

CALIFORNIA COASTAL COMMISSION

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W26d**RECORD PACKET COPY**

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COASTAL DEVELOPMENT PERMIT APPLICATION

Local government.....	San Luis Obispo County
Local decision.....	Approved with conditions (see Exhibit A)
Appeal number.....	A-3-SLO-01-086
Applicant.....	Psagna Patel
Agents.....	Stephanie & Norbert Dall
Appellants.....	California Coastal Commission, Commissioners Sara Wan & Dave Potter
Project location.....	Moonstone Beach Drive, Cambria, San Luis Obispo County APN 022-061-007, -009, & -011 (see Exhibits B & C).
Project description.....	Demolish existing antique store; construct a 34-unit motel with 11,390 sq. ft. of floor space, and a reduction in riparian setback from 50 ft. to 15 ft. (see Exhibits E & F)
Substantive file documents.....	County local permit file D990387P; San Luis Obispo County Local Coastal Program.

Summary: The applicant proposes to construct a 34 unit hotel on a 33,000 square-foot site adjacent to San Simeon State Beach in Cambria. The County approved the project subject to 17 conditions. In order to approve the project they made special findings to adjust the setback to the riparian corridor of Santa Rosa Creek down to 15 feet.

The standard of review is the San Luis County Obispo Local Coastal Program, which requires a 50 foot riparian corridor setback (and a 100 foot environmentally sensitive habitat setback), unless special findings for an exception can be made.

The appellants contend that the exception findings are not justified, and that maintenance of the riparian and environmentally sensitive habitat buffer is important.



**California Coastal Commission
November 2001 Meeting in Los Angeles**

Staff: Rick Hyman Approved by: *R.H. 11/14/01*

An analysis of their contentions reveals deficiencies in the content of the County exception findings. In a nutshell, what the County did was to make findings to justify the specific kind of use (hotel) and particular size of the proposal (34 rooms). However, what the Ordinance actually requires is that findings support an exception only if the site would otherwise be unusable. Since some principally permitted project of some size could fit on the site along with a 50 foot riparian vegetation setback, the County approval does not meet the Ordinance requirements. **Therefore, staff recommends that the Commission find that a substantial issue is raised by the appellants' contentions.**

If the Commission finds substantial issue, it will have to act on this application *de novo* at a future meeting to ensure that there is consistency with the Local Coastal Program. That will most likely require there to be a revised project that meets the 50 foot setback standard, since any setback adjustments would be hard to justify under the County Ordinance.

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Exhibit A: Notice of Final County Action for Patel D990387P



California Coastal Commission

- Exhibit B: Regional Location Map
- Exhibit C: Land Use Designations
- Exhibit D: Vicinity Aerial Photography
- Exhibit E: Proposed Elevations
- Exhibit F: Proposed Site Plan
- Exhibit G: Original Application
- Exhibit H: Riparian Corridor Map
- Exhibit I: Water Supply Issue Discussion
- Exhibit J: Correspondence

I. Local Government Action

San Luis Obispo County approved a coastal development permit for a 34-unit motel adjacent to Santa Rosa Creek in Cambria. The action also included a reduction in the riparian corridor setback to 15 feet. The project was approved by the Minor Use Permit Hearing Officer, on August 17, 2001, subject to 17 conditions. (See Exhibit A for detail). The County also approved a Negative Declaration (of no significant environmental impacts) under the California Environmental Quality Act.

II. Summary of Appellants' Contentions

The appellants, Commissioners Wan and Potter, have appealed the final action taken by the County Permit Hearing Officer on the basis that approval of the project is inconsistent with policies of the San Luis Obispo County Local Coastal Program regarding riparian and environmentally sensitive area setbacks and adequacy of water availability. The complete text of the appellants' contentions is cited in the findings.

III. Standard of Review for Appeals

Coastal Act Section 30603 provides for the appeal of approved coastal development permits in jurisdictions with certified local coastal programs for development that is (1) between the sea and the first public road paralleling the sea or within 300 feet of the inland extent of any beach or of the mean high tideline of the sea where there is no beach, whichever is the greater distance; (2) on tidelands, submerged lands, public trust lands, within 100 feet of any wetland, estuary, or stream, or within 300 feet of the top of the seaward face of any coastal bluff; (3) in a sensitive coastal resource area; (4) for counties, not designated as the principal permitted use under the zoning ordinance or zoning district map; and (5) any action on a major public works project or energy facility. This project is appealable



because it is located between the first public road and the sea.

The grounds for appeal under Section 30603 are limited to allegations that the development does not conform to the standards set forth in the certified local coastal program or the public access policies of the Coastal Act. Section 30625(b) of the Coastal Act requires the Commission to conduct a *de novo* coastal development permit hearing on an appealed project unless a majority of the Commission finds that "no substantial issue" is raised by such allegations. Under section 30604(b), if the Commission conducts a *de novo* hearing, the Commission must find that the proposed development is in conformity with the certified local coastal program in order to approve a coastal development permit for the project. Section 30604(c) also requires an additional specific finding that the development is in conformity with the public access and recreation policies of Chapter Three of the Coastal Act, if the project is located between the first public road and the sea, which is the case with this project.

IV. Staff Recommendation on Substantial Issue

The staff recommends that the Commission determine that a substantial issue exists with respect to some of the grounds on which the appeals were filed pursuant to Coastal Act Section 30603.

MOTION: Staff recommends a "NO" vote on the following motion:

"I move that the Commission determine that Appeal No. A-3-SLO-01-086 raises no substantial issue with respect to the grounds on which the appeal has been filed."

A majority of the Commissioners present is required to pass the motion. Failure of the motion, as recommended by staff, will result in Commission jurisdiction over the project, a *de novo* hearing on the application, and adoption of the following resolution and findings.

RESOLUTION TO ADOPT SUBSTANTIAL ISSUE:

The Commission hereby finds that Appeal No. A-3-SLO-01-086 presents a substantial issue with respect to some of the grounds on which the appeal has been filed under § 30603 of the Coastal Act regarding consistency with the Certified Local Coastal Program and/or the public access and recreation policies of the Coastal Act.

V. Recommended Findings and Declarations

The Commission finds and declares as follows:



California Coastal Commission

A. Project Description

1. Project Location

The subject hotel project is to be located on the south side of, and fronting, Moonstone Beach Drive, approximately 100 feet west of Windsor Boulevard, in Cambria (see Exhibits B, C & D). Cambria is an unincorporated community in the North Coast planning area of San Luis Obispo County, straddling Highway One. Highway One runs just north of and roughly parallel to Moonstone Drive in the vicinity of the site. On the remaining three sides of the site is San Simeon State Park, through which Santa Rosa Creek runs.

The subject site consists of three parcels totaling approximately about 33,000 square feet in size, comprising the only privately-owned parcels along this side of Moonstone Drive in the vicinity. The northwest corner of the subject site currently houses an antique store located in a wood frame building, which was previously a restaurant and before that, reportedly, a service station. The remainder of the site is largely a gravel parking lot. The site is designated for Commercial Retail in the San Luis Obispo local coastal program. Combining designations include Coastal Special Community, Archaeologically Sensitive Area, and Visitor-Serving Area.

2. Project Description

The County staff report describes the proposed project as follows:

The proposed project is a 34 room, two-story motel with parking lot and fitness and spa area. A breakfast and kitchen are located on the first floor near the lobby for the use of hotel guests. ...The 34 rooms are evenly divided between the first and second floors. A porte cochere is located at the main driveway entrance at the lobby. The roof of the porte cochere is as tall as the first floor of the hotel.

The project would be approximately 25 feet high. The design is a modified Mission style with clay tile roof, stucco siding, and some curved windows. (see Exhibit E)

The site plan is attached as Exhibit F. Roughly one-third of the site would be devoted to structures; one-third to landscaping; and one-third to parking. Thirty-nine parking spaces are proposed, which meet County Ordinance requirements.

The applicant originally proposed a smaller, combination motel and retail establishment on only one of the three parcels, but the project was modified during the County process to that described above. (see Exhibit G)

Although not specified in the County's project description, the proposal also obviously includes demolition of the existing structure on the site.



B. Substantial Issue Determination

The appellants' contentions can be grouped into three issues: 1. riparian setback, 2. sensitive habitat buffer, and 3. water availability, which are discussed in the following three findings.

1. Riparian Setback Width

a. Appellants' Contentions

With regard to the riparian setback issue, the appellants contend in full:

- ⇒ *The project does not provide the minimum 50-foot setback from the upland edge of the riparian vegetation, as required by Section 23.07.174 of the Coastal Zone Land Use Ordinance (CZLUO) and Policy 26 for Environmentally Sensitive Habitat Areas (ESHA).*
- ⇒ *The locally approved reduction in the riparian buffer zone (from 50 feet to 15 feet) does not comply with requirements for setback adjustments established by ESHA Policy 26 and CZLUO Section 23.07.174d(2). For example, setback adjustments are only to be allowed when necessary to accommodate a principally permitted use, where it is not possible to redesign the project to comply with setback standards, and where the adjustment is the minimum necessary to accommodate the principally permitted use. As noted by the County staff report, it would be possible to accommodate a smaller hotel on the site and meet all applicable setback requirements.*

b. Relevant LCP Provisions

The following are the relevant governing provisions from the San Luis Obispo Local Coastal Program *Coastal Plan Policies* and *Coastal Zone Land Use Ordinance*, respectively:

Environmentally Sensitive Habitats Policy 26:...In urban areas this minimum standard shall be 50 feet except where a lesser buffer is specifically permitted. The buffer zone shall be maintained in natural condition along the periphery of all streams. Permitted uses within the buffer strip shall be limited to passive recreational, education or existing nonstructural agricultural developments in accordance with adopted best management practices....Lesser setbacks on existing parcels may be permitted if application of the minimum setback standard would render the parcel physically unusable for the principal permitted use. In allowing a reduction in the minimum setbacks, they shall be reduced only to the point at which a principal permitted use (as modified as much as is practical from a design standpoint) can be accommodated.

Section 23.07.174.d: Riparian setbacks: New development shall be setback from the upland edge of riparian vegetation a minimum of 50 feet within urban areas (inside the USL) and 100 feet in rural areas (outside the USL), except as provided in subsection b of this section and as follows:...



(2). Riparian habitat setback adjustment: The minimum riparian setback may be adjusted through Minor Use Permit approval, but in no case shall structures be allowed closer than 10 feet from a stream bank, and provided the following findings can first be made:

- (i) Alternative locations and routes are infeasible or more environmentally damaging; and
- (ii) Adverse environmental effects are mitigated to the maximum extent feasible; and
- (iii) the adjustment is necessary to allow a principal permitted use of the property and redesign of the proposed development would not allow the use with the standard setbacks; and
- (iv) The adjustment is the minimum that would allow for the establishment of a principal permitted use.

C. County Action

San Luis Obispo County approved the subject hotel project with a reported minimum setback of 15 feet from the riparian corridor of Santa Rosa Creek. The motel setback on the approved plans appears to vary from around 12 to 20 feet from the property line on the western portion of the property.¹ The approved parking lot angles toward the riparian corridor on the eastern portion of the property and appears to be around 15 feet from the property boundary at its closest point. A small recreational area (bench, path, and pond) is also shown on the approved plans within 50 feet of the property line.

The applicant submitted a biological report. In summary, the biologist indicated that since there is now a hard edge between the Creek's riparian canopy and the site's gravel/grassy cover, any additional landscaping would serve as a beneficial transitional zone to the habitat and it need not be 50 feet wide (Wolf 2/1/01 letter).

The County made the requisite findings for a riparian setback modification. These are included in Exhibit A. In summary, the County found that the alternative location closer to Moonstone Drive would be more visually intrusive, and implied that it would not allow for biological filtering of parking lot runoff. Second, the County found that there were no adverse environmental effects to be mitigated. Third, the County found that the adjustment is necessary because if a hotel, which is a principally permitted use, were located to meet the setback requirements, it would only be 18 rooms. Fourth, the County found that the adjustment was the minimum in order to allow construction of a 34 room hotel.

The County conditioned its approval to require a Riparian Corridor Enhancement Plan (#7 & #17; see pages 9-11 of Exhibit A). The County also conditioned against outside activity areas between the building and the Creek (#8; see page 10 of Exhibit A). The County also conditioned to fence off the riparian corridor during construction (#9; see page 10 of Exhibit A).

¹ The Commission does not have scaled plans and a scaled copy of the riparian corridor map to precisely determine how wide a setback there will be under the approved project.

d. Analysis

The appellants' contentions raise valid concerns. The site is located in an urban area, where a 50 foot setback from the riparian corridor is to be the norm. In this case, the riparian corridor to be so buffered contains Santa Rosa Creek, which provides habitat for the endangered Tidewater goby, steelhead, and red-legged frog.

Although the County made the requisite findings to modify the creek setback requirements, close scrutiny reveals that the findings are not entirely on point. For one, the County considers only one kind of principal permitted use – a hotel. However, a careful reading of Section 23.07.174.d.2.iii reveals that the findings need only be made for *a* principle use (emphasis added). There are other principle permitted uses that could occur on the site, such as churches, schools, museums, restaurants, food stores, retail stores, financial services, personal services, and the like. The adopted findings do not indicate whether any of those uses would also require a setback adjustment in order to be permitted. One can assume that they would not. For example, if the proposal were for a personal services building, one parking space per 500 square feet is required. Thus, a 10,000 square foot building would require 20 spaces or about 6,000 square feet of paving, leaving about 17,000 square feet of open area, more than enough to accommodate the 50-foot setback (which requires about 13,800 square feet).

Second, the County considers only the size of the particular principal permitted use that is proposed – 34 rooms. Again, a careful reading of Sections 23.07.174.d.2.iii & iv reveals that the finding need only be made for the establishment of *a* principle permitted use (emphasis added). There are other-sized hotels, as well as other sizes of other principle permitted uses, that could most likely be accommodated on the site. Indeed, making the finding required by Section 23.07.174.d.2.iii could only happen if the project could not be redesigned. To the contrary, the County finding notes that an 18-room hotel could be accommodated on site without adjusting the setback. Furthermore, the original permit application was for a mixed-use project that was setback 50 feet from the riparian corridor (see Exhibit G).

