsters) in an enclosed area out of site of public view. As a consequence, the existing development is legal non-conforming, and oversized compared to LCP guidance.

The LCP's nonconforming rules and lot coverage standards clearly preclude additions/expansions that would exacerbate the existing nonconformity, and specifically do not allow any more lot coverage in such situations. The Applicant proposes to place additional development and lot coverage within the bluff above the building including a hot tub, decking, ancillary structure (storage shed), and fencing. The proposed development would result in additional overall site coverage of 120 square feet for the shed and an unspecified amount (but what appears to be up to about double that) for the hot tub, decking



and fencing. Because the existing site coverage already exceeds LCP standards in this respect, these additional ancillary residential structures that result in more lot coverage cannot be supported by the certified LCP.

In addition, this ancillary residential development (the hot tub, decking, and storage shed) is not appropriate under Coastal Act Sections 30222, 30250, and 30251. Again, the site was originally developed at a larger scale and coverage than that typically allowed under the LCP specifically because it was a priority visitor-serving development. The same cannot be said for the components now proposed that are residential, and these residential components would increase coverage and scale even further beyond what is allowed under the LCP. These components would only further push the overall project dynamic into the residential as opposed to the visitor-serving realm, inconsistent with Section 30222 (and for similar reasons as indicated above).

Furthermore, these components are proposed at the bluff interface where they would be visible from public viewing areas along the Embarcadero, and potentially from the Surf Street blufftop accessway. For development along Front Street like this, the Commission has been careful to maintain a bluff strip in the viewshed above existing permitted development to try to soften its impact on the viewshed (see, for example, Front Street Hotel, CDP 3-07-003, approved December 13, 2007). Development such as that proposed would result in additional development in the viewshed inconsistent with Section 30250 and 30251, and is inappropriate for this reason as well.

Accordingly, this approval is conditioned to remove these components from the project and to prohibit further development in the bluff face (see Special Condition 1c).

Conclusion

As proposed and conditioned by this permit, the project will protect and retain visitor-serving uses on the Morro Bay Embarcadero while allowing a limited amount of LCP-supported secondary caretaker residential use at the Front Street Inn. As so conditioned, the project can be found consistent with the Coastal Act policies discussed in this finding.

3. Conditions of Approval

A. Standard Conditions

- 1. Notice of Receipt and Acknowledgment.** The permit is not valid and development shall not commence until a copy of the permit, signed by the permittee or authorized agent, acknowledging receipt of the permit and acceptance of the terms and conditions, is returned to the Commission office.
- 2. Expiration.** If development has not commenced, the permit will expire two years from the date on which the Commission voted on the application. Development shall be pursued in a diligent manner and completed in a reasonable period of time. Application for extension of the permit must be made prior to the expiration date.



3. **Interpretation.** Any questions of intent or interpretation of any condition will be resolved by the Executive Director or the Commission.
4. **Assignment.** The permit may be assigned to any qualified person, provided assignee files with the Commission an affidavit accepting all terms and conditions of the permit.
5. **Terms and Conditions Run with the Land.** These terms and conditions shall be perpetual, and it is the intention of the Commission and the permittee to bind all future owners and possessors of the subject property to the terms and conditions.

B. Special Conditions

1. **Final Plans.** PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the Permittee shall submit two full size set of Final Plans to the Executive Director for review and approval. The Final Plans shall be in substantial conformance with the plans submitted to the Coastal Commission (dated received in the Commission's Central Coast District Office June 2, 2008 and prepared by OMNI Design Group, Inc.) except that they shall be revised and supplemented to comply with the following requirements:
 - a. **Overnight Visitor-Serving Rooms.** The final plans shall clearly identify and provide for a minimum of three overnight visitor-serving rooms, each clearly oriented towards the front of the structure (i.e., the Front Street elevation), and each a minimum of 400 square feet in size.
 - b. **Caretaker's Quarters.** The final plans shall clearly identify at most one caretaker's quarters, which quarters shall be sited and designed to have the least impact on the utility of the overnight visitor-serving rooms, including by being sited at the rear of the building.
 - c. **Exterior Development Removed.** All exterior project elements shall be removed from the final plans, and all exterior development identified and allowed on the final plans shall be limited to that already approved by CDP 3-01-039 as amended by 3-01-039-A1.

The Permittee shall undertake development in accordance with the approved Final Plans.

2. Hotel Requirements.

- a. **Length of Stay Provisions.** A minimum of three visitor-serving overnight units shall be open and available to the general public. Rooms may not be rented to any individual, family, or group for more than 29 days per year or for more than 14 days between Memorial Day and Labor Day.
- b. **Conversion Prohibited.** The conversion of the remaining hotel units to limited use overnight visitor accommodation units (e.g., timeshare, fractional ownership, etc.) or to full-time occupancy condominium units or to any other units with use arrangements that differ from the approved project shall be prohibited.



3. **Compliance with Local Conditions of Approval.** All conditions imposed by the City under a legal authority other than the Coastal Act continue to apply.
4. **Deed Restriction.** PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the Permittee shall submit to the Executive Director for review and approval documentation demonstrating that the Permittee has executed and recorded a deed restriction, in a form and content acceptable to the Executive Director: (1) indicating that, pursuant to this permit, the California Coastal Commission has authorized development on the subject property, subject to terms and conditions that restrict the use and enjoyment of that property (hereinafter referred to as the “Standard and Special Conditions”); and (2) imposing all Standard and Special Conditions of this permit as covenants, conditions and restrictions on the use and enjoyment of the Property. The deed restriction shall include a legal description of the Permittee’s entire parcel or parcels. The deed restriction shall also indicate that, in the event of an extinguishment or termination of the deed restriction for any reason, the terms and conditions of this permit shall continue to restrict the use and enjoyment of the subject property so long as either this permit or the development it authorizes, or any part, modification, or amendment thereof, remains in existence on or with respect to the subject property.

C. California Environmental Quality Act (CEQA)

Section 13096 of the California Code of Regulations requires that a specific finding be made in conjunction with coastal development permit applications showing the application to be consistent with any applicable requirements of CEQA. Section 21080.5(d)(2)(A) of CEQA prohibits a proposed development from being approved 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 City of Morro Bay, acting as the lead CEQA agency, conducted an environmental review for the proposed project per the requirements of CEQA and issued a Negative Declaration with Mitigations.

The Coastal Commission’s review and analysis of land use proposals has been certified by the Secretary of Resources as being the functional equivalent of environmental review under CEQA. The Commission has reviewed the relevant coastal resource issues with the proposed project, and has identified appropriate and necessary modifications to address adverse impacts to such coastal resources. All public comments received to date have been addressed in the findings above. All above findings are incorporated herein in their entirety by reference.

The Commission finds that only as modified and conditioned will the proposed project avoid significant adverse effects on the environment within the meaning of CEQA. As such, there are no additional feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse environmental effects that approval of the proposed project, as modified, would have



on the environment within the meaning of CEQA. If so modified, the proposed project will not result in any significant environmental effects for which feasible mitigation measures have not been employed consistent with CEQA Section 21080.5(d)(2)(A).