The County has required a Riparian Restoration Plan which supposedly would return riparian vegetation to the 15 foot corridor left between the existing edge of the Santa Rosa Creek riparian corridor and the proposed building and parking lot. This is certainly commendable, in so far as the site is currently described as degraded right up to the riparian vegetation. This County condition is based on the biologist's report. However, the result would be substitution of a building for an open (although degraded area) and thus foreclosure of the options for a wider restored corridor. There is nothing in the biologist's report that describes the efficacy of only a 15-foot corridor at this location.

Furthermore, a review of the approved site plan and the riparian corridor map reveals that there is even less than a 15-foot corridor in places. A spa intrudes into this 15-foot corridor and a corner of the motel appears to be just 12 feet from the property line. The vegetation map shows that some riparian corridor extends onto the subject property. Thus, the setback to the edge of the riparian corridor is actually less than the 15 feet.

In conclusion, the County findings do not justify the need for a riparian setback reduction to only 15 feet as required by Section 23.07.174.d and the approved project plans show even less setback. Therefore, a



substantial issue is raised by the appellants' contentions.

2. ESHA Buffer

a. Appellants' Contentions

With regard to setbacks from environmentally sensitive habitats the appellants contend in full:

- ⇒ *The lack of a habitat buffer conflicts with LCP provisions protecting riparian habitat, including ESHA Policies 18 and 19. The local review states that project landscaping will enhance riparian habitats. However, the proximity of light, noise, and human activity associated with the hotel may preclude the proposed landscaping area from providing productive habitat or an effective buffer from existing habitat.*
- ⇒ *The project has been conditioned to include best management practices to control runoff (i.e., collecting runoff from all impervious surfaces and directing it through vegetated and/or gravel filter strips; and, designing and maintaining drainage facilities to prevent erosion and ensure long-term functioning). Nevertheless, the project is inconsistent with LCP Policy 7 for Coastal Watersheds because it encroaches within 100 feet of an ESHA. The County's approval of a 15 foot setback from the riparian habitat is inconsistent with the provisions of Policy 7 that limit setback adjustments to a minimum of 50 feet. A minimum setback of 50 feet is needed to carry out LCP coastal watershed protection provisions for the following reasons: it will minimize habitat disturbance and water quality degradation associated with construction activities; it will reduce impervious surfacing, thereby minimizing the amount, velocity, and pollutant load of runoff from the site; and, it will provide additional area for runoff to be detained and filtered on-site.*

b. Relevant LCP Provisions

The following policies from San Luis Obispo County's *Coastal Plan Policies* govern:

Coastal Watersheds Policy 7: ...In all cases, siting of development and grading shall not occur within 100 feet of any environmentally sensitive habitat. In urban areas as defined by the Urban Services Line, grading may encroach within the 100 foot setback when locating or siting a principally permitted development, if application of the 100 foot setback renders the parcel physically unusable for the principally permitted use. Secondly, the 100 foot setback shall only be reduced to a point at which the principally permitted use, as modified as much as practical from a design standpoint, can be accomplished to no point less than the setback allowed by the planning area standard or 50 feet whichever is the greater distance.

Environmentally Sensitive Habitats Policy 18: Coastal streams and adjoining riparian vegetation are environmentally sensitive habitat areas and the natural hydrological system and



ecological function of coastal streams shall be protected and preserved.

Environmentally Sensitive Habitats Policy 19: Development adjacent to or within the watershed (that portion within the coastal zone) shall be sited and designed to prevent impacts which would significantly degrade the coastal habitat and shall be compatible with the continuance of such habitat areas. This shall include evaluation of erosion and runoff concerns.

c. County Action

San Luis Obispo County approved the subject hotel project with a minimum setback of 15 feet from Santa Rosa Creek, an environmentally sensitive habitat area (ESHA). Setback exception findings were made as described in Finding B.1.c above.

The County conditioned the project (#6, see p. 9 of Exhibit A) for a drainage plan which requires:

- ⇒ Ensuring post runoff rates do not exceed pre-development conditions;
- ⇒ Collection and filtering of all runoff;
- ⇒ Maintenance of the drainage and infiltration systems.

Also, as noted in the previous finding, the County conditioned the project for a riparian corridor enhancement plan.

d. Analysis

The appellants' contentions raise valid concerns given the location of the subject site. The ESHA setback is actually supposed to be greater (100 feet) than the riparian setback (50 feet); however, the riparian setback requirement is more specific. Were the setting more urban in nature and the development setback the (riparian) required 50 feet, with the specified non-point source pollution controls, the contentions might not raise significant issues.

However, as noted in the previous finding, on the one hand, the approved project fails to meet even the required riparian setback of 50 feet and even intrudes into the lesser 15-foot setback. On the other hand, the project location is a sensitive area where even a greater than 50 foot setback may be more appropriate. The subject site is surrounded on three sides by riparian vegetation, mostly mature willow and cottonwood forest located in the Santa Rosa Creek Preserve of San Simeon State Beach. Santa Rosa Creek is located to the south of the property and bisects the preserve. Santa Rosa Creek is free flowing to the Pacific during winter months. During summer months, lack of rainfall causes a coastal lagoon to form. Santa Rosa Creek Preserve is home to a variety of sensitive species including the endangered Tidewater goby, steelhead, red-legged frog, and at times the snowy plover at the mouth of the creek.

The County has required that there be no outdoor activity areas between the hotel and the creek, including patios, balconies, and walkways. This is a laudable measure to try to ensure that the riparian corridor to be restored does not become degraded in the future by human activity. Furthermore, while



the County has required monitoring success of the riparian revegetation, it has not required a management plan to ensure that human activities will not occur in this restoration setback area.

The subject site provides both challenges and opportunities. Because the site varies from approximately 130 down to 70 feet wide, it can not accommodate the intensity of development proposed and still meet County setback requirements. And by virtue of its location next to an important State nature preserve and wildlife habitat, any new development needs to be designed and managed so as to not impact the habitat. On the other hand, given the site's degraded condition, its visitor-serving area designation, and its uniqueness in these regards along the south side of Moonstone Beach Drive, opportunity is present for a well-designed private project to complement the adjacent State Park and wildlife habitat. While the County approval makes some attempts to achieve this latter objective, it is in the context of accommodating a project that appears too intense for the site, given the required setbacks. Thus, the Commission concludes that a substantial issue is raised by the ESHA contentions.

3. Water Availability

a. Appellants' Contentions

With regard to water availability, appellants contend in full:

The project has not demonstrated that there are adequate public service capacities available to accommodate the development, as required by LCP Policy 1 for Public Works. In particular, evidence that there are adequate water supplies is needed to establish consistency with this LCP Policy.

b. Relevant LCP Provisions

As required by Public Works Policy 1 of the San Luis Obispo County's *Coastal Plan Policies*, all new development must demonstrate that there is sufficient water supply to serve the development:

Public Works Policy 1: Availability of Service Capacity: New development (including divisions of land) shall demonstrate that adequate public or private service capacities are available to serve the proposed development. Priority shall be given to infilling within existing subdivided areas. Prior to permitting all new development, a finding shall be made that there are sufficient services to serve the proposed development given the already outstanding commitment to existing lots within the urban service line for which services will be needed consistent with the Resource Management System where applicable...

This policy is implemented by the following section of the San Luis Obispo County *Coastal Zone Land Use Ordinance*:

Section 23.04.430 - Availability of Water Supply and Sewage Disposal Services. A land use permit for new development that requires water or disposal of sewage shall not be approved unless the applicable approval body determines that there is adequate water and sewage

disposal capacity available to serve the proposed development, as provided by this section . . .

In addition to these urban service policies, water supply for new development in Cambria must be considered in light of *Coastal Plan Policies* priorities for Agriculture and Visitor-serving development.

Agriculture Policy 7: Water Supplies *Water extractions consistent with habitat protection requirements shall give highest priority to preserving available supplies for existing or expanded agricultural uses. [THIS POLICY SHALL BE IMPLEMENTED AS A STANDARD.]*

Recreation & Visitor-Serving Facilities Policy 2: Priority for Visitor-Serving Facilities. *Recreational development and commercial visitor-serving facilities shall have priority over non-coastal dependent use, but not over agriculture or coastal dependent industry in accordance with PRC 30222. All uses shall be consistent with protection of significant coastal resources... [THIS POLICY SHALL BE IMPLEMENTED AS A STANDARD.]*

Finally, the *North Coast Area Plan* component of the San Luis Obispo County local coastal program contains a development standard for the Cambria Urban Area that requires:

Reservation of Service Capacity. *To allow for continued growth of visitor-serving facilities, 20% of the water and sewer capacity shall be reserved for visitor-serving and commercial uses.*

c. County Action

The staff report indicates that water is to be provided by Cambria Community Services District, which extracts underflow (shallow groundwater) from both Santa Rosa and San Simeon Creeks. The County made no specific findings with regard to water availability. The project is conditioned that prior to issuance of a building permit Cambria Community Services District shall have provided a "will-serve" letter (#17, see page 11 of Exhibit A).

d. Analysis

Water supply is a serious issue in Cambria. Currently-available water supplies are not sufficient to support full build-out without harm to riparian habitats. This issue has been thoroughly discussed in both the North County Update and the Periodic Review of the Implementation of San Luis Obispo County's local coastal program (see Exhibit J). The uncertainty inherent in the water supply questions for Cambria, coupled with a focus on improving management, underscores the importance of curbing new water extractions until the many questions can be answered, and until meaningful management decisions are made.

In December of 2000, the Board of Supervisors adopted a 1% growth rate for 2001, and directed that a Resource Capacity Study be completed for review by the Board in the Spring of 2001. The County has suggested that further restrictions on new water connections await the completion of this RMS study. Although the County has initiated the scoping for the study, it is unclear when such a study would be



completed. More importantly, the burden of the uncertainty in the water supply must not be placed on coastal resources. Rather, a precautionary approach should be taken until such time as better knowledge is gained about both the capacity of San Simeon and Santa Rosa Creeks, including the needs of instream habitats, and about additional water supplies (e.g. a desalination plant) that might support new development. For example, without completion of instream flow studies and the newly-launched Habitat Conservation Plan to address sensitive species, the capacity of San Simeon Creek to support new development cannot be known. Fundamentally, this approach is necessary to meet the Coastal Act requirement that new development be environmentally-sustainable. It cannot reasonably be concluded at this time that new development in Cambria is currently sustainable.

Nonetheless, as recently discussed in the Commission's Periodic Review of the San Luis Obispo County Local Coastal Program, notwithstanding the compelling evidence that there is inadequate water to supply new development in Cambria, in order to provide reasonable notice to property owners in Cambria contemplating beginning the development review process, or that may not yet have received basic land use approvals, it is reasonable to allow the completion of the 1% percent growth rate for the remainder of 2001 (approximately 37 connections for the year). In addition, this approach allows the County additional time to assess the issue, from a broader planning perspective, prior to taking more proactive action with respect to single family home proposals. The Commission adopted the following recommendation in its July, 2001 Periodic Review action:

Recommendation 2.13. Continue implementation of the 1% growth rate in Cambria until 1/1/02, after which time coastal development permits for new development that would require a new water connection or that would otherwise create additional water withdrawals from Santa Rosa or San Simeon Creeks should not be approved unless the Board of Supervisors can make findings that (1) water withdrawals are limited to assure protection of instream flows that support sensitive species and habitats; (2) there is adequate water supply reserved for the Coastal Act priority uses of agricultural production, and increased visitors and new visitor-serving development; (3) a water management implementation plan is incorporated into the LCP, including measures for water conservation, reuse of wastewater, alternative water supplies, etc., that will assure adequate water supply for the planned build-out of Cambria or that will guarantee no net increase in water usage through new water connections (e.g. by actual retrofitting or retirement of existing water use); (4) substantial progress has been made by the County and the CCSD on achieving implementation of buildout reduction plan for Cambria; and (5) there is adequate water supply and distribution capacity to provide emergency response for existing development.

Clearly, the ability to provide adequate water to existing and future development in Cambria is a significant unresolved issue. However, the approach taken by the Commission to address this issue to date has been a programmatic one, focused on addressing the problems and unresolved questions through comprehensive planning and resource management, rather than calling for an immediate halt to all new development. As reflected in the modification to the North Coast Update, the Commission



established a date certain by which it expects these planning and resource monitoring efforts to result in specific changes to the management and allocation of Cambria's limited water supply; we are now six months past that date. The Periodic Review recommendation is intended to focus the County on the necessary steps for approving new development after January 1, 2002.

In this case, one of the applicant's parcels already has almost all of the water needed for the entire proposed project, 19.6 EDUs (equivalent dwelling units), by virtue of the past restaurant use on the site. A 34-unit motel will require an additional 0.8 EDUs, according to the applicant, which are currently being obtained from Cambria Community Services District. The Commission notes that if the project needs to be scaled back to meet setback requirements, it may not even need this additional small increment of water. Furthermore, the County appropriately conditioned its approval on having to obtain a "will-serve" letter. Finally, the proposed project is a visitor-serving use, which is afforded priority for any additional water that it may require. **Therefore, no substantial issue is raised by this contention alone with respect to water availability.**





SAN LUIS OBISPO COUNTY

DEPARTMENT OF PLANNING AND BUILDING

FINAL LOCAL
ACTION NOTICE

VICTOR HOLANDA, AICP
DIRECTOR

BRYCE TINGLE, AICP
ASSISTANT DIRECTOR

ELLEN CARROLL
ENVIRONMENTAL COORDINATOR

FORREST WERMUTH
CHIEF BUILDING OFFICER

RECEIVED

GARTH KUNNREIGHT (PATEL-D990387P)
1029 ISLAY ST
SAN LUIS OBISPO CA 93401

REFERENCE # 3-SLO-01-450
APPEAL PERIOD 9/7 - 9/30/01

NOTICE OF FINAL COUNTY ACTION

SEP 06 2001

HEARING DATE: AUGUST 17, 2001

CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA

SUBJECT: ZA2001-150

PATEL - D990387P to construct a 34 unit motel totaling 11,390 square feet of floor space, and a reduction in riparian setback from 50 feet to 15 feet, in the Residential Multiple Family Land Use Category. The property is located in the county on the south side of Moonstone Beach Drive, approximately 100 feet west of Windsor Boulevard, in the community of Cambria; APN: 022-061-009, in the North Coast Planning Area.

LOCATED WITHIN COASTAL ZONE: YES

The above-referenced application was approved on AUGUST 17, 2001 by the Zoning Administrator. Copies of the Final *Findings and Conditions* are attached. The conditions of approval must be completed as set forth in this document.

If the use authorized by this Permit approval has not been established or if substantial work on the property towards the establishment of the use is not in progress after a period of twenty-four (24) months from the date of this approval or such other time period as may be designated through conditions of approval of this Permit, this approval shall expire and become void unless an extension of time has been granted pursuant to the provisions of Section 23.02.050 of the Land Use Ordinance.

If the use authorized by this Permit approval, once established, is or has been unused, abandoned, discontinued, or has ceased for a period of six (6) months or conditions have not been complied with, such Permit approval shall become void.

This action is appealable to the Board of Supervisors within 14 days of this action. If there are Coastal grounds for the appeal there will be no fee. If an appeal is filed with non coastal issues there is a fee of \$474.00. This action may also be appealable to the California Coastal Commission pursuant to Coastal Act Section 30603 and the County Coastal Zone Land Use Ordinance 23.01.043. These regulations contain specific time limits to appeal, criteria, and procedures that must be followed to appeal.

EXHIBIT NO. A	1 of 13
APPLICATION NO.	A-3-SLO-01-086
Patel Motel	

this action. The regulations provide the California Coastal Commission 10 working days following the expiration of the County appeal period to appeal the decision. This means that no construction permits can be issued until both the County appeal period and the additional Coastal Commission appeal period have expired without an appeal being filed.

Exhaustion of appeals at the county is required prior to appealing the matter to the California Coastal Commission. This appeal must be made directly to the California Coastal Commission Office. Contact the Commission's Santa Cruz Office at (831) 427-4863 for further information on appeal procedures. If you have questions regarding your project, please contact your planner JAMES CARUSO, at (805) 781-5600. If you have any questions regarding these procedures, please contact me at (805) 781-5718

Sincerely,



Chris Macek, Secretary
MINOR USE PERMITS

(Planning Department Use Only)

Date NOFA original to applicant AUGUST 20, 2001

Mailed Hand-delivered

Date NOFA copy mailed to Coastal Commission: AUGUST 31, 2001

Enclosed:

Staff Report
 Resolution
 Findings and Conditions

EXHIBIT NO.A 2 of 13
APPLICATION NO. A-3-SLO-01-086
Patel motel
California Coastal Commission

Staff Report

San Luis Obispo County Department of Planning and Building

DATE: AUGUST 17, 2001

TO: MINOR USE PERMIT HEARING OFFICER

FROM: JAMES CARUSO, SENIOR PLANNER

SUBJECT: HEARING TO CONSIDER MINOR USE PERMIT APPLICATION
D990387P FOR CONSTRUCTION OF A 34 ROOM HOTEL WITH
A MODIFIED RIPARIAN SETBACK, RIPARIAN
ENHANCEMENT PROGRAM AND RUNOFF CONTROL IN THE
COMMUNITY OF CAMBRIA (PATEL)

ATTACHMENTS:

1. Exhibit A - Findings
2. Exhibit B - Conditions of Approval
3. Graphics
4. Negative Declaration

SUMMARY

The proposed project is a request for a Minor Use Permit to grade and recompact the site, construct a 34 room hotel in two stories (overall height to be 25'), a reduction in the riparian habitat setback of Title 23 from fifty feet to fifteen feet, installation of riparian habitat enhancement plan and construction of best management practices from drainage. The project is located on the south side of Moonstone Beach Drive, approximately 100 feet west of Windsor Blvd. in the community of Cambria.

Supervisorial District No. 2

RECOMMENDATION

Approve the Minor Use Permit request based on the findings listed in Exhibit A, and subject to the conditions of approval in Exhibit B.

PROJECT DESCRIPTION

Location: The proposed project is located on the south side of Moonstone Beach Drive, approximately 100 feet west of Windsor Blvd in the community of Cambria. (APN - 022-061-009). North Coast Planning Area.

General Plan: Commercial Retail

EXHIBIT NO. A 3 of 13
APPLICATION NO. A-3-SLO-01-066
Patel motel
California Coastal Commission

Area Standards: Special Setbacks

ENVIRONMENTAL SETTING

Existing Uses and Improvements: Wood frame building (currently an antique store)

Surrounding Zoning and Uses:

	<u>Zoning</u>	<u>Land Use</u>
North:	Commercial Retail	Highway 1
South:	Open Space	Santa Rosa Creek
East:	Commercial Retail	Vacant
West:	Open Space	Estuary
Parcel Size:	Approximately 33,000 sq. ft.	
Topography:	Level	
Vegetation:	Grasses; ornamentals	
Water:	Cambria Community Services District	
Sewage Disposal:	Cambria Community Services District	
Fire Protection:	Cambria Community Services District	

ENVIRONMENTAL DETERMINATION

Negative Declaration; June 29, 2001

DISCUSSION

Project Description

The proposed project is a 34 room, two story motel with parking lot and fitness and spa area. A breakfast and kitchen are located on the first floor near the lobby for the use of hotel guests. An existing building (to be demolished) is located on the site at the north end of the property. A decomposed granite parking covers the rest of the site. The existing building currently houses an antique store. Prior to that the building was use as a restaurant. The applicant reports that the site, at one time, was filled with material from a State Highway 1 construction project.

Santa Rosa Creek is located to the west of the site. The 34 rooms are evenly divided between the first and second floors. A porte cochere is located at the main driveway entrance at the lobby. The roof of the porte cochere is as tall as the first floor of the hotel.

The applicant has included an area on the site for drainage and infiltration purposes consisted with Best Management Practices. This area will filter all runoff from the site before it empties into Santa Rosa Creek. The applicant has also proposed a riparian habitat enhancement plan in order to improve the riparian habitat on the site that has been degraded over time. The Coastal Zone Land Use Ordinance generally requires that improvements be set back 50 feet from the edge of riparian habitat. The applicant has proposed to modify this setback to a minimum of 15 feet. The 15 foot setback area would be used to enhance the degraded riparian habitat.

GENERAL PLAN CONSISTENCY

Framework For Planning: Framework contains Table "O", the matrix of allowable land uses in the Coastal Zone. This table also identifies uses as "principally permitted". Principally permitted uses in the Coastal Zone carry a status that non-principally permitted uses do not. Pursuant to Table "O", a hotel is a principally permitted use on the Commercial Retail land use category.

North Coast Area Plan Standards: The site is designated Commercial Retail (CR) in the Cambria urban area standards of the North Coast Area Plan. The site is located within the Moonstone Beach area as shown in Figure 4 of the Area Plan. The Moonstone Beach area is subject to several development standards for sites designated Recreation. However, the site is designated Commercial Retail and is therefore not subject to these recreation designation standards. No development standards exist for CR designated sites in this area of Cambria.

Coastal Zone Land Use Ordinance

Parking: The proposed use is subject to the parking requirements of the Coastal Zone Land Use Ordinance section 23.04.166. Hotels require 2 spaces, plus one space per room plus one space per every ten rooms. This requirement totals 39 spaces. The applicant proposes 39 spaces that include 2 motorcycle spaces as allowed by Title 23.

Streams and Riparian Vegetation: CZLUO section 23.07.174 states that coastal streams and adjacent riparian areas are considered environmentally sensitive habitats and, "Development adjacent to a coastal stream shall be sited and designed to protect the habitat and shall be compatible with the continuance of such habitat". According to the Wetland and Riparian Habitat Assessment prepared for the project, the proposed setback modification will allow for the "hard-edge" of the riparian habitat to be softened with a riparian area enhancement project. The Assessment states that the project as designed will provide additional habitat in this area.

Section 23.07.174(d) sets out the requirements for reducing the 50 foot riparian setback. The applicant proposes modification of this setback from 50 feet to 15 feet. The four findings that are required for a setback adjustment are:

- i. Alternative locations and routes are infeasible or more environmentally damaging.

The project was first proposed adjacent to Moonstone Beach Drive with parking located to the

south and west of the proposed structure. It was decided, in order to lessen visual effects of the project, to move the bulk of the building to the rear of the site. The parking area was also relocated in such a way that allowed for a large enough area to install adequate biological filtering of parking lot runoff before the runoff reached the adjacent creek bank. The biologist's opinion regarding the riparian edge also was part of this decision to move the structure back to the corner of the site. The decomposed granite parking area has always created a very "hard-edge" to the riparian corridor. Moving the structure back into the setback and then enhancing the edge effect in that area would create an overall improvement in the functioning of the on site habitat which is presently non-existent.

ii. Adverse environmental effects are mitigated to the maximum extent feasible.

According to the biologist's report, the site does not contain any riparian habitat. The site has always created a hard edge between the well developed riparian corridor along Santa Rosa Creek and the development on the site. Furthermore, the reduction in setback in this case will not cause any significant environmental effects on the riparian vegetation.

In order to improve the "edge effect" of the abrupt end of the riparian habitat, the applicant proposes to create a softer edge to the corridor through the site's landscaping. The project includes a plant palette that will enhance the site's riparian habitat value.

iii. The adjustment is necessary to allow a principal permitted use of the property and redesign of the proposed development would not allow the use with the standard setback.

The applicant's proposed project, a 34 room hotel, is a principal permitted use in the CR land use designation. The fifty foot setback buffer takes up approximately one third of the lot width. It is estimated that a project half the size of the proposed project may be constructed on the site if the entire 50 foot buffer area was implemented (eighteen rooms versus 34 rooms).

iv. The adjustment is the minimum that would allow for the establishment of a principal permitted use.

The adjustment is needed in order to allow for construction of a 34 room hotel on this degraded site. A project half this size may be constructed with the entire 50 foot setback buffer in place. However, based on the biologist's report on the site, there are no resources on the site that would be preserved with the 50 foot buffer.

Coastal Policies

Environmentally Sensitive Habitats: Policy 1 of the Environmentally Sensitive Habitats section states that new development located within 100 feet of environmentally sensitive habitats shall not significantly disrupt the resource. The Biological Assessment prepared for the proposed project states that the proposed project will not have a negative effect on the continuance of the resource.

Policy 2 requires a demonstration that there will be no significant impact on sensitive habitats and that proposed development activities will be consistent with the biological continuance of the habitat. Further, Policy 2 requires a qualified professional to evaluate the site that provides for the maximum feasible mitigation measures and a program for monitoring and evaluating the effectiveness of mitigation measures.

Policy 3 states that damaged habitats shall be restored as a condition of project approval. As noted above, the site does not contain any resources that will be damaged by the proposed use.

Coastal Streams: Policy 18 states that coastal streams are to be considered environmentally sensitive habitat areas and shall be protected and preserved. The proposed project will not damage the existing riparian habitat areas and will enhance the areas of the site that could support such habitat.

Policy 19 requires development adjacent to coastal streams shall be designed to avoid impacts that significantly degrade coastal habitat including evaluation of runoff and erosion. The proposed project site contains no riparian habitat or other significant natural coastal resources. The project has been designed to enhance the riparian edge of the existing habitat so that it no longer is a "hard edge". In addition, the project has been designed to control run off utilizing "best management practices".

Policy 24 prohibits the cutting or alteration of riparian vegetation. The proposed project will not result in the alteration or cutting of any riparian vegetation. The applicant proposes to enhance the riparian corridor in the area.

Policy 26: requires a 50 foot setback from the upland edge of riparian habitats for all new development. A lesser setback on an existing parcel may be permitted if the setback will render the site unusable for the principal permitted use. The setback shall be reduced only to the point at which a principal permitted use (as modified) can be accommodated. The applicant has proposed a fifteen foot setback from the riparian habitat. The applicant points out that the site itself is devoid of riparian habitat values and that the applicant will enhance the hard edge of the riparian corridor on the site within the 15 foot setback.

Environmental Determination

A Negative Declaration was prepared for the proposed project. The Negative Declaration contains mitigation measures for biological, drainage and runoff control impacts.

North Coast Advisory Council

The North Coast Advisory Committee discussed this project several times. The Committee voted 6-3 on April 21, 2001 to support the project. The Committee had concerns regarding adequate riparian setbacks, water runoff into the creek, and fire fighting issues.

Exhibit A
D990387P - Findings

- A. As conditioned the proposed project is consistent with the Local Coastal Program and the Land Use Element of the general plan because the LCP Land Use Element (North Coast Area Plan) allows for this use. The use is consistent with all other elements of the general plan. The use is also protective of the adjacent environmentally sensitive area.
- B. As conditioned, the project or use satisfies all applicable provisions of Title 23 of the San Luis Obispo County Code because the proposed use contains required parking area, is protective of the adjacent riparian habitat as required by 23.07.172.
- C. The establishment and subsequent operation or conduct of the use will not, because of the circumstances and conditions applied in this particular case, be detrimental to the health, safety or welfare of the general working public or persons residing or working in the neighborhood of the use, or be detrimental or injurious to property or improvements in the vicinity of the use because the project is subject to the Coastal Zone Land Use Ordinance and Building Code requirements designed to address health, safety, and welfare concerns.
- D. The proposed project or use will not be inconsistent with the character of the immediate neighborhood or contrary to its orderly development because other similarly designated land in the area contain similar uses.
- E. The project will not generate a volume of traffic beyond the safe capacity of all roads providing access to the project, either existing or to be improved with the project because tall intersections in the vicinity are operating at LOS A or B and the project will be subject to payment of North Coast road fees.
- F. The proposed use is in conformity with the public access and recreation policies of Chapter 3 of the California Coastal Act, because of the project's distance to marine resources, it will not inhibit access to coastal waters and recreation areas.
- G. Based on the Initial Study and all comments received, there is no evidence in light of the whole record that the project will have any significant impacts on the environment.

Riparian Setback Modification

- H. Alternative locations and routes are infeasible or more environmentally damaging.

The project was first proposed adjacent to Moonstone Beach Drive with parking located to the south and west of the proposed structure. It was decided, in order to lessen visual effects of the project, to move the bulk of the building to the rear of the site. The parking area was also relocated in such a way that allowed for a large enough area to install adequate biological filtering of parking lot runoff before the runoff reached the adjacent creek bank. The biologist's opinion regarding the riparian edge also was part of this decision to move the structure back to the corner of the site. The

decomposed granite parking area has always created a very "hard-edge" to the riparian corridor. Moving the structure back into the setback and then enhancing the edge effect in that area would create an overall improvement in the functioning of the on site habitat which is presently non-existent.

I. Adverse environmental effects are mitigated to the maximum extent feasible.

According to the biologist's report, the site does not contain any riparian habitat. The site has always created a hard edge between the well developed riparian corridor along Santa Rosa Creek and the development on the site. Furthermore, the reduction in setback in this case will not cause any significant environmental effects on the riparian vegetation.

In order to improve the "edge effect" of the abrupt end of the riparian habitat, the applicant proposes to create a softer edge to the corridor through the site's landscaping. The project includes a plant palette that will enhance the site's riparian habitat value.

J. The adjustment is necessary to allow a principal permitted use of the property and redesign of the proposed development would not allow the use with the standard setback.

The applicant's proposed project, a 34 room hotel, is a principal permitted use in the CR land use designation. The fifty foot setback buffer takes up approximately one third of the lot width. It is estimated that a project half the size of the proposed project may be constructed on the site if the entire 50 foot buffer area was implemented (eighteen rooms versus 34 rooms).

K. The adjustment is the minimum that would allow for the establishment of a principal permitted use.

The adjustment is needed in order to allow for construction of a 34 room hotel on this degraded site. A project half this size may be constructed with the entire 50 foot setback buffer in place. However, based on the biologist's report on the site, there are no resources on the site that would be preserved with the 50 foot buffer.

EXHIBIT B
Conditions of Approval - D990387PD

Approved Development

1. This approval authorizes the:
 - a. construction of a 34 room hotel with a breakfast room and kitchen.
 - b. 39 parking spaces as shown on the approved plan.
 - c. demolition of an existing wood frame structure.
 - d. a drainage and run off control and filter area utilizing best management practices for drainage control.
 - e. A reduction in the 50 foot riparian setback to a minimum of 15 feet.
 - f. riparian area enhancement program.

Site Development

2. Site development shall be consistent with the approved site plan, floor plans and elevations and landscape plan.

Building Height

3. Building height shall not exceed 25 feet 6 inches as measured from average natural grade and shall substantially conform to the height shown on the approved plans.

Fire Safety Plan

4. Prior to issuance of a building permit, a final fire safety plan shall be submitted to the Cambria Fire Department for review and approval. The plan shall include, at a minimum, the following elements:
 - a. Installation of a fire hydrant in a location to be determined by the Cambria Fire Department. The hydrant will include service line to the project's fire suppression system.
 - b. Exterior materials shall be fire resistant and may consist of plaster and tile roof or "hardiplank" (fiberboard). Exterior materials shall be subject to the approval by the Cambria Fire Department.
 - c. The applicant shall install a fire sprinkler system through out the project.
 - d. Exiting requirements shall not direct people to areas of the site to the rear of the buildings that might expose them to brush fire hazards.
 - e. If the fire suppression service line is located above ground, it may screened with landscaping provided that clear access is maintained.
 - f. A licenced civil engineer will prepare and stamp plans for all site and fire related

- improvements.
- g. The project entrance driveway shall be a minimum of 20 feet wide if used for two way traffic. The porte cochere shall be a minimum of 13 feet 8 inches high.
- h. Fire resistive landscaping shall, be used in areas between the structure and natural vegetated areas. Final landscape plans shall be subject to review and approval by the Cambria Fire Dept.

Drainage

- 5. **Prior to issuance of a building permit for new construction,** the applicant shall submit a grading and drainage plan pursuant to Title 23 of the County Code to the Department of Planning and Building for review and approval.
- 6. The drainage plans required by the Coastal Zone Land Use Ordinance shall also provide for the following:
 - a. Calculations that show post development run off rates and average volumes shall not exceed pre-development conditions.
 - b. Runoff from all roofs, parking areas, driveways and other impervious surfaces shall be collected and directed through a system of vegetated and/or gravel filter strips or other media devices in a manner similar to that shown on the approved site plan. The filter elements shall be designed to 1) trap sediment, particulates and other solids; and 2) remove or mitigate contaminants through infiltration and/or biological uptake. The drainage system shall also be designed to convey and discharge runoff in excess of this standard from the building site in a non-erosive manner.
 - c. The plan shall also include provisions for maintaining the drainage and infiltration systems so that they are functional throughout the life of the approved development. Such maintenance shall include the following: 1) the drainage and filtration system shall be inspected, cleaned and repaired prior to the onset of the rainy season, but no later than September 30th of each year; and 2) should any of the project's surface or subsurface drainage/filtration structures fail or result in increased erosion, the applicant/landowner shall be responsible for any necessary repairs or restoration of eroded areas. Should repairs or restoration become necessary, prior to commencement of such repairs or restoration work, the applicant shall submit repair and restoration plan to the dept of Planning and Building to determine if an amendment or new Coastal Development Permit is required to authorize the work.

Biological Resources

- 7. **Prior to issuance of a construction permit,** the applicant shall submit a Riparian Corridor Enhancement Plan to the Department of Planning and Building for review and approval. The Riparian Corridor Enhancement Plan shall include at a minimum, the following:
 - a. A plant palette that emphasizes and extends the riparian vegetation on the site to the maximum extent feasible. In locations where structures (as opposed to parking areas)

- are located adjacent to or near the enhancement area, the plant palette shall emphasize fire safe plantings.
- b. The riparian enhancement area shall be maintained as such for the life of the project. A maintenance schedule prepared by a botanist or other professional knowledgeable about riparian enhancement shall be submitted to the Dept. of Planning and Building for review and approval prior to issuance of a construction permit. The maintenance schedule shall include criteria for success of the planting plan and shall be for a duration not less than three years from the completion of the project.
8. The structures on the site that are located adjacent to Santa Rosa Creek shall not include any areas for outside activities including patios, balconies, walkways or any type of improved access. Outdoor lighting in the area between the riparian corridor and the structure shall be kept to an absolute minimum.
9. Prior to the start of site disturbance activities, construction type fencing shall be installed at least five feet outside the dripline of any vegetation located along the project site's frontage on Santa Rosa Creek in order to protect the riparian corridor and vegetation from disturbance. The fencing shall be maintained in place until construction has ended.

Landscaping

10. Landscaping in accordance with the approved landscaping plan shall be installed or bonded for before final building inspection. If bonded for, landscaping shall be installed within (60) days after final building inspection and thereafter maintained in a viable condition on a continuing basis.
11. **Prior to issuance of a construction permit, submit a landscaping/irrigation plan to the Development Review Section of the Department of Planning and Building for review and approval, to show the landscape features required by Land Use Ordinance section 23.04.180 et seq., and to show other landscape features required by these conditions of approval.**

Demolition and Underground Tanks

12. **Prior to issuance of a demolition permit, show evidence that the Environmental health Division has approved underground tank removal or has approved leaving underground tanks in place.**
13. **Prior to issuance of a demolition permit, the applicant shall establish an exclusion area 15 feet from the upland extent of riparian vegetation along Santa Rosa Creek. Construction fencing or other barriers shall be in place prior to any site disturbance on the site.**

Roads

14. **Prior to issuance of a building permit, submit any required road improvement plans to the**

Department of Public Works for review and approval. Sidewalks are not required per the Moonstone Beach area standards.

15. The project is subject to North Coast road improvement fees.

Other Agency Permitting

16. **Prior to issuance of a building permit**, the applicant shall provide evidence that the following agencies have issued appropriate permits, indicated that no permit is needed or have reviewed plans required by that agency and such plans or features of the project are adequate:
 - a. Environmental Health (both kitchen and underground tanks)
 - b. Cambria Fire Department
 - c. Cambria Community Services District water and sewer will-serve letters.

Monitoring

17. **Prior to issuance of a building permit**, the applicant shall submit a riparian habitat monitoring plan to the Department for review and approval. The plan shall be in place for a minimum of five years and shall gauge the success of the riparian habitat enhancement program.

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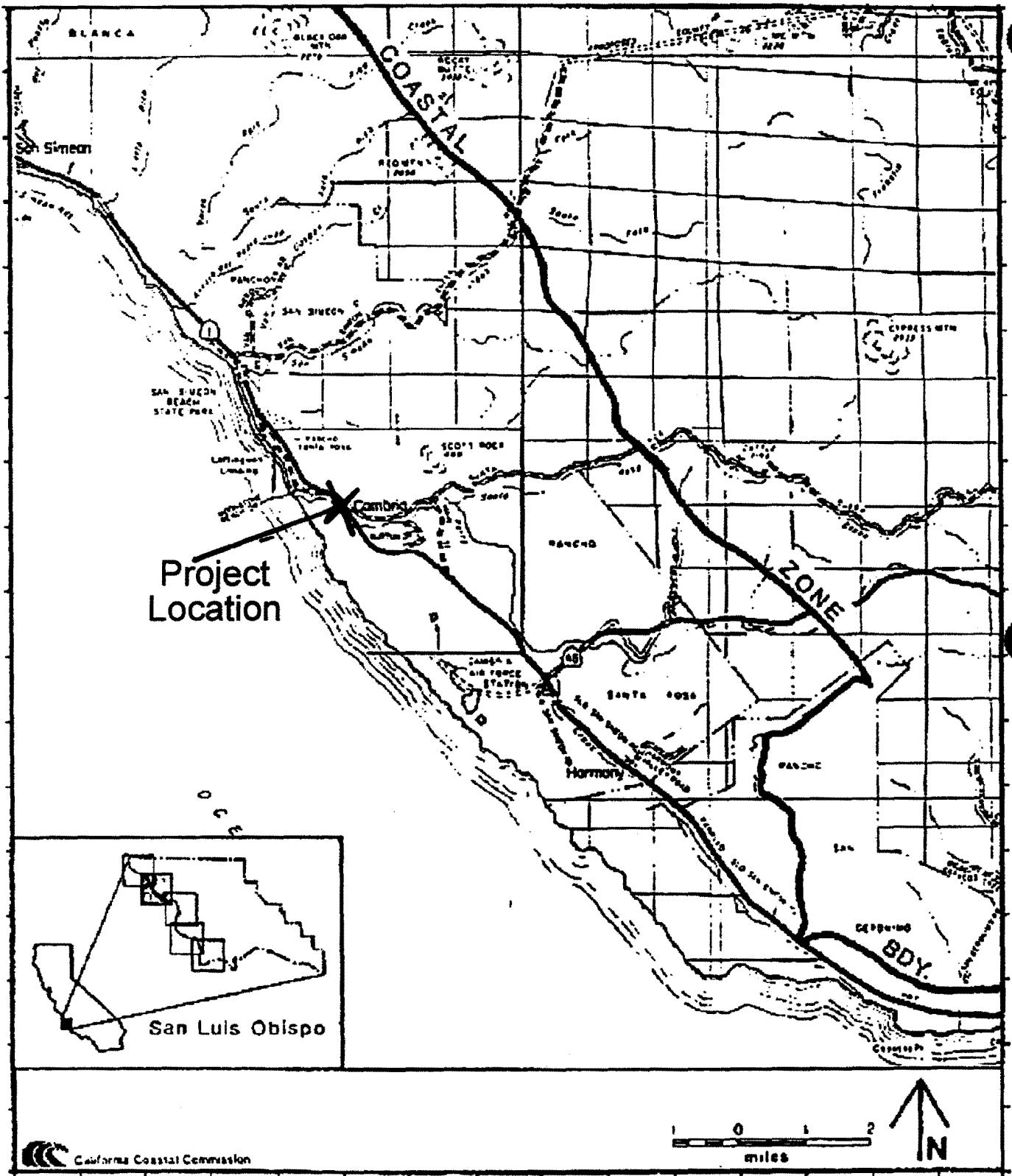
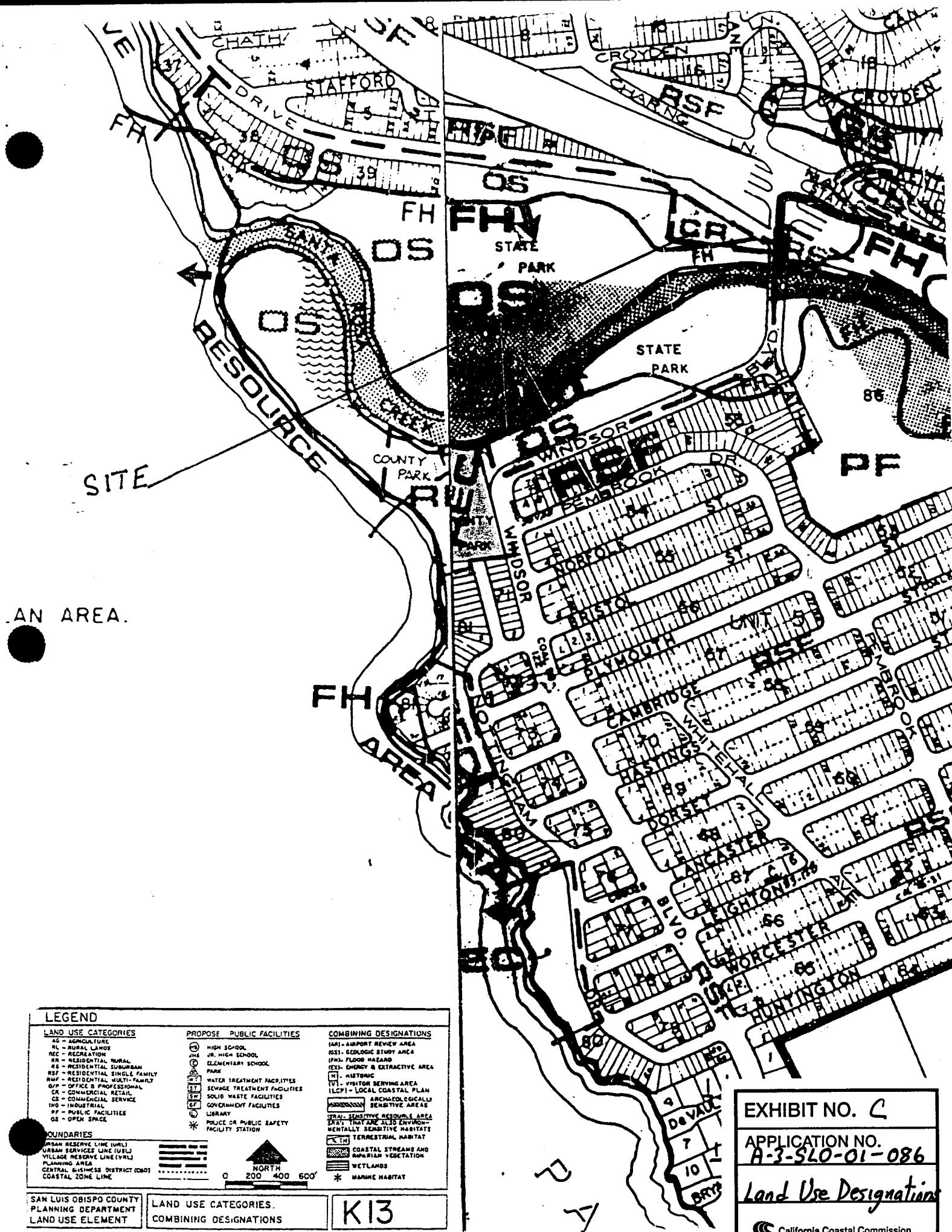
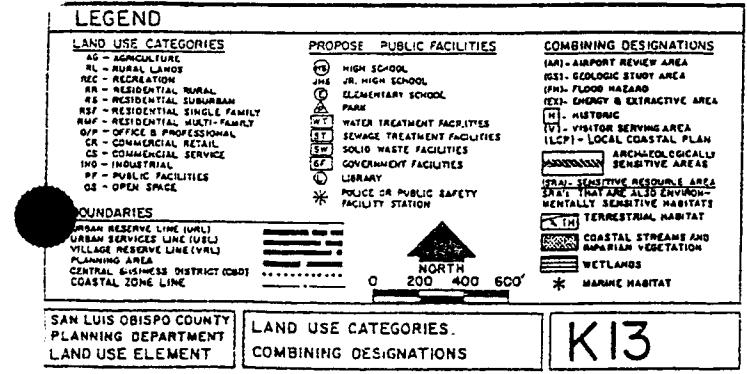
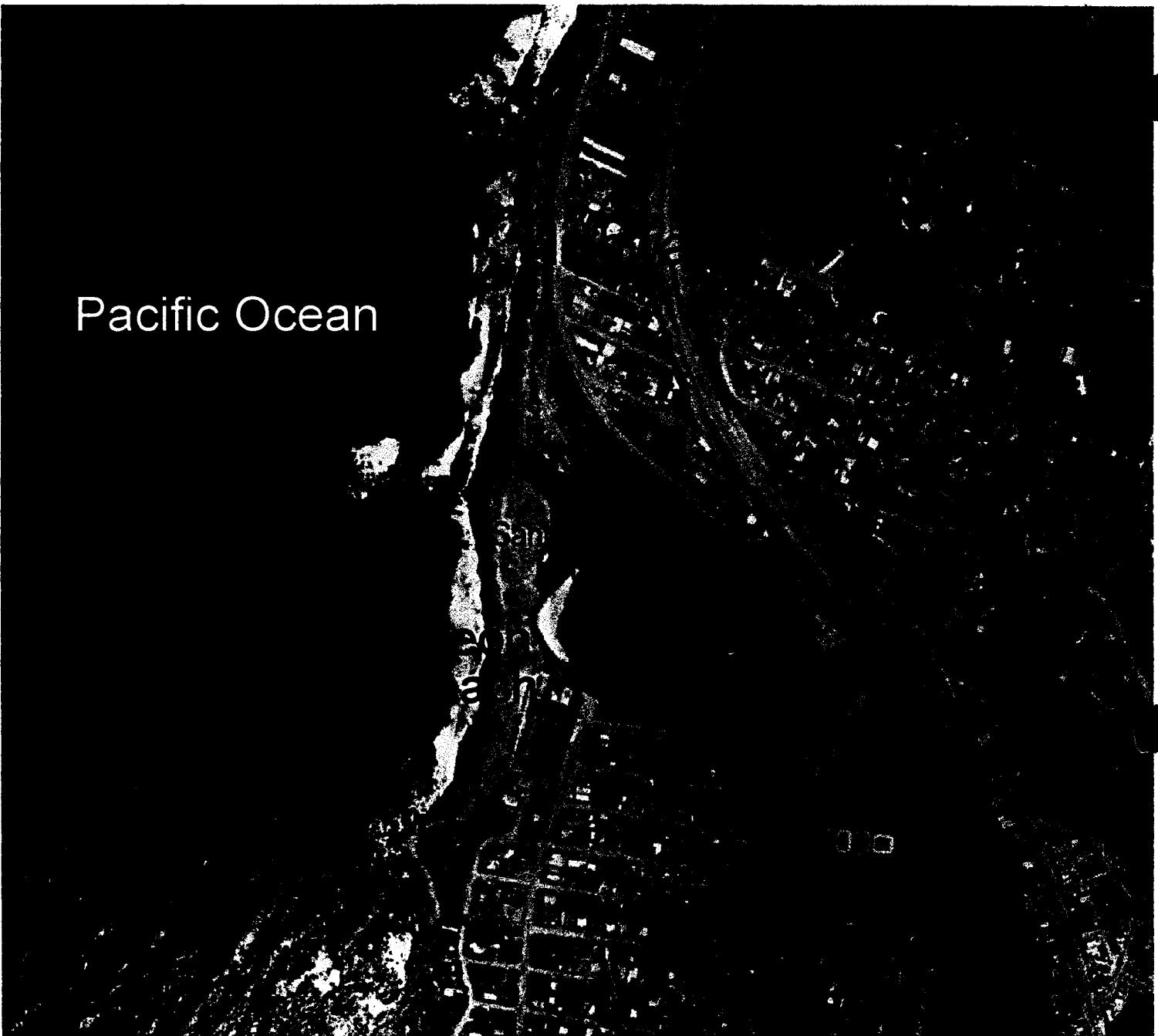


Exhibit B
Regional Location Map
A-3-SLO-01-086
Patel



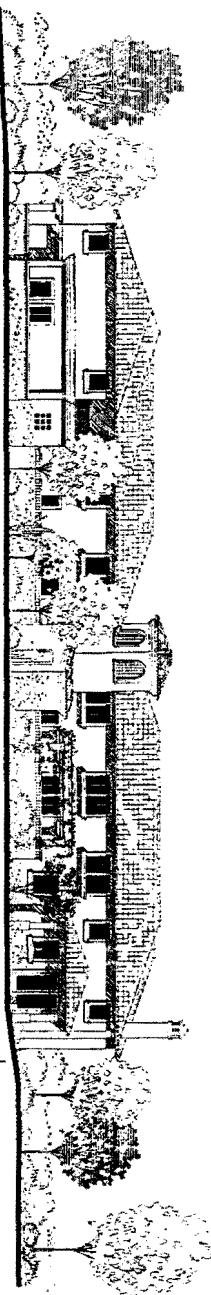
Pacific Ocean



Project
Location



Exhibit D
Vicinity Aerial Photography
A-3-SLO-01-086
Patel



EAST ELEVATION

NORTH (FRONT) ELEVATION - MOONSTONE DRIVE

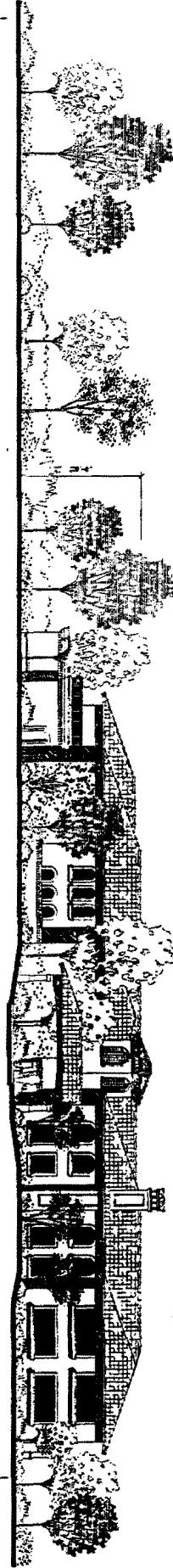


EXHIBIT NO. E

APPLICATION NO.
A-3-SLO-01-086

Elevations

California Coastal Commission

PROJECT
EL COLIBRI INN
MOONSTONE DRIVE, CAMBRIA, CA

CLIENT
SUMMIT SPLASH DEV.
P.O. BOX 12627
SAN LUIS OBISPO, CA 93406

DATE	REMARKS
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K-401	SUMMIT SPLASH DEV.
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DRANER	
SCALE	
F110-D'	
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EXTERIOR ELEVATIONS

A3
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OF 1

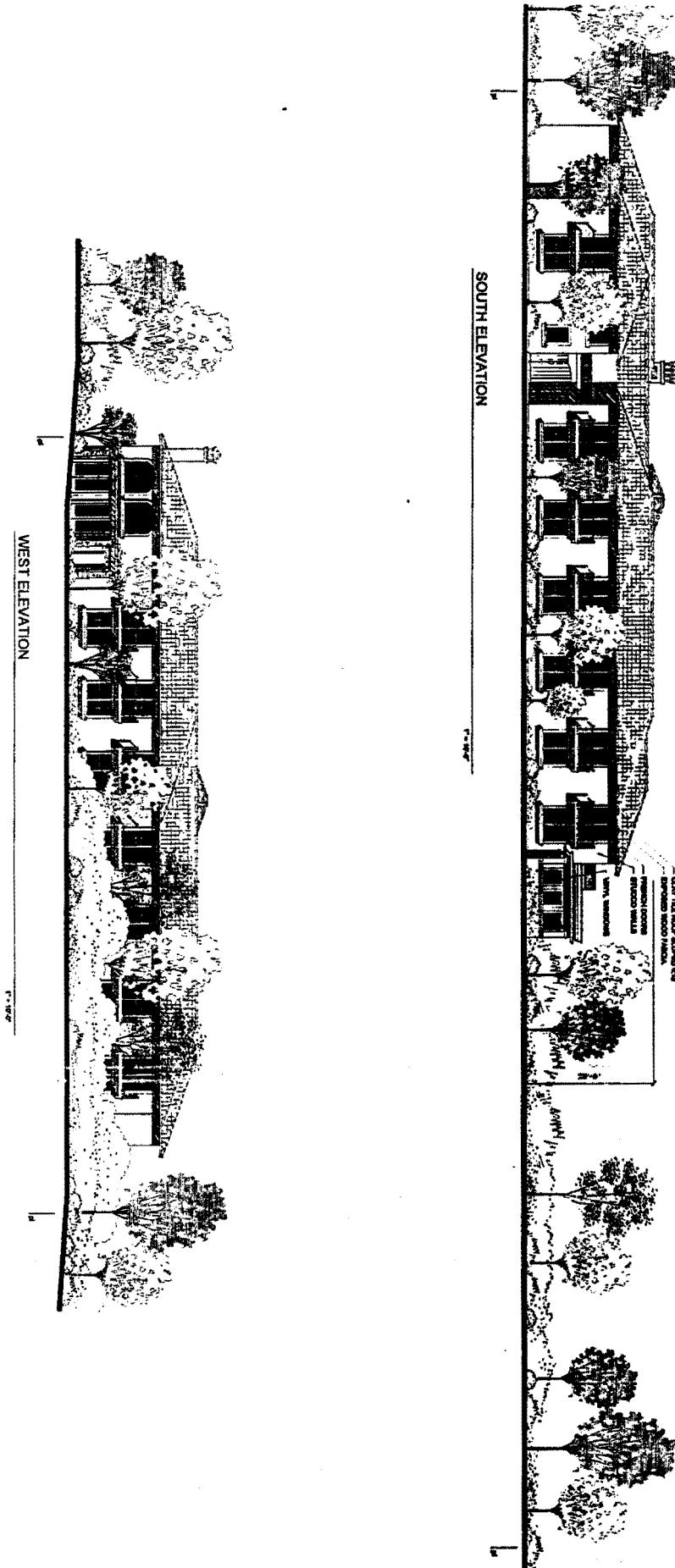


EXHIBIT NO. E

APPLICATION NO.
A-7-SLO-01-086

Elevations cont.



California Coastal Commission

PROJECT
EL COLIBRI INN
MOONSTONE DRIVE, CAMBRIA, CA

SHEET
EXTERIOR ELEVATIONS

CLIENT
SUMMIT SPLASH DEV.
P.O. BOX 18827
SAN LUIS OBISPO, CA 93408

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SITE PLAN / FIRST FLOOR

STATISTICS

OWNER:
PHOENIX PRIVATE
RABBIT TRAP AND DEVELOPMENT
Bldg. 1000-1002, 1004-1006
1008-1010 Moonstone Drive
CAYUCOS, CALIFORNIA
PORTION OF BLOCK 10, CAYUCOS PLAT. UNIT 6
BLDG. AREA:
LANDSCAPE:
GROUNDS: 11,780 SF (1,087 M²)
Hardscape:
SWIMMING POOL: 11,780 SF (1,087 M²)
2 INDOOR POOLS: 2,711 SF (251 M²)
RECREATIONAL SPACES: 2,711 SF (251 M²)
NEW CONSTRUCTION: 1,500 SF (139 M²)
TOTAL SITE (EXCL. SWIM P.) TOTAL 2 STORY BLD.
BEGINS: 144' 0" (FROM COAST LINE)

PROJECT
EL COLIBRI INN
MOONSTONE DRIVE, CAYUCOS, CA

SHEET
SITE/FLOOR PLAN

CLIENT
SUMMIT SPLASH DEV.
P.O. BOX 12627
SAN LUIS OBISPO, CA 93406



EXHIBIT NO. F

APPLICATION NO.
A-3-SLO-01-086

Site Plan

California Coastal Commission

A1
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SHEET 1

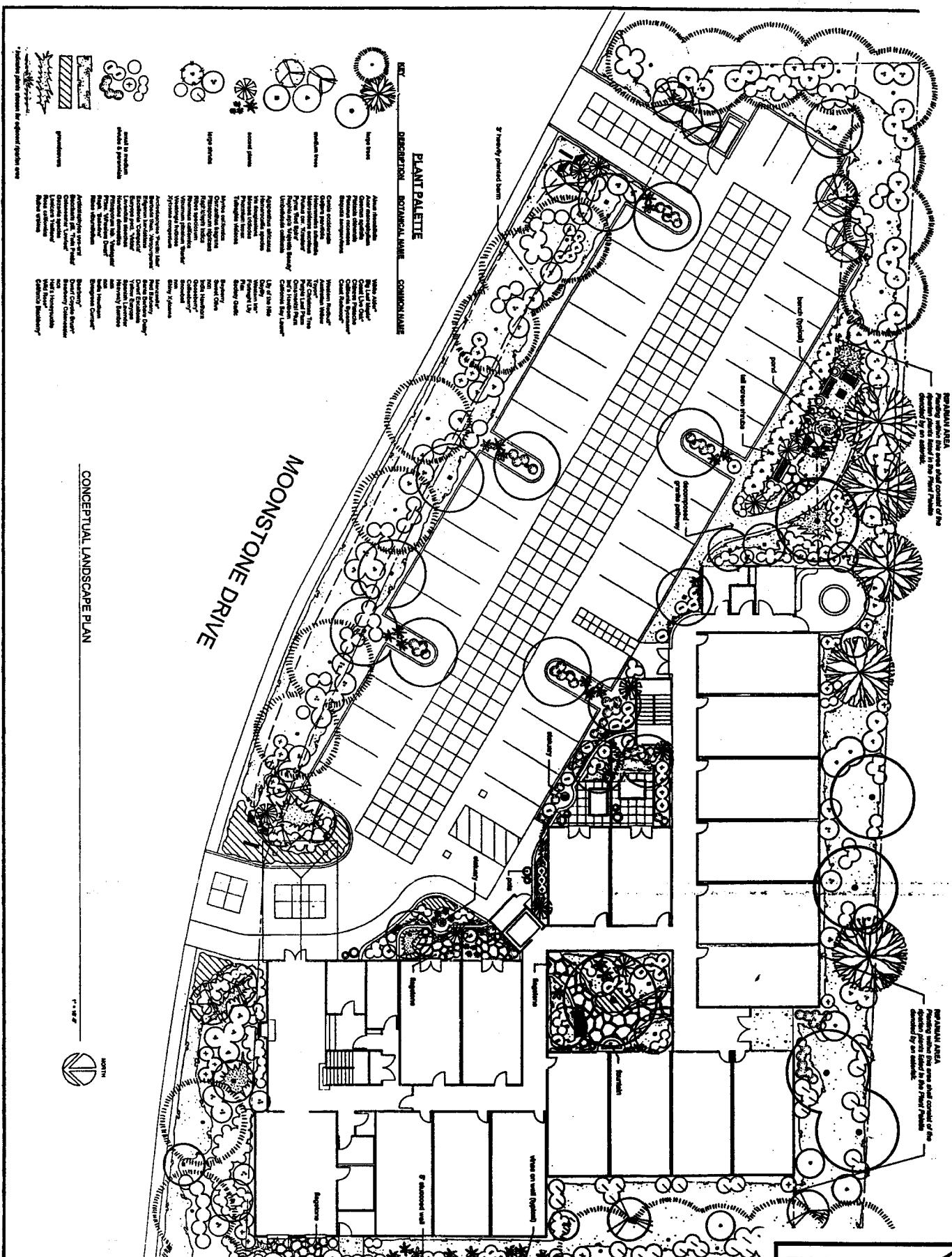


EXHIBIT NO. 5

APPLICATION NO.
A-3-SLO-01-086

Site Plan - Landscaping



 California Coastal Commission

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十一

PROJECT
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CAMBRIA INN
Moonstone Drive, Cambria, CA

CONCEPTUAL LANDSCAPE PLAN

CLIENT

Divide Name

Divide Name	Date

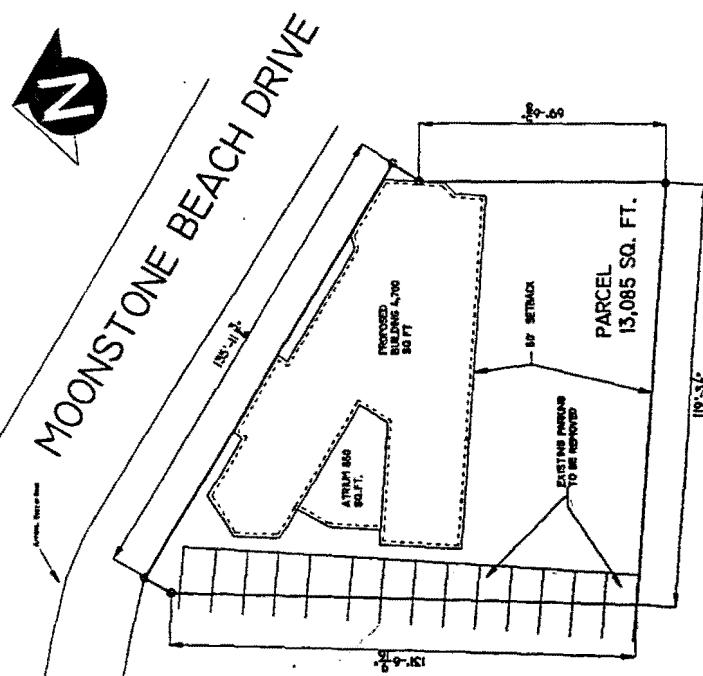
SUPPLY SPLASH

DEVELOPMENT, INC.
606 HENDERSON
SAN LUIS OBISPO, CA.

WESTSTATE BUILDING
5500 MOONSTONE DRIVE
CARMEL, CA.

PRE-I

1/16 - 1-00
1/16 - 1-00



SITE PLAN

EXHIBIT NO. G

APPLICATION NO.
A-3-SLO-01-086

Original Application



California Coastal Commission

Exhibit 1

Rincon Consultants

5520 Moonstone Drive, Cambria

- * = Approximate Property Corners
- - - = Approximate Property Boundary
- - - = Riparian Habitat Edge



North

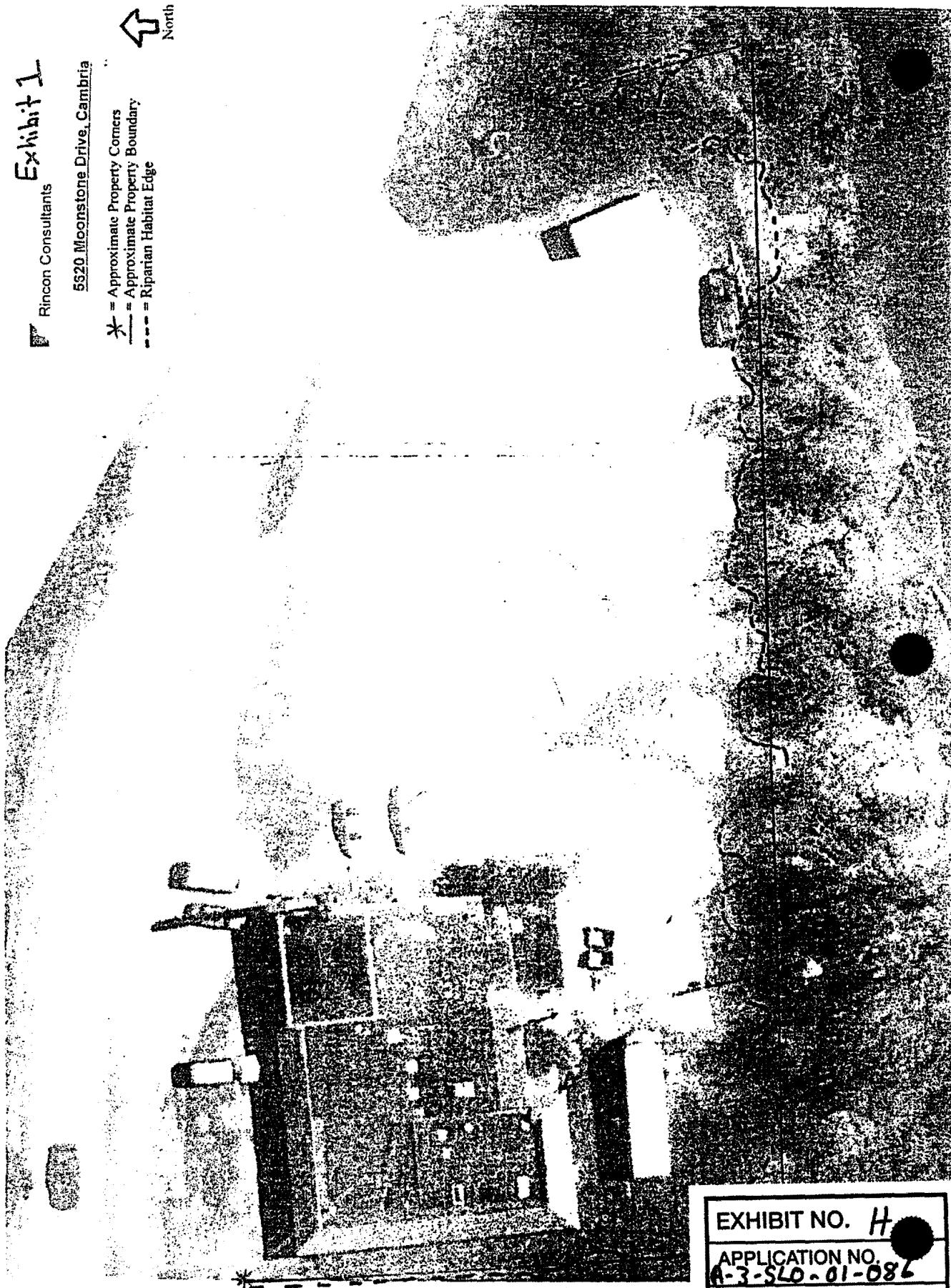


EXHIBIT NO. H
APPLICATION NO.
A-3-SLO-01-086

Riparian Corridor

CALIFORNIA COASTAL COMMISSION

CENTRAL COAST DISTRICT OFFICE
 725 FRONT STREET, SUITE 300
 SANTA CRUZ, CA 95060
 27-4863



BACKGROUND TO WATER AVAILABILITY FINDING

1. History/Background

1977 Coastal Development Permit

The Coastal Commission has been concerned with the lack of water to support new development in Cambria since the adoption of the Coastal Act. As early as 1977, in a coastal permit to allow the Cambria Community Services District (CCSD) to begin drawing water from San Simeon Creek, the Commission expressed concern about overdrafting this groundwater basin. In that permit, the Commission limited the urban service areas for this new water supply and identified the maximum number of dwelling units that could be served as 3,800¹. A condition of that 1977 coastal development permit stated that:

use of all District wells on Santa Rosa Creek shall be discontinued when water production from San Simeon Creek has been established. Any continued permitted use of the Santa Rosa Creek wells shall be limited to the supplementing of San Simeon Creek well production in years when the 1230 acre feet cannot be safely removed. Except in the emergency situations defined below, the withdrawal of water from Santa Rosa Creek shall not exceed 260 acre feet during the dry season which normally extends from July 1 through November 20 and shall not exceed 147 acre feet per month at any other time. At no time shall the combined withdrawal from San Simeon Creek and Santa Rosa Creek exceed the 1230 acre feet annually. In addition, the following emergency situations shall be permitted: fire or any emergency use authorized by the State Water Resources Control Board or the State Health Department. Until the San Simeon Creek wells are functioning, no new water permits shall be permitted in the District.

LCP Certification

When the Land Use Plan of the County's LCP was certified in 1984, the concern remained that there was inadequate water to serve existing parcels within Cambria. The findings regarding Cambria stated that based on the land uses and intensities designated in the LUP for subdivided and unsubdivided land, 8,150 dwelling units could be developed; however, it was estimated that the community of Cambria had adequate water and sewage capacities to serve 5,200 dwelling units (in 1984). The findings continue to state:

Buildout of the existing subdivided parcels alone within the USL [Urban Services Line] would result in a number of dwelling units for which there inadequate sewer and water capacity. Clearly the community does not have adequate services to supply the LUP proposed development within the USL without severely overcommitting its water supplies and sewage treatment facilities.

In anticipation of growth related resource demands, the County created the Resources Management System, which is intended primarily to indicate when and where service facilities (water supply, sewage disposal, roads, schools, and air quality) must be expanded or extended to meet population growth demands. The RMS is designed to be a growth management tool; however, it is oriented toward finding services to support development and does not factor impacts on natural systems into the search, nor does it propose limits on growth in recognition of the limits of the lands ability to supply water for new development.

The RMS uses three levels of alert (called Levels of Severity, or LOS) to identify potential and progressively more immediate resource deficiencies. The alert levels are meant to provide sufficient time for avoiding or correcting a shortage before a crisis develops. Level I is defined as the time when sufficient lead time exists either to expand the capacity of the resource or to decrease the rate at which the resource is being depleted. Level II identifies the crucial

¹ Application 132-18.

point at which some moderation of the rate of resource use must occur to prevent exceeding the resource capacity. Level III occurs when the demand for the resource equals or exceeds its supply.

The Resource Management System reports have consistently identified water supply as a serious concern in Cambria. In 1990, the RMS report recommended that the Board of Supervisors consider a development moratorium. The RMS outlines specific measures that must be implemented for each LOS if the Board formerly certifies the recommended level. However, the BOS has never certified any LOS for Cambria. Most recently, the RMS recommended a LOS III.

1998 North Coast Area Plan

More recently, the Commission evaluated available water supply for Cambria in its review of the County's North Coast Area Plan update. After evaluating the availability of water in San Simeon and Santa Rosa Creek, the Commission found that existing development (1997) may be overdrafting these creeks, and adversely affecting wetlands and riparian habitats. Thus, the Commission adopted findings and a suggested modification that would require completion of three performance standards prior to January 1, 2001: completion of an instream flow management study for Santa Rosa and San Simeon Creek; completion of a water management strategy which includes water conservation, reuse of wastewater, alternative water supply, and potential off stream impoundments; and cooperation of the County and CCSD to place a lot reduction ballot measure before the Cambria electorate. If these standards were not performed by January 1, 2001, the modification required a moratorium on further withdrawals from San Simeon and Santa Rosa Creeks.

Although the County never accepted the modified amendment and is therefore not subject to the moratorium provision, the severity of the measures proposed reflects the gravity of the community's future if development continues to be permitted at its existing rate. More important, since the 1998 Commission action, the water supply situation has been further constrained by MTBE contamination of Santa Rosa Creek.

2. Water Production Trends

Over the years, the Cambria Community Services District (CCSD) has investigated various potential additional water supplies, including importing water from Nacimiento Reservoir, building dams on coastal streams in the Cambria vicinity, and using treated effluent for groundwater recharge. All of these were rejected, due to environmental, financial, or engineering concerns. In 1993, the district began investigating the possibility of desalination of seawater. The CCSD applied for a permit in 1995 to construct a desalination plant, which would supply 1,129 AFY water at full capacity. Although the County approved the permit as well as a subsequent permit for the construction of connecting pipe to San Simeon, to date the plant has not yet been built and the permits have expired. The CCSD is still pursuing a revised desalination plant proposal and has recently received grant funding toward that end.

The CCSD has been aggressively pursuing other water conservation measures, including requiring onsite cisterns for larger residential developments. Most recently, the CSD funded and completed a Baseline Water Supply Analysis that concludes that the District's water supply is marginal to inadequate to provide 90% reliability (in one of ten years there may not be enough water for current customers). In addition, if the recent discovery of MTBE in groundwater near the District's Santa Rosa wells prevents use of this source, the report concludes that the District's supplies are inadequate.²

The CCSD also has implemented an off-site retrofit program since 1990. The retrofit program requires new units to be constructed with low water use fixtures and provide low water-use plumbing fixtures in existing dwellings. Under this program over 500 hookups were added to the CCSD system and over 2,500 existing homes were retrofitted with low water use fixtures. While the retrofit program has been somewhat successful in reducing per capita demand, it has been less effective than originally envisioned, because it allows the payment of an "in-lieu" fee rather than an

² As of this writing, an emergency well was being installed upstream of the contamination point to alleviate this situation.

actual retrofit of older existing development; and because it was not designed to reduce the amount of water used to irrigate residential landscapes. Additionally, the program provides no long-term solutions for the continued disparity between water sources and ultimate buildout because the existing development available for retrofits will be exhausted long before buildout.

The Source of Water

The CCSD's water is supplied from a total of six wells that tap the underflow of San Simeon and Santa Rosa Creeks. Most recently, however, the three wells along Santa Rosa Creek have become inoperable due to MTBE groundwater contamination. The CCSD is currently constructing an emergency well upstream of the contamination plume.

Santa Rosa Creek

Santa Rosa Creek winds through the town of Cambria, extending +13 miles from its headwaters in the Santa Lucia Mountains to the Pacific Ocean. The estimated safe yield of this creek is given in the North Coast Update (1998) as 2,260 acre feet per year (AFY) based on a 1994 preliminary study by the United States Geologic Survey. A review of this document does not, however, provide a definitive safe yield figure and although it includes information regarding existing water demand for agricultural and municipal uses, it does not factor in the water needs for the preservation of riparian and wetland habitats.

The CCSD has a permit from the State Water Resources Control Board to extract a maximum of 518 AFY from Santa Rosa Creek. Of this total, only 260 AFY can be extracted between May 1 and October 31. This summer limit has never been reached for two reasons; 1) in times of plentiful streamflow, the District prefers to use water from San Simeon Creek because it is of much better quality and requires less treatment, and; 2) in dry years, Santa Rosa Creek is incapable of supplying this amount of water. As an example, in the drought of 1976-77, less water than allocated by the State Water Resources Control Board could be withdrawn before the wells went dry. Overpumping during that period also caused significant subsidence, potentially damaging the ability of the aquifer to recharge.

Thus, in summary, while the Santa Rosa Creek safe yield of 2,260 AFY implies an adequate water supply to serve Cambria's needs, a closer look reveals that the basis for that number is not well grounded, does not consider impacts on habitat values, does not factor in the ability of the aquifer to actually produce water during a drought nor the potentially damaging effects of attempting to do so on the aquifer structure. Since development uses water on a year round basis and, in fact, water use in Cambria is up by 40% during the summer months, it is imperative that the water supply is sufficient to meet urban needs during these months and during periods of drought. Likewise, the protection of riparian and wetland habitat depends on a reliable and sustainable water supply.

San Simeon Creek

San Simeon Creek, located two miles north of Cambria, is the preferred source of municipal water. This creek too has its headwaters in the Santa Lucia Range and flows westward for over nine miles to the Pacific Ocean. Safe yield for San Simeon Creek is estimated to be 900 acre-feet per year in the North Coast Update. Similar to the figure for Santa Rosa Creek, this estimate relies on the 1994 USGS report and is subject to the same flaws. Riparian agricultural users in the basin consume approximately 450 AF per year. The CCSD has a permit from the State Water Resources Control Board that allows the District to withdraw a maximum of 1,230 AF per year. Of this total, only 370 AF may be withdrawn during the dry period, which is defined as that time between the cessation of surface run-off at the Palmer Flats Gaging Station and October 31 each year. Typically this is a six or seven month period. The permit also requires the District to supply riparian users when municipal pumping lowers the aquifer to the point where riparian users pumps run dry (Board Order WR 88-14, October 1988).

Several uncertainties exist with respect to the reliable, long term amount of water which can be supplied by San Simeon Creek. The first issue is the soundness of the 900 AFY safe yield figure. It is unclear how this figure was determined and whether it was calculated to include a reservation of water for the preservation of riparian and wetland habitat. The changing water needs of senior, riparian users must also be addressed. These users have priority over appropriators such as CCSD and are thus entitled to be served before the District. They may also divert

additional water if fallow, riparian fields are brought into production. Finally, the multiple disparities between estimated safe yield, State Water Board allocations and current production are also of concern. One apparent conflict is that even if one accepts an estimated safe yield of 900 AFY, the existing State Water Resources Control Board permit allows one of the users, the CCSD, to withdraw a maximum of 1,230 AFY; 330 acre-feet over safe yield, not including existing riparian withdrawals. Another concern is that with the exception of 1991 extractions, the combined riparian and the CCSD withdrawals have exceeded the estimated safe yield figure since 1980. In 1996, for example, the CCSD withdrew 717 AF and riparian users withdrew ±450 AF from San Simeon Creek, for a total of 1,167 AF; 267 AF in excess of the estimated safe yield of 900 AFY given in the plan.

Current Water Production

The Cambria Community Services District's boundaries include most of the land within the urban boundary defined in the LUP, yet the District also serves approximately 300 to 500 acres outside the urban boundary.

A LCP Planning Area Standard for the Cambria urban area requires that 20% of the CCSD's permitted water production capacity be reserved for visitor-serving and commercial uses. Based on a dry-season (May 1 through October 31) entitlement from both the San Simeon and Santa Rosa Creek basins of 630 AFY, this leaves 504 AFY for residential use during the dry season. The community's average water consumption rate in 1997-98 was approximately 217 gallons per dwelling unit per day (0.24 AFY per dwelling unit). Applying this water consumption figure to the total dry season residential allocation of 504 acre-feet indicates that approximately 4,120 dwelling units could be served during the dry season (NCAP Project Description, 2000). By October 1999, 3,777 units had been developed in Cambria, and about 130 new residential units were in the plan approval and construction process.

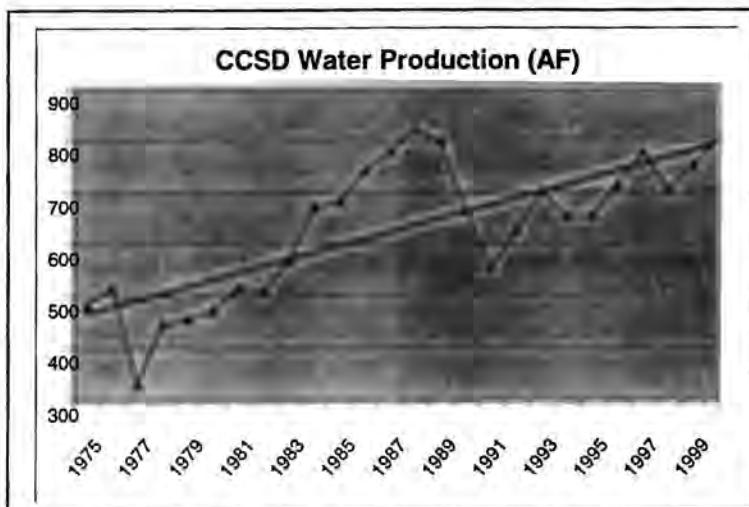
The RMS system has recommended a LOS II or III for Cambria's water supply almost since LCP certification. Since 1990, the RMS has also recommended various conservation measures, including consideration of a moratorium on development. In recognition of the LOS III for 1999, the Board of Supervisors reduced the allowable growth rate in Cambria to 1% or approximately 37 units/year.

The County estimates a total of 11,701 units at build-out (pop. 26,327), meaning that only one third (32%) of the development potential of Cambria has been realized.³ The thousands of vacant lots remaining in Cambria raise a variety of coastal resource planning issues. First and foremost is the challenge of reducing the build-out potential of the many small lots within the Urban Services Line. The County currently has a Transfer of Development Credit program in place in an effort to reduce the number of potential building sites in Cambria.

Notwithstanding the efforts being made by the CSD, water production in Cambria continues to increase. As shown in the chart above, while the rate of increase since 1990 is not as great as previous years, water withdrawals from San Simeon and Santa Rosa Creeks nonetheless are still climbing. Based on data through 1998, the annual water demand for Cambria in 2000 was estimated at 800 AFY (Cambria Elementary School DEIR, 2001). This figure, however, does not account for water shortages during the dry season, or any of the outstanding commitments the CCSD has made to future development. For example, as of October 1999, there were about 130 new residential units (demanding an additional 31 AFY) in the plan approval and construction process⁴. Currently, a waiting list representing over 700 residential units (expected demand of approximately 168 AFY) exists for people wishing to build within the CCSD service area. In addition, the proposed Cambria Elementary School, located outside of the

³ This assumes full occupancy rate. At the current occupancy rate, buildout population would be 19,305. NCAP Update—Revised Buildout Estimates; Background Report September 1999.

⁴ North Coast Area Plan Project Description, January 2000.



USL, is expected to increase the overall water usage by more than 13 AF per year. The County projects the need for more than a doubling of current water production (approx. 1,500 AFY) in Cambria by 2020.⁵

Thus, although the CCSD has an entitlement to a water supply that may be sufficient to support a modest amount of additional development in years when rainfall is average or better, it may not be adequate to meet even the existing demand in a year when precipitation is much below average (NCAP Project Description, 2000).

3. Consistency Analysis

Over three years have past since the Commission's finding in the 1998 NCAP Update that aggressive action was needed to address the inadequate water supply for urban development in Cambria. In that action, the Commission recommended that the County's LCP be modified to include a requirement that if certain performance standards to address habitat protection, development of a water management strategy, and buildup reduction in Cambria weren't met by January 1, 2001, that no further development that would draw on Santa Rosa and San Simeon Creeks be allowed. These standards have yet to be met.

It should be acknowledged, though, that since 1998 the CCSD has made progress on a number of fronts to address both short and long-term water supply issues in Cambria. First and foremost, a Baseline Water Supply Analysis has been completed that provides a report on the capacities of Santa Rosa and San Simeon Creeks (see below). The CSD is also moving forward with the development of a Water Master Plan, including a build-out reduction analysis, to identify long run strategies for providing a reliable water supply to Cambria. Last year the CSD also adopted two updated ordinances (3-2000; 4-2000) establishing an emergency water conservation program and strengthening prohibitions against water waste. The CSD has also been pursuing a revised desalination plant proposal (the Commission's previous coastal development permit approval for a plant has expired), and the Congress has authorized (but not yet appropriated) \$10 million to begin the initial studies and environmental review. In terms of denying new water connections, though, the CCSD has stated that it is constrained under California Water Code sections 350-59 to first declare a water shortage emergency (based on "insufficient water for human consumption, sanitation, and fire protection") before adopting restrictions on water use. Under Water Code 356, such restrictions may include denial of new service connections.⁶

⁵ Taking into account the Cambria Area Plan Standard established by the Coastal Commission requiring 20% of water supply to be reserved for priority uses (e.g. non-residential), the County has estimated that the CCSD could serve a total of 4,120 dwelling units with its current water supply—only 35% of total buildup.

⁶ Water Code 350 states:

The governing body of a distributor of a public water supply, whether publicly or privately owned and including a mutual water company, may declare a water shortage emergency condition to prevail within the area served by such distributor whenever it finds and determines that the ordinary demands and requirements of water consumers cannot be satisfied without depleting the water supply of the distributor to the extent that there would be insufficient water for human consumption, sanitation, and fire protection.

Even a brief review of the current water situation and recent information makes it apparent that serious action must be taken immediately to assure that new development in Cambria is sustainable. As described in the *Preliminary Report*, a recent Baseline Water Supply Analysis conducted for the CCSD has concluded that the District's current water supplies are "marginal to inadequate to provide a 90 percent level of reliability" (in one of ten years there may not be enough water for current customers).⁷ When all of the foreseeable water commitments of the CSD are considered, including pending construction permits, intent to serve letters previously issued, and the CSD's water waiting list, the report concludes that the water supply is "inadequate to provide either a 90 or 95 percent level of reliability." This is consistent with the Commission's 1998 NCAP Update findings that the North Coast Area Plan, as proposed for amendment by the County, was inconsistent with the Coastal Act because it provided for continued urban development that could not be supported by existing water supplies.⁸ Of particular note in that action was the emphasis on the potential for another drought similar to the 1975-77 period when the Santa Rosa Creek groundwater basin was damaged through subsidence and Cambria's population was much lower than it is now.

The new water supply study also supports a finding that the standards of the certified LCP to assure sustainable new development are not being met. Specifically, Public Works Policy 1 requires that:

prior to permitting all new development, a finding shall be made that there are sufficient services to serve the proposed development given the already outstanding commitment to existing lots within the urban service line for which services will be needed

At face value, the conclusion that the existing water supply for Cambria is inadequate to provide either a 90 or 95 percent level of reliability for foreseeable water commitments does not meet this LCP requirement for sufficiency. Moreover, there is considerable uncertainty, and a variety of assumptions underlying the Baseline Supply study, that cast even more doubt on the sustainability of Cambria's current water supply.

First, the Baseline Water Supply analysis was based on 3,796 existing connections in December of 1999 (3,586 residential and 210 commercial). As of April, 2001, there are now 3891 connections (3,678 residential, 213 commercial), an increase of 2.5%. In addition, according to the CSD, there are an additional 150 outstanding will-serve commitment letters, including 45 with connection permits. Assuming these all result in new water connections, the total number of water connections in Cambria will have increased by 6.5% since the Baseline Water Supply Analysis. This also does not account for the 650 remaining CSD customers on the waiting list for a water connection.

Second, and critical to the County's and Commission's responsibilities to protect sensitive coastal habitats, the Baseline Water Supply Analysis does not address the question of whether there are sufficient in-stream flows to maintain and protect sensitive species and their habitats. The study states:

The District intends to evaluate the appropriate minimum groundwater levels to avoid adverse environmental impacts to downgradient habitats. Accordingly, it is recommended that the assumed minimum groundwater levels be reviewed when these evaluations have been completed.⁹

In addition, the California Department of Fish and Game has asserted that prior dry season pumping of the Santa Rosa creek wells has had negative impacts on habitats for sensitive species, including tidewater goby, red-legged frog, and steelhead trout.¹⁰ In more recent months, the U.S. Fish and Wildlife has initiated discussions with the CCSD about preparing a multi-species Habitat Conservation Plan for sensitive habitats of the North Coast, including steelhead and red-legged frog.

⁷ *Baseline Water Supply Analysis*, Cambria Community Services District, December 8, 2000, p. ES-1.

⁸ *North Coast Area Plan Update, Adopted Findings*, California Coastal Commission (1998) p. 51.

⁹ *Id.*, 2-5.

¹⁰ *Id.*, A-6.

One of the NCAP performance standards adopted by the Commission in 1998, but not accepted by the County, was a requirement to conduct in-stream flow studies of both San Simeon and Santa Rosa creeks to assure that continued and future water withdrawals would not adversely impact sensitive riparian habitats. This modification adopted by the Commission mirrors an existing condition of the CCSD permit for water withdrawals from Santa Rosa Creek that required that instream flow study be initiated to determine necessary water levels to protect steelhead.¹¹ As mentioned above, instream flow studies have not been completed for either Santa Rosa or San Simeon creek.

The CCSD has funded a study that examined steelhead and habitat trends in San Simeon Creek. Nonetheless, this study does not directly address the relationship between the pumping of San Simeon Creek underflows and steelhead and other sensitive species habitats.¹² The study, though, does show correlations between reduced base stream flows and sedimentation on one hand, and reduced relative abundances of juvenile steelhead on the other. The study is also a limited time series (six years), making it difficult to draw firm conclusions about the impact of CSD municipal withdrawals on instream habitats. Even so, the study concludes:

The persistence of the San Simeon Creek steelhead population has become more tenuous, with the further deterioration of non-streamflow related aspects of habitat from sedimentation . . . , combined with reduced summer baseflow and likely increased streamflow diversion from well pumping by new streamside development in the heretofore perennial reaches.¹³

Again, this conclusion does not speak directly to the question of how Cambria's urban water withdrawals may be impacting in-stream habitats. It also indicates that the habitat values of the coastal creeks in San Luis Obispo are impacted by multiple uses up and downstream. Nonetheless, until more systematic habitat and in-stream flow study is completed, it is difficult to conclude that the County's approval of new development that relies on water withdrawals from San Simon and Santa Rosa creeks are consistent the certified LCP.

Third, the sustainability of the current Cambria water situation is also drawn into question when one considers that the certified LCP requires that 20% of Cambria's water and sewer capacity be reserved for visitor-serving and commercial uses. In terms of actual water consumption, the CSD appears to be meeting this goal, due to the high level of water consumption per commercial connection compared to residential connections. Thus, of the approximate 800 acre-feet of water produced in 2000, less losses to the system, nearly 25% was delivered to non-residential (primarily visitor-serving) with 75% going to residential uses. However, in order to meet the 20% visitor-serving reservation standard in new development approvals, a finding would need to be made that the actual water available at the time of a residential permit approval is 25% higher than that normally required for a residential use. In other words, the conclusion of the Baseline Water Supply Analysis underestimates the actual water needed for urban sustainability in Cambria if one takes into account Coastal Act priority uses in the approval of new developments.

Fourth, to implement the Coastal Act priority for agriculture, the LCP also requires that water extractions, consistent with habitat protection, give highest priority to preserving available supplies for existing or expanded agricultural uses (Agriculture Policy 7). No systematic monitoring or data is available concerning agricultural production water needs or pumping in the Santa Rosa and San Simeon Creek Basins. Although State Water Resources Control Board water permits require the CSD to deliver water to upstream riparian users if their wells become unusable, it is unclear whether Agriculture will be protected if withdrawals for urban uses continue, particularly during severe drought years. Moreover, the findings of the Baseline Water Supply study are based on an assumption that agricultural water use remains similar to historical volumes and patterns. As discussed by the Commission in its recent Periodic Review of the SLO County LCP, water use for agricultural land uses can vary and change quickly,

¹¹ CSD Water Diversion and Use Permit 20387, Condition 18.

¹² Alley, D. W. and Associates, *Comparison of Juvenile Steelhead Production in 1994-99 for San Simeon Creek, San Luis Obispo County, California, With Habitat Analysis and an Index of Adult Returns* (August, 2000).

¹³ *Id.*, p. 36.

depending on agricultural markets, weather, etc. When current and potential urban and agricultural water needs are combined, it is by no means clear that groundwater basins are being protected. In fact, as discussed by the Commission in 1998, there is some data that shows that past combined withdrawals have exceeded the supposed safe annual yield of San Simeon Creek.¹⁴

Fifth, also as discussed in the recent Periodic Review, the CCSD has also been responding to an MTBE emergency contamination situation near its Santa Rosa Creek wells, which has placed severe stress on its ability to meet Cambria's water needs. The District is currently unable to pump from its Santa Rosa wells due to the proximity of the MTBE plume. Although the CSD has drilled an emergency supply well further upstream, this well is not yet ready for use, and in any event will only provide an emergency water supply. The unavailability of the Santa Rosa Creek wells puts additional stress on San Simeon Creek. The Baseline Water Supply study concludes that without Santa Rosa Creek, the CSD's current water supplies are inadequate to meet current demands.¹⁵

Sixth, although visitor-serving uses are a priority use under the LCP, the potential for increases in visitor-serving water use through existing connections adds still more uncertainty to the conclusions about available supply. Current water demand in Cambria peaks in the summer months, due to both increased visitors in the commercial sector (restaurants and overnight accommodations), and increased residential landscape irrigation. It is unclear as to how future increases in visitors to Cambria may lead to actual increases in water pumpage from San Simeon and Santa Rosa Creeks, notwithstanding that no new connections may be added. This point has been made by many concerned about the State Park's effort to increase off-season visitation to Hearst Castle, which would no doubt place added demands on Cambria's infrastructure. In addition, many of Cambria's existing residences are not occupied by full-time residents but rather, serve as vacation rentals to weekend or summer visitors. There is some indication, though, that there is a trend away from vacation rentals, as more Cambria homeowners take up full-time residence. This, too, will mean an increase in actual water withdrawals without any real increase in water connections.¹⁶

Finally, it should be noted that the United Lot Owners of Cambria have submitted to the Commission an independent analysis of existing water information from Navigant that concludes that water supply in Cambria "can be managed to support an approximate 10 percent increase in use."¹⁷ Although every detailed comment of the Navigant review cannot be analyzed here, a few observations are needed. First, even if the Navigant study is correct in its 10 percent estimated buffer, there are currently 3891 connections and 800 outstanding commitments (150 will-serve letters and 650 on the waiting list). Thus, an increase of over 20% in supply would be needed to serve outstanding commitments, as required by Public Works Policy 1.

Second, the overall conclusion of this independent analysis relies heavily on a recently published U.S. Geological Survey analysis of Santa Rosa and San Simeon Creek groundwater basins.¹⁸ The USGS report presents a simulated water budget for the two creeks for the period April 1988 through March 1989. This budget shows that the net water flow into each basin is negative (-50 acre feet for Santa Rosa and -10 for San Simeon), meaning that more water is flowing out of the basin through withdrawals and creek seepage than is flowing back into the basin through rainfall, seepage, irrigation return-flows, etc. The USGS study is careful to point out that the water budget is simulated for a "dry year", and has a certain margin of error, and thus should not be interpreted as necessarily showing a long-term deficit or imbalance in the groundwater basins.

¹⁴ *North Coast Area Plan Update Findings*, p. 47.

¹⁵ *Baseline Water Supply Analysis*, p. 3-4.

¹⁶ The County's recent LCP amendment submittal states that there is no reliable survey data as to the exact number of vacation rentals in Cambria, although some data has been presented from the industry suggest at least 150 rentals producing 5000 days per year or approximately 33 days a year per unit.

¹⁷ See Correspondence from Navigant, 11/28/00, Exhibit x, p. x.

¹⁸ *Hydrogeology, Water Quality, Water Budgets, and Simulated Responses to Hydrologic Changes in Santa Rosa and San Simeon Creek Ground-Water Basins, San Luis Obispo County, California*, U.S.G.S., Report 98-4061 (1998).

The Navigant review analyzes the USGS water budget analysis, but it does so by aggregating the data for the two creeks, and by substituting a 760 acre-foot municipal pumpage number for the 800 acre-foot number of actual pumpage in 1988. In aggregate, this analysis shows a total deficit of only 10 acre-feet. Factoring in error, the Navigant study asserts that "from a groundwater management standpoint, an increase in municipal pumpage of approximately ten percent is considered reasonable, and should have a minimal impact on the local hydrologic system." The USGS model, though, actually shows a deficit of 50 acre-feet for Santa Rosa Creek and 10 acre-feet for San Simeon Creek (60 acre-feet if aggregated). Moreover, the USGS model was simulated for a year when the CSD was withdrawing water from both creeks (250 afy from Santa Rosa and 550 afy from San Simeon). In more recent years, the CSD has been pumping mostly from San Simeon Creek, with recent production exceeding 700 afy from San Simeon Creek alone. Although this could be better for Santa Rosa Creek, it raises significant uncertainty for San Simeon Creek, particularly concerning the protection of in-stream habitats. In addition, the CSD again reached 800 afy of pumping in 2000. As discussed, although significant gains in efficiency of use have been made since 1988, aggregate water use has continued to rise with the steady increase in new connections.

The Navigant review cites other findings of the USGS report to support a more optimistic view of Cambria's water supply, including analyses that show the likelihood of consecutive "extremely dry years" to be very low (e.g. one every 430 years in San Simeon Creek basin). These citations, though, are selective and indeed, do not address the various factors discussed above that create additional uncertainty about the available supply. In particular, groundwater basin damage from excessive withdrawals can occur, as they did in 1976, in dry years that do not meet the USGS study definition of an extremely dry year (2 or more consecutive years with incomplete basing recharge).¹⁹ Nor do they directly address the Coastal Act policy requirements of protecting groundwater basins and sensitive habitats. Moreover, the USGS report itself draws overall conclusions that at best are neutral with respect to available supply and at worst, support the finding that there is inadequate water to support new development. These conclusions include the following:

- The most significant long-term trend in water levels has been a gradual increase in the amount of dry-season water-level decline in the San Simeon Basin. This change is the result of increases in municipal and agricultural pumping during the dry season (p. 98). [As shown in the Baseline Water Supply Analysis, since 1988 (the last data year of the USGS study), dry-season water levels in San Simeon Creek have continued to be drawn down to near sea-level. At these levels, damage to the groundwater basin and seawater intrusion become an issue, to say nothing of threats to instream habitats.]
- Municipal pumpage affects water levels throughout the San Simeon Basin (100).
- Simulations indicated that at 1988 agricultural and municipal pumping rates, water levels decline almost to the threshold at which some subsidence could occur in the Santa Rosa Basin even during dry seasons with a recurrence interval of only 5 years (101).
- Incomplete basin recharge was estimated at every 18 years for Santa Rosa and every 25 years for San Simeon. In light of the "considerable uncertainty" with these estimates, though, these recurrence levels are short enough to warrant consideration during water-supply planning (101).
- Simulated effects of a winter without streamflows showed wells in both basins going dry, subsidence in Santa Rosa, and seawater intrusion in San Simeon Creek basin (101).

Overall, the weight of the evidence, including analysis of water use trends and available information about safe-yields of the two creeks, still supports a finding that there is currently insufficient water supply to support new development served by the Cambria CSD, particularly given the uncertainty in weather patterns and critical

¹⁹ *Id.*, p. 86: "Land subsidence and ground deformation occurred in Cambria in the summer of 1976 and could occur again if the minimum dry-season water is close to or less than the record low level reached that year."

